

HASBROUCK HEIGHTS SCHOOL DISTRICT



Where Tradition and Innovation Take Flight

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

*Annual Comprehensive Financial Report
For the Year Ended
June 30, 2022*

**HASBROUCK HEIGHTS SCHOOL DISTRICT
TABLE OF CONTENTS**

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	8
Required Supplementary Information - Part I	
Management's Discussion and Analysis.....	12
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	25
B-3 Reconciliation of the Governmental Funds to the Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-Wide Statements	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows.....	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	NA
B-8 Statement of Changes in Fiduciary Net Position	NA
Notes to the Financial Statements	30
Required Supplementary Information - Part II	
Pension Schedules	
Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System (PERS) and Notes to Required Supplementary Information	67

**HASBROUCK HEIGHTS SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

	Page
Required Supplementary Information - Part II	
Pension Schedules (continued)	
Schedule of District Contributions – Public Employees’ Retirement System (PERS) ..	68
Schedule of the State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF) and Notes to Required Supplementary Information	69
OPEB Schedules	
Schedule of State’s Proportionate Share of the OPEB Liability Associated with the District – State Health Benefit Local Education Retired Employees Plan	70
Required Supplementary Information – Part III	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – Budgetary Basis – General Fund	71
C-2 Budgetary Comparison Schedule – Budgetary Basis – Special Revenue Fund	77
C-3 Note to Required Supplementary Information – Budget-to-GAAP Reconciliation	78
Supplementary Information	
D. School Level Schedules	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	79
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	82
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis.....	83
G. Proprietary Funds:	
Enterprise Fund:	N/A
Internal Service Fund:	N/A
H. Fiduciary Funds	N/A

**HASBROUCK HEIGHTS SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

	Page
I. Long-Term Debt:	
I-1 Statement of Serial Bonds and Loans Payable	84
I-2 Schedule of Financed Purchases Payable	85
I-3 Budgetary Comparison Schedule – Debt Service Fund	86
 Statistical Section	
Financial Trends	
J-1 Net Position by Component	87
J-2 Changes in Net Position.....	88
J-3 Fund Balances - Governmental Funds	90
J-4 Changes in Fund Balances – Governmental Funds	91
J-5 General Fund – Other Local Revenue by Source	93
 Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property.....	94
J-7 Direct and Overlapping Property Tax Rates	95
J-8 Principal Property Taxpayers	96
J-9 Property Tax Levies and Collections.....	97
 Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	98
J-11 Ratios of Net General Bonded Debt Outstanding	99
J-12 Direct and Overlapping Governmental Activities Debt	100
J-13 Legal Debt Margin Information	101
 Demographic and Economic Information	
J-14 Demographic and Economic Statistics.....	102
J-15 Principal Employers.....	103
 Operating Information	
J-16 Full time Equivalent District Employees by Function/Program	104
J-17 Operating Statistics	105
J-18 School Building Information	106
J-19 Schedule of Required Maintenance Expenditures for School Facilities	107
J-20 Insurance Schedule	108

**HASBROUCK HEIGHTS SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

Page

STATISTICAL SECTION (Unaudited)

Single Audit Section

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	109
K-2	Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	111
K-3	Schedule of Expenditures of Federal Awards, Schedule A – Supplementary Information	114
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B – Supplementary Information.....	115
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	116
K-6	Schedule of Findings and Questioned Costs.....	118
K-7	Summary Schedule of Prior Year Audit Findings	121

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

Hasbrouck Heights School District

Hasbrouck Heights, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Prepared by
Business Office

Introductory Section

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

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

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

March 17, 2023

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

Dear Board Members:

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

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

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

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

State Department of Education. The District is served by 146.0 (FTE) teachers and 11 (FTE) administrators. Approximately 79% of the faculty has earned masters degrees.

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

The District's Spring 2021 results for Language Arts Literacy (LAL) and Mathematics are as follows:

Language Arts Literacy (LAL)

Grade	Total Tested in District	% Not Meeting Expectations (Level 1)	% Partially Meeting Expectations (Level 2)	% Approaching Expectations (Level 3)	% Meeting Expectations (Level 4)	% Exceeding Expectations (Level 5)
		District	District	District	District	District
3	134	6%	8%	23%	51%	11%
4	118	4%	9%	19%	47%	20%
5	124	2%	7%	19%	45%	26%
6	136	7%	11%	31%	48%	4%
7	131	5%	6%	18%	36%	36%
8	149	9%	9%	28%	40%	14%
9	120	8%	9%	28%	45%	10%

Mathematics

Grade	Total Tested in District	Not Meeting Expectations (Level 1)	Partially Meeting Expectations (Level 2)	Approaching Expectations (Level 3)	Meeting Expectations (Level 4)	Exceeding Expectations (Level 5)
		District	District	District	District	District
3	134	3%	12%	25%	45%	16%
4	120	7%	18%	25%	43%	8%
5	124	6%	15%	31%	37%	11%
6	137	7%	23%	42%	26%	1%
7	132	5%	12%	29%	45%	9%
8	95	18%	29%	24%	26%	2%
Algebra I	137	3%	12%	15%	63%	7%
Geometry	37	0%	3%	19%	68%	11%

The District completed the 2021-2022 fiscal year with an average daily enrollment of 1,705 students, which is a decrease of 5 students compared to the previous year's average daily enrollment.

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

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2022	1,705	(0.29)%
2021	1,710	(2.39)%
2020	1,752	(1.58)%
2019	1,780	(1.09)%
2018	1,800	(2.73)%

3) ECONOMIC CONDITION AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2021-2022 school year. The District's administration continues to closely monitor the cost of operations and continues to look for innovative ways to cut costs in addition to finding new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

4) MAJOR INITIATIVES: Specific initiatives for the 2021-2022 school year include the following accomplishments:

- Enhanced our collaborative special education classes throughout the district
- Enhanced an active, inclusive and multifaceted learning experience that maximizes students potential and empowers individual achievement
- Identified and remediated struggling students through individual, small group or whole class instruction
- Reviewed and revised a district strategic plan
- Aligned all curricula and instruction to the 2020 NJSLs for grades K-12

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

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

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

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

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

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

8) DEBT ADMINISTRATION: At June 30, 2022, the District had \$5,755,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

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

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

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

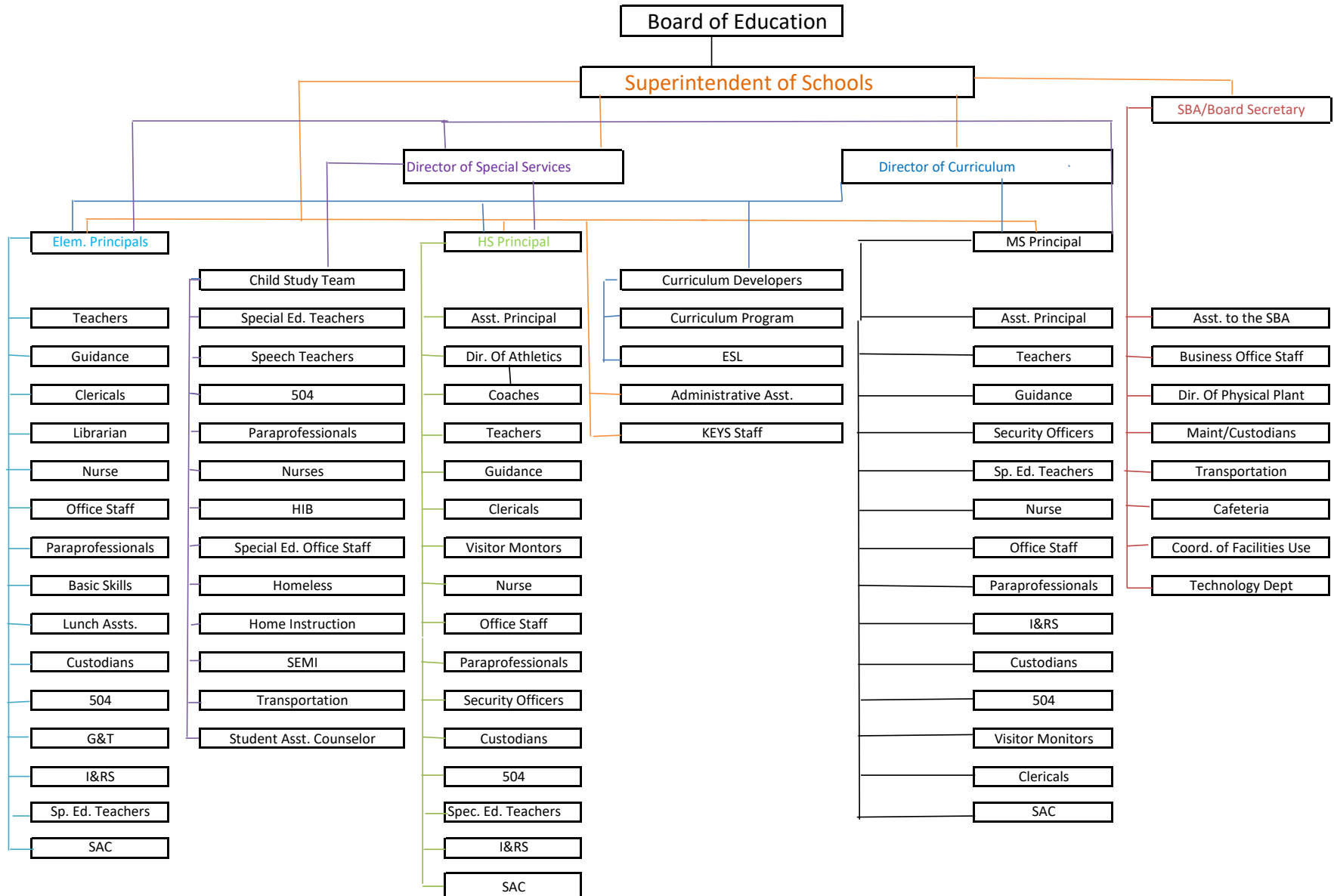
12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Hasbrouck Heights School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and, thereby, contributing their full support to the development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

Respectfully submitted,


Matthew Helfant
Superintendent of Schools


Dina Messery
Business Admin/Board Secretary

ORGANIZATIONAL CHART
 Hasbrouck Heights Public Schools



Revised: February 28, 2019

HASBROUCK HEIGHTS BOARD OF EDUCATION
HASBROUCK HEIGHTS, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2022

Members of the Board of Education

**Term
Expires**

Jillian Ferdinand -President	2023
Lori Cintron – Vice President	2022
Patricia Caruso	2022
Christopher DeLorenzo	2024
Robert Faussette	2022
Lisa Krommenhoek	2023
Kevin Mullins	2023
Nicole Russo	2024
Lauren Terranova	2024

Other Officials

Dr. Matthew Helfant – *Superintendent of Schools*

Dina Messery - *Board Secretary/School Business Administrator*

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

CONSULTANTS AND ADVISORS

Architect

El Associates
6 Ridgedale Avenue
Cedar Knolls, New Jersey 07927

Audit Firm

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

Attorney

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

Official Depository

Valley National Bank
1445 Valley Road
Wayne, New Jersey 07470

Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Hasbrouck Heights School District, County of Bergen, New Jersey (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards and requirements 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 District 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 misstatement, 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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Page 2

the District'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.

Auditors' Responsibilities for the Audit of the 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 auditors' 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* 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 GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment 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 District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

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

Page 3

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 GAAS, 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 District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and 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 Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the

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

Page 4

basic financial statements and our auditors' 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 basic 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 March 17, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey

March 17, 2023

David J. Gannon

David Gannon, CPA

Licensed Public School Accountant, No. 2305

Required Supplementary Information – Part I

Management's Discussion and Analysis

Hasbrouck Heights Public School District
Management's Discussion and Analysis
Year ended June 30, 2022

As management of the Hasbrouck Heights Public School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is presented in the MD&A.

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 22 - 23 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 24 – 26 of this report.

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

The basic proprietary fund financial statements can be found on pages 27 - 29 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30 - 66 of this report.

Other information. The combining statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 71 - 86 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2022 and 2021:

Hasbrouck Heights Board of Education Hasbrouck Heights New Jersey Net Position						
	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets						
Current and other assets	\$ 8,189,799	\$ 737,490	\$ 8,927,289	\$ 9,084,230	\$ 643,123	\$ 9,727,353
Capital assets, net	13,968,871		13,968,871	14,036,830		14,036,830
Total assets	22,158,670	737,490	22,896,160	23,121,060	643,123	23,764,183
Deferred outflows of resources	861,983		861,983	1,053,115		1,053,115
Liabilities:						
Current liabilities	2,642,708	117,059	2,759,767	8,595,920	92,952	8,688,872
Net pension liabilities	3,742,151		3,742,151	4,940,441		4,940,441
Long-term liabilities outstanding	6,573,794		6,573,794	3,942,608		3,942,608
Total Liabilities	12,958,653	117,059	13,075,712	17,478,969	92,952	17,571,921
Deferred inflow of resources	2,397,099		2,397,099	2,193,053		2,193,053
Net position:						
Net investments in capital assets	7,605,803		7,605,803	7,826,556		7,826,556
Restricted	5,642,979		5,642,979	4,272,277		4,272,277
Unrestricted (deficit)	(5,583,881)	620,431	(4,963,450)	(7,596,680)	550,171	(7,046,509)
Total net position	\$ 7,664,901	\$ 620,431	\$ 8,285,332	\$ 4,502,153	\$ 550,171	\$ 5,052,324

Governmental Activities

The decrease in current and other assets from the prior year was primarily attributable to an approximately \$1,740,000 overall decrease in cash and cash equivalents offset with an increase of approximately \$934,000 increase in tax levy receivable.

Capital assets decreased approximately \$68,000 in the current year, this decrease was from capital asset additions of \$843,752, offset by the current year depreciation expense of \$911,711.

Significant changes to deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB 68 net pension liability calculation performed in the schedule of employer allocations and schedule of pension amounts by employer. The changes in 2022 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2020 and rolled forward to 2021. The net pension liability associated with the District's governmental activities at June 30, 2022 amounted to \$3,742,151, which was a decrease of approximately \$1,198,000 and resulted from changes in the net pension calculation. Long-term liabilities increased by approximately \$2,819,000, caused primarily a school bond issuance of \$3,895,000.

The largest portion of the District's net position is its net investment in capital assets, \$7,605,803 (e.g., land, construction-in-progress, buildings and improvements, and furniture and equipment), less accumulated depreciation and any related debt (general obligation bonds payable and financed purchases payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted portion of the net position in the amount of \$5,642,979 is comprised of funds restricted for Maintenance Reserve in the amount of \$974,202, amounts restricted for Capital Reserve in the amount of \$3,386,903, amounts related to capital projects in the amount of \$1,097,352 and for other purposes in the amount of \$184,522.

The remaining deficit balance, (\$5,583,881) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability.

Business-Type Activities

There was an increase from the prior year of \$70,260 in net position reported in connection with the District's business-type activities, which was primarily driven by an increase in operating income of the KEYS program. The KEYS program activities were scaled back in fiscal year 2021 due to the COVID-19 pandemic and resumed operations in fiscal year 2022, thus increasing the revenues generated from this program. The District continued not to charge for food service lunches in the current year due to the COVID-19 pandemic resulting in a decrease in the operating income.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2022 and 2021 are as follows:

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

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 375,077	\$ 375,077	\$ -	\$ 102,629	\$ 102,629
Operating and capital grants and contributions	1,484,122	718,546	2,202,668	1,100,413	146,550	1,246,963
General revenues:						
Property taxes	32,159,979		32,159,979	31,465,821		31,465,821
Federal and state aid not restricted to specific purposes	10,164,334		10,164,334	13,620,588		13,620,588
Investment earnings	9,897		9,897	3,594		3,594
Miscellaneous	265,934		265,934	230,841		230,841
Total revenues	44,084,266	1,093,623	45,177,889	46,421,257	249,179	46,670,436
Expenses:						
Instructional services	(23,348,497)		(23,348,497)	(25,385,856)		(25,385,856)
Support services	(17,578,596)	(1,023,363)	(18,601,959)	(18,984,438)	(293,309)	(19,277,747)
Interest on long-term liabilities	5,575		5,575	(34,114)		(34,114)
Total expenses	(40,921,518)	(1,023,363)	(41,944,881)	(44,404,408)	(293,309)	(44,697,717)
Change in net position	3,162,748	70,260	3,233,008	2,016,849	(44,130)	1,972,719
Net position - beginning	4,502,153	550,171	5,052,324	2,485,304	594,301	3,079,605
Net position - ending	\$ 7,664,901	\$ 620,431	\$ 8,285,332	\$ 4,502,153	\$ 550,171	\$ 5,052,324

Governmental Activities

Operating and capital grants and contributions increased approximately \$854,000 due to an increase in Regular Instruction related grants as well as increases in federal and state reimbursements towards the food service program.

Property tax revenue increased, however, the 2021-2022 levy is below the state-mandated 2 percent cap. The total general fund tax levy in 2022 was \$31,491,917. That is an increase of \$617,489 over the 2021 general fund tax levy of \$30,874,428.

The total decrease from 2020/21 to 2021/22 in state and federal aid was \$3,597,395. This significant decrease was primarily driven by a decrease in total on-behalf retirement medical and pension amounts recognized in state source revenue and instructional expenditures above, along with decreases to changes in assumptions and other variables including mortality rates and discount rates in the actuarial GASB 68 and 75 calculations.

Business-Type Activities

- Charges for services increased by \$272,448 from 2021, or 265%. This sharp increase was a direct result of the District switching from remote learning in fiscal year 2021 due to the COVID-19 Global Pandemic back to in-classroom learning in fiscal year 2022.
- Reimbursements from the federal and state government for meals served in the food service fund increased by \$571,996 to \$718,546 based on the federal government allowing school districts to provide free lunches to all students.
- Expenses increased by approximately \$730,054 compared to the 2021 fiscal year, for the same reason as mentioned above. The Keys and Food Service programs resumed full operations and incurred costs of approximately \$292,000 and \$731,100 respectively.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned and unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2022, and the increases in relation to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$32,676,454	72.59%	\$976,198	3.08%
State Sources	11,479,841	25.50%	1,789,243	18.46%
Federal Sources	860,318	1.91%	(10,580)	-1.21%
Total	<u>\$45,016,613</u>	<u>100.00%</u>	<u>\$ 2,754,861</u>	<u>6.52%</u>

The increase in local sources is mainly attributable to the tax levy increase of approximately \$617,500. As mentioned previously, the District's overall increase in the tax levy is within the 2% levy cap as promulgated by the State Legislature.

The increase in state sources is largely a result of the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF Pension, Medical and Long-term Disability Insurance contributions by approximately \$1,704,000.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022 and the increases and (decreases) related to the prior year:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$15,775,513	35.82%	\$1,228,172	8.44%
Undistributed expenditures	26,479,714	60.12%	1,362,912	5.43%
Capital outlay	597,828	1.36%	262,588	78.33%
Assets Acquired under Finance Purchases	299,085	0.68%	(179,846)	-37.55%
Debt service:				
Principal	785,000	1.78%	25,000	3.29%
Interest	108,766	0.24%	17,116	18.68%
Total	\$44,045,906	100.00%	\$2,715,942	6.57%

Instruction expenses increased compared to the prior year. The increase was attributable to an increase in Regular Instruction and Special Education costs. Undistributed expenditures increased by \$1,362,912 from the 2021 fiscal year, largely driven by the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF Pension, Medical and Long-term Disability Insurance contributions and increases in student and instruction related services. The District continued the field project improvements as well as began a cafeteria improvement project which attributed to a majority of the increase in the capital outlay of approximately \$364,000. The District continued its debt service payments on its outstanding debt obligations. The overall increase in expenditures reflects the District's continuing efforts to offer exceptional opportunities to its students while also controlling the growth in its budget.

General Fund

The fund balance increased by \$1,261,433 during the 2022 fiscal year primarily the result of unspent budget appropriations. As of June 30, 2022, the District has an unassigned fund balance of \$358,415 and no excess surplus was generated in the current year. The district assigned \$200,000 for use in subsequent years' expenditures. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$3,386,903 for future capital improvements, as well as, a maintenance reserve restricted fund balance in the amount of \$974,202 for future maintenance projects. \$690,318 is recorded in encumbrances and assigned for other purposes.

Special Revenue Fund

Expenditures incurred in the Special Revenue Fund increased by approximately \$159,000 as a result of continuing to receive and spend COVID-19 grants. Additionally, student activities and scholarship expenses are reflected in the special revenue fund.

Capital Projects Fund

As of June 30, 2022, the District's Capital Project's Fund Balance was \$1,614,305 which is restricted for ongoing projects.

Debt Service Fund

As of June 30, 2022, the District's Debt Service Fund Balance was \$-0-. This is a decrease from the prior year of \$(564). The decrease was generated by budgeting to utilize the fund balance to pay towards the District's debt service in fiscal year 2022.

Capital Asset and Debt Administration

Capital Assets. The District has capital assets, net of accumulated depreciation, including land, construction in progress, buildings, facilities, equipment and vehicles noted as follows at June 30, 2022 and 2021:

	Governmental Activities	
	2022	2021
Land	\$3,058,776	\$3,058,776
Construction in process	816,426	348,469
Buildings and building improvements	16,499,272	16,478,032
Machinery, equipment and vehicles	3,504,740	3,150,184
Total capital assets, net	\$23,879,214	\$23,035,461
Accumulated depreciation	(9,910,343)	(8,998,631)
Total capital assets, net	<u>\$ 13,968,871</u>	<u>\$ 14,036,830</u>

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

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2022 and 2021:

	2022	2021
Bonds payable	\$5,755,000	\$2,645,000
Finance Purchases Payable	1,064,779	1,271,843
Premium on Bonds	60,242	90,636
Compensated absences	1,134,918	1,188,100
Total long-term liabilities	<u>\$8,014,939</u>	<u>\$5,195,579</u>

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

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget other than transfers between appropriation accounts.

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

- Decrease of approximately \$400,300 in tuition costs due to less students being set out of district than was originally anticipated during the budget process.
- Increase of approximately \$450,000 to the cleaning, repair and maintenance services line resulting from the impact of COVID-19, which required a significant amount of expenditures relating to cleaning duties beyond the normal scope of preparing areas for day to day activities.
- Decrease of approximately \$520,000 to the health benefits line resulting from the school district obtaining a more advantageous cost savings plan while keeping the benefits essentially the same from the prior year.
- Increase of approximately \$443,000 to the equipment line as a result of the District purchasing instructional, maintenance and technology equipment.

Economic Factors and Next Year's Budget

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

During the 2021-2022 school year the District's general state aid increased from the 2020-2021 funding levels. In 2021-2022 the District's state aid increased by approximately \$207,000 due to changes in the State's funding formula. The State is providing the District with an increase in state aid of \$414,000 for the 2022-2023 fiscal year.

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

All of these factors were considered in preparing the District's budget for the 2022-2023 fiscal year.

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2022.

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 4,037,232	\$ 673,237	\$ 4,710,469
Accounts receivable	3,291,490	55,473	3,346,963
Inventory		8,780	8,780
Restricted assets:			
Cash held with trustee	861,077		861,077
Capital assets, non-depreciable	3,875,202		3,875,202
Capital assets, depreciable, net	10,093,669		10,093,669
Total assets	<u>22,158,670</u>	<u>737,490</u>	<u>22,896,160</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bonds	25,080		25,080
Pension deferrals	836,903		836,903
Total deferred outflows of resources	<u>861,983</u>		<u>861,983</u>
LIABILITIES			
Accounts payable	903,377	1,657	905,034
Accrued interest payable	33,872		33,872
Payable to state government	70,015		70,015
Payroll deductions and withholdings payable	142,467		142,467
Unearned revenue	51,832	115,402	167,234
Net pension liability	3,742,151		3,742,151
Noncurrent liabilities:			
Due within one year	1,441,145		1,441,145
Due beyond one year	6,573,794		6,573,794
Total liabilities	<u>12,958,653</u>	<u>117,059</u>	<u>13,075,712</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	2,397,099		2,397,099
NET POSITION			
Net Investment in capital assets	7,605,803		7,605,803
Restricted for:			
Capital projects	1,097,352		1,097,352
Other	184,522		184,522
Capital reserve	3,386,903		3,386,903
Maintenance reserve	974,202		974,202
Unrestricted (deficit)	(5,583,881)	620,431	(4,963,450)
Total net position	<u>\$ 7,664,901</u>	<u>\$ 620,431</u>	<u>\$ 8,285,332</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 16,453,529		\$ 857,483		\$ (15,596,046)		\$ (15,596,046)
Special education	5,184,657				(5,184,657)		(5,184,657)
Other special instruction	1,710,311				(1,710,311)		(1,710,311)
Support Services:							
Tuition	3,262,822		338,111		(2,924,711)		(2,924,711)
Student and instruction related services	6,138,623		186,732		(5,951,891)		(5,951,891)
General administrative services	790,360				(790,360)		(790,360)
School administrative services	1,929,635				(1,929,635)		(1,929,635)
Other administrative services	234,168				(234,168)		(234,168)
Central services	639,589				(639,589)		(639,589)
Plant operations and maintenance	3,437,021			\$ 101,796	(3,335,225)		(3,335,225)
Pupil transportation	1,072,204				(1,072,204)		(1,072,204)
Interest and other charges on long term obligations	68,599				(68,599)		(68,599)
Total Governmental Activities	40,921,518		1,382,326	101,796	(39,437,396)		(39,437,396)
Business-Type Activities							
Food service	731,098	\$ 6,465	718,546			\$ (6,087)	(6,087)
Keys and other programs	292,265	368,612				76,347	76,347
Total Business-Type Activities	1,023,363	375,077	718,546			70,260	70,260
Total Primary Government	\$ 41,944,881	\$ 375,077	\$ 2,100,872	\$ 101,796	(39,437,396)	70,260	(39,367,136)
General revenues:							
Property taxes, levied for general purposes					31,491,917		31,491,917
Property taxes, levied for debt service					668,062		668,062
State and federal sources - unrestricted					10,164,334		10,164,334
Tuition					9,164		9,164
Interest Earned					9,897		9,897
Miscellaneous Income					256,770		256,770
Total General Revenues					42,600,144	-	42,600,144
Change in net position					3,162,748	70,260	3,233,008
Net Position, beginning of year					4,502,153	550,171	5,052,324
Net Position, end of year					\$ 7,664,901	\$ 620,431	\$ 8,285,332

Fund Financial Statements

Governmental Funds

HASBROUCK HEIGHTS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 3,097,189	\$ 184,522	\$ 755,521	\$ -	\$ 4,037,232
Restricted cash and cash equivalents			861,077		861,077
Receivable Tax Levy	2,603,855				2,603,855
Receivable from State Government	353,401	9,472	69,208		432,081
Receivable from Federal Government		255,554			255,554
Interfund receivable	100,489				100,489
Total Assets	<u>\$ 6,154,934</u>	<u>\$ 449,548</u>	<u>\$ 1,685,806</u>	<u>\$ -</u>	<u>\$ 8,290,288</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 402,629	\$ 44,983	\$ 69,208	\$ -	\$ 516,820
Interfund payable		98,196	2,293		100,489
Payable to State government		70,015			70,015
Payroll deductions and withholdings payable	142,467				142,467
Unearned revenue		51,832			51,832
Total Liabilities	<u>545,096</u>	<u>265,026</u>	<u>71,501</u>	<u>-</u>	<u>881,623</u>
Fund Balances:					
Restricted for:					
Capital reserve	3,386,903				3,386,903
Maintenance reserve	974,202				974,202
Capital projects			1,614,305		1,614,305
Student Activities		124,023			124,023
Scholarships		60,499			60,499
Assigned:					
Other purposes	690,318				690,318
Subsequent Year's Expenditures	200,000				200,000
Unassigned:					
General fund	358,415				358,415
Total Fund Balances	<u>5,609,838</u>	<u>184,522</u>	<u>1,614,305</u>	<u>-</u>	<u>7,408,665</u>
Total Liabilities and Fund Balances	<u>\$ 6,154,934</u>	<u>\$ 449,548</u>	<u>\$ 1,685,806</u>	<u>\$ -</u>	<u>\$ 8,290,288</u>

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

Total fund balances - Governmental Funds \$ 7,408,665

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,879,214 and the accumulated depreciation is \$9,910,343. 13,968,871

Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability decreases that fund balance. (33,872)

Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability (3,742,151)
Accounts payable - pension related (386,557)

Deferred outflows and inflows or resources related to pension are applicable to future periods and therefore are not reported in the funds.

Deferred outflows of resources related to pensions 836,903
Deferred inflows of resources related to pensions (2,397,099)

Deferred amounts on refunding 25,080

Long-term liabilities, including financed purchases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (8,014,939)

Net position of governmental activities \$ 7,664,901

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 31,491,917			\$ 668,062	\$ 32,159,979
Tuition Charges	9,164				9,164
Interest	7,604		\$ 2,293		9,897
Miscellaneous	256,770	\$ 242,937			499,707
Total - Local Sources	31,765,455	242,937	2,293	668,062	32,678,747
State Sources - On-behalf Payments	6,637,609				6,637,609
State Sources - Direct Aid	4,336,435	318,609	101,796	187,188	4,944,028
Federal Sources	28,322	831,996			860,318
Total Revenues	42,767,821	1,393,542	104,089	855,250	45,120,702
EXPENDITURES					
Current					
Instruction					
Regular Instruction	10,468,105	796,982			11,265,087
Special Education Instruction	3,331,770				3,331,770
Other Special Instruction	1,178,656				1,178,656
Total Instruction	14,978,531	796,982			15,775,513
Support Services and Undistributed Costs					
Tuition	2,828,032	338,111			3,166,143
Student and Instruction Related Services	4,127,681	186,732			4,314,413
General Administrative Services	612,101				612,101
School Administrative Services	1,249,479				1,249,479
Central Services	489,230				489,230
Other Administrative Services	173,258				173,258
Plant Operations and Maintenance	3,056,203				3,056,203
Pupil Transportation	1,021,169				1,021,169
Unallocated Benefits	4,571,412	60,501			4,631,913
On-behalf Payments	7,765,805				7,765,805
Debt Service					
Principal				785,000	785,000
Interest and Other Charges				108,766	108,766
Assets Acquired under Financed Purchases	299,085				299,085
Capital Outlay	597,828		101,796		699,624
Total Expenditures	41,769,814	1,382,326	101,796	893,766	44,147,702
Excess (Deficiency) of Revenues Over (Under) Expenditures	998,007	11,216	2,293	(38,516)	973,000
Other Financing Sources (Uses):					
Transfers - Net	(35,659)		(2,293)	37,952	-
Bond Sale Proceeds			3,895,000		3,895,000
Financed Purchases Payable (non-budgeted)	299,085				299,085
Total other financing sources and uses	263,426	-	3,892,707	37,952	4,194,085
Net Change in Fund Balances	1,261,433	11,216	3,895,000	(564)	5,167,085
Fund Balances, Beginning of Year	4,348,405	173,306	(2,280,695)	564	2,241,580
Fund Balances, End of Year	\$ 5,609,838	\$ 184,522	\$ 1,614,305	\$ -	\$ 7,408,665

HASBROUCK HEIGHTS SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (B-2)	\$ 5,167,085	
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Capital Outlays	\$ 375,795	
Construction in progress	467,957	
Depreciation Expense	<u>(911,711)</u>	(67,959)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		785,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
	School Bonds Issuance (3,895,000)	
	Financed Purchase Payables Issued <u>(299,085)</u>	(4,194,085)
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		
Amortization of bond premium	30,394	
Amortization of loss on refunding	<u>(12,540)</u>	17,854
Repayment of Financed Purchases Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities:		
Financed Purchase Payables Retirements		506,149
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.		
		96,487
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		
	Pension benefit	799,035
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations), are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of the financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		53,182
Change in net position of governmental activities (A-2)		<u>\$ 3,162,748</u>

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

Proprietary Fund

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

B-4

	Business-Type Activities - Major Enterprise Funds			Total Enterprise
	Keys Program	Other Programs	Food Service	
ASSETS				
Current Assets				
Cash and equivalents	\$ 442,936	\$ 109,232	\$ 121,069	\$ 673,237
Federal and State accounts receivable			55,473	55,473
Inventories			8,780	8,780
Total Current Assets	<u>442,936</u>	<u>109,232</u>	<u>185,322</u>	<u>737,490</u>
LIABILITIES				
Current Liabilities				
Accounts payable	1,657			1,657
Unearned revenue	<u>78,383</u>		<u>37,019</u>	<u>115,402</u>
Total Current Liabilities	<u>80,040</u>		<u>37,019</u>	<u>117,059</u>
NET POSITION				
Unrestricted	<u>362,896</u>	<u>109,232</u>	<u>148,303</u>	<u>620,431</u>
Total Net Position	<u>\$ 442,936</u>	<u>\$ 109,232</u>	<u>\$ 185,322</u>	<u>\$ 737,490</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

B-5

	Business-Type Activities - Major Enterprise Funds			Total Enterprise
	Keys Program	Other Programs	Food Service	
Operating Revenues:				
Charges for services:				
Daily sales - program revenue			\$ 6,465	\$ 6,465
Program revenue	\$ 361,972	\$ 6,640		368,612
Total Operating Revenues	<u>361,972</u>	<u>6,640</u>	<u>6,465</u>	<u>375,077</u>
Operating Expenses:				
Salaries and wages	176,153	6,097	326,696	508,946
Employee benefits	13,476	466	37,246	51,188
Other purchased professional services			34,073	34,073
Other purchased services			49,566	49,566
Rent	65,000			65,000
Supplies and materials	31,073			31,073
Cost of Sales Program			189,147	189,147
Cost of Sales Non-Program			94,370	94,370
Total Operating Expenses	<u>285,702</u>	<u>6,563</u>	<u>731,098</u>	<u>1,023,363</u>
Operating Income/(Loss)	<u>76,270</u>	<u>77</u>	<u>(724,633)</u>	<u>(648,286)</u>
Nonoperating Revenues:				
State Sources			16,145	16,145
Federal Sources			674,861	674,861
Federal Food Distribution Program			27,540	27,540
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>718,546</u>	<u>718,546</u>
Change in Net Position	76,270	77	(6,087)	70,260
Net Position, Beginning of Year	<u>286,626</u>	<u>109,155</u>	<u>154,390</u>	<u>550,171</u>
Net Position, End of Year	<u>\$ 362,896</u>	<u>\$ 109,232</u>	<u>\$ 148,303</u>	<u>\$ 620,431</u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

B-6

	Business-Type Activities -			Total
	Major Enterprise Funds			
	Keys	Other	Food	Enterprise
	Program	Programs	Service	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 389,110	\$ 6,640	\$ 16,298	\$ 412,048
Salaries and benefits	(189,629)	(6,563)	(363,942)	(560,134)
Payments to suppliers	(95,998)		(384,476)	(480,474)
	<u>103,483</u>	<u>77</u>	<u>(732,120)</u>	<u>(628,560)</u>
Net Cash Provided by/(Used in) Operating Activities				
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
Federal and State sources			686,651	686,651
			<u>686,651</u>	<u>686,651</u>
Net Cash Provided by Non Capital Financing Activities				
	103,483	77	(45,469)	58,091
Net Increase/(Decrease) in Cash and Cash Equivalents				
Cash and cash equivalents, beginning of year	339,453	109,155	166,538	615,146
Cash and cash equivalents, end of year	<u>\$ 442,936</u>	<u>\$ 109,232</u>	<u>\$ 121,069</u>	<u>\$ 673,237</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used in) Operating Activities:				
Operating Income/(Loss)	\$ 76,270	\$ 77	\$ (724,633)	\$ (648,286)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash provided by/(used in) Operating Activities				
Change in assets and liabilities:				
Increase in Unearned Revenue	27,138		9,833	36,971
Increase/(Decrease) in Accounts Payable	75		(12,939)	(12,864)
(Increase) in Inventory			(4,381)	(4,381)
Net cash (Used in) operating activities	<u>27,213</u>	<u>-</u>	<u>(7,487)</u>	<u>19,726</u>
Net Cash Provided by/(Used In) Operating Activities	<u>\$ 103,483</u>	<u>\$ 77</u>	<u>\$ (732,120)</u>	<u>\$ (628,560)</u>

Noncash noncapital related financing activities:

The District received \$27,540 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2022.

Hasbrouck Heights School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District has reported the following major governmental funds:

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

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

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The District reports the following major proprietary funds:

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

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

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

Amounts reported as program revenues include 1) charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

In accordance with P.L. 2011, which became effective January 17, 2012, the District elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Bergen County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2022 and were not significant.

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

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

E. Interfund Receivables/Payables

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

F. Inventories

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2022, there was \$8,780 of inventory.

G. Capital Assets

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

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,134,918 and no liability existed for compensated absences in the proprietary fund types.

I. Deferred Outflows/Inflows of Resources

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

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

K. Net Position

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

L. Fund Balances

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$5,609,838 of fund balances in the General Fund, \$690,318 of encumbrances is assigned to other purposes, \$200,000 has been assigned and designated for subsequent year's expenditures, \$4,361,105 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$974,202 and \$3,386,903, respectively, and \$358,415 is classified as unassigned. Of the \$184,522 of fund balances in the Special Revenue Fund, \$124,023 is restricted for student activities and \$60,499 is restricted for scholarships. Of the fund balance in the Capital Projects Fund, \$1,614,305 is restricted for capital projects.

M. Management Estimates

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

N. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions and retiree health costs in the government-wide financial statements have been decreased by \$1,036,436 to adjust for the full accrual basis credit incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

O. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2022.

P. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school districts. There have been no tax abatement agreements entered into by the Bough that will affect the District.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Q. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has appropriately implemented this Statement and the impact on the financial statements was deemed not material.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. 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. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 17, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

The details of this \$8,014,939 difference are as follows:

Bonds payable	\$	5,755,000
Premium on bonds		60,242
Financed purchases payable		1,064,779
Compensated absences		<u>1,134,918</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	\$	<u>8,014,939</u>

3. Cash and Equivalents

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Cash and Equivalents (continued)

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

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

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

Deposits

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

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

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Cash and Equivalents (continued)

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

Operating cash accounts are held in the District's name by two institutions. At June 30, 2022 the carrying amount of the District's deposits was \$5,571,546 and the bank balance was \$6,238,035.

Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2022 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$5,474,549. \$263,486 held in the District's payroll and agency accounts are not covered by GUDPA.

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

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,058,776			\$ 3,058,776
Construction in progress	348,469	\$ 467,957		816,426
Total capital assets, not being depreciated	3,407,245	467,957		3,875,202
Capital assets, being depreciated:				
Buildings and building improvements	16,478,032	21,240		16,499,272
Machinery, equipment and vehicles	3,150,185	354,555		3,504,740
Total capital assets being depreciated	19,628,217	375,795	-	20,004,012
Total Capital Assets - Historical Cost	23,035,462	843,752	-	23,879,214
Less accumulated depreciation for:				
Buildings and building improvements equipment, furniture and vehicles	(8,998,632)	(911,711)		(9,910,343)
Capital Assets - Net	<u>\$ 14,036,830</u>	<u>\$ (67,959)</u>	<u>\$ -</u>	<u>\$ 13,968,871</u>

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

Instruction	\$ 481,712
Tuition	96,679
Student and related services	131,742
General administration	18,691
School administration	38,153
Central services	14,939
Administrative information technology	5,291
Plant operation and maintenance	93,322
Student transportation	31,182
Total depreciation expense – governmental activities	<u>\$ 911,711</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,188,100		\$ 53,182	\$ 1,134,918	\$ 44,443
Bonds payable	2,645,000	\$ 3,895,000	785,000	5,755,000	940,000
Premium on bonds	90,636		30,394	60,242	30,394
Financed Purchases Payable	1,271,843	299,085	506,149	1,064,779	426,308
Subtotal	5,195,579	4,194,085	1,374,725	8,014,939	1,441,145
Net pension liability	4,940,441		1,198,290	3,742,151	
Governmental activity long-term liabilities	\$ 10,136,020	\$ 4,194,085	\$ 2,573,015	\$ 11,757,090	\$ 1,441,145

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

Bonds Payable

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

In July 2014, the District issued \$1,740,000 of School District Bonds in order to fund the Board's 2010 renovation of various schools within the school district. The bonds are due to mature annually through the 2025 fiscal year in principal installments ranging from \$190,000 to \$200,000 at annual interest rates ranging from 2.00% to 2.50%.

In July 2015, the District issued \$4,745,000 of refunding bonds to provide resources to refund a portion of the District's Series 2005 bonds. The bonds are due to mature annually through the 2024 fiscal year in principal installments ranging from \$625,000 to \$650,000 at an annual interest rate of 3.00%.

In July 2021, the District issued \$3,895,000 of School District Bonds in order to fund capital project expenditures for the improvement of school facilities. The bonds are due to mature annually through the 2039 fiscal year in principal installments ranging from \$125,000 to \$250,000 at annual interest rates ranging from 0.50% to 2.00%.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

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

	Principal		Interest		Total
Year ending June 30:					
2023	\$ 940,000	\$	107,432	\$	1,047,432
2024	970,000		86,245		1,056,245
2025	450,000		64,213		514,213
2026	250,000		60,400		310,400
2027	250,000		57,900		307,900
2028 - 2032	1,250,000		226,375		1,476,375
2033 - 2037	1,250,000		102,000		1,352,000
2038 - 2042	395,000		6,850		401,850
	<u>\$ 5,755,000</u>	\$	<u>711,415</u>	\$	<u>6,466,415</u>

Financed Purchases Payable

Governmental Funds

The District has financed purchases payable outstanding for various purposes (School buses, computers and office equipment-copiers) with rates ranging approximately from 3.00% to 5.45%. The following is a schedule of the future minimum lease payments under these financed purchases payables and the present value of the net future minimum lease payments at June 30, 2022:

Fiscal Year	Amounts
Year ending June 30:	
2023	\$ 452,657
2024	384,758
2025	256,917
2026	14,433
	<u>1,108,765</u>
Less amount representing interest	<u>(43,987)</u>
Present value of net future minimum lease payments	<u>\$ 1,064,779</u>

Bonds and Notes Authorized

There were no bonds or notes authorized and unissued at June 30, 2022.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

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

During the year ended June 30, 2022, the State of New Jersey contributed \$6,637,609 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,128,196 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021 and 2020 were \$369,940, \$331,420, and \$285,901, respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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

Public Employees' Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$3,742,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.0315886666 percent, which was an increase of 0.0012929371 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension (benefit) of (\$799,035) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 19,489	\$ 1,332,230
Net difference between projected and actual earnings on pension plan investments		985,781
Changes in proportion	371,838	52,299
Difference between expected and actual experience	59,019	26,789
District contributions subsequent to the measurement date	386,557	
	<u>\$ 836,903</u>	<u>\$ 2,397,099</u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

\$386,557 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (766,613)
2024	(562,265)
2025	(352,167)
2026	(271,551)
2027	5,843
	<u>\$ (1,946,753)</u>

Actuarial Assumptions

The total collective 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:

	<u>June 30, 2021</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability 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 to determine the total pension liability.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 5,096,051	\$ 3,742,151	\$ 2,593,175

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169
Deferred inflows of resources	8,339,123,762
Net pension liability	11,972,782,878
District's proportion	0.0315886666%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2021 is \$(1,599,674,464).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57 and 5.72 years, respectively.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$60,944,416. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.1267689591 percent, which was an increase of 0.0006241053 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$1,434,049 for contributions incurred by the State.

Actuarial assumptions

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment rate of return	7.00%

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Mortality Rates

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

Long-Term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability 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 made 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.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District 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:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the District's net pension liability	\$ 72,107,424	\$ 60,944,416	\$ 51,568,191

Pension plan fiduciary net position

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

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	27,175,330,929
Net pension liability	48,075,188,642
District's proportion	0.1267689591%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.93, 7.90, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

7. Post-Retirement Benefits

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,850,970 for this special funding situation.

The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019 were \$1,256,764, \$1,176,800, and \$1,522,419, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2021 was \$63,980,512, or 0.11%. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	2.75-5.65%	3.00 - 7.00%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) 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/ABP) 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 actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

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.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Healthcare 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 rate 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 4.50% 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%.

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.16%)	At Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 76,638,609	\$ 63,980,512	\$ 54,013,020

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 51,792,432	\$ 63,980,512	\$ 80,348,202

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

Balance at June 30, 2021	\$ 71,105,092
Increased by:	
Service cost	3,469,577
Interest cost	1,659,722
Member contributions	42,431
Changes of assumptions	<u>63,122</u>
	76,339,944
Decreased by:	
Changes of Benefit Terms	68,099
Differences between expected and actual experiences	10,983,937
Gross Benefit Contributions	<u>1,307,396</u>
	<u>12,359,432</u>
Balance at June 30, 2022	<u><u>\$ 63,980,512</u></u>

Plan Membership

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2021</u>
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>364,328</u></u>

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$8,892,117 for OPEB expenses incurred by the State. The State’s proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2021 is \$23,621,092 and \$26,125,052, respectively. Collective balances of the Local Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 26,769,148,209
Collective OPEB expense	\$ 3,527,672,060

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2022 amounted to \$100,489 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 100,489	
Special Revenue Fund		\$ 98,196
Capital Projects Fund		2,293
	\$ 100,489	\$ 100,489

The interfund payable in the Special Revenue Fund in the amount of \$98,196 represents short-term loans from the General Fund at June 30, 2022. The interfund payable in the capital projects fund represents interest earnings on the capital projects cash transferred to the general fund. All interfunds are expected to be liquidated within one year.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies. The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

11. Risk Management

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

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

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

12. Deferred Compensation Plans

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

13. Restricted Assets

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

14. Maintenance Reserve Account

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

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. There was no activity in the maintenance reserve for the year and the balance as of June 30, 2022 was \$974,202.

Beginning balance, July 1, 2021	\$ 974,202
Ending Balance, June 30, 2022	<u>\$ 974,202</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2022.

Hasbrouck Heights School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

15. Capital Reserve Account

A capital reserve account was established by the District in June 2015, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years in the amount of \$450,000. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning balance, July 1, 2021	\$ 2,113,748
Deposit:	
Approved by June 2022 board resolution	1,311,107
Withdrawals	
Withdrawal approved through annual budget	37,952
Ending Balance, June 30, 2022	<u><u>\$ 3,386,903</u></u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects exceeds the amount set aside in capital reserve.

16. Transfers

The following presents a reconciliation of transfers during the 2022 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 2,293	\$ 37,952
Capital Projects Fund		2,293
Debt Service Fund	37,952	
	<u><u>\$ 40,245</u></u>	<u><u>\$ 40,245</u></u>

The transfer from the general fund due to the debt service fund of \$37,952 represents a budgeted transfer towards the District’s capital reserve account to pay debt service for fiscal year 2022. The transfer of \$2,293 from the capital projects fund to the general fund represents the interest earned on capital projects cash in fiscal year 2022.

Required Supplementary Information – Part II
Pensions and OPEB Schedules

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

	June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset) - Local Group	0.0315886666%	0.0302957295%	0.0293923514%	0.0298688450%	0.0299685921%	0.0289073770%	0.0303813350%	0.0316564510%
District's proportionate share of the net pension liability (asset)	\$ 3,742,151	\$ 4,940,441	\$ 5,296,056	\$ 5,881,036	\$ 6,976,209	\$ 8,561,536	\$ 6,820,001	\$ 4,642,698
District's covered-employee payroll	\$ 2,318,711	\$ 2,288,484	\$ 2,318,711	\$ 2,232,757	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	161.39%	215.88%	228.41%	271.22%	334.33%	410.63%	336.97%	218.48%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	48.52%

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

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

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate was 7.00% as of June 30, 2020 and June 30, 2021.

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

	June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015		
Contractually required contribution	\$ 369,940	\$ 331,420	\$ 285,901	\$ 297,099	\$ 281,227	\$ 277,627	\$ 261,198	\$ 260,972		
Contributions in relation to the contractually required contribution	(369,940)	(331,420)	(285,901)	(297,099)	(281,227)	(277,627)	(261,198)	(260,972)		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered-employee payroll	\$ 2,374,956	\$ 2,318,711	\$ 2,232,757	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905	\$ 2,125,036		
Contributions as a percentage of covered-employee payroll	15.58%	14.29%	12.80%	13.70%	13.48%	13.32%	12.91%	12.28%		

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

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

	June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.1267689591%	0.126144854%	0.126700422%	0.127827264%	0.127612158%	0.0119992590%	0.0122610640%	0.0115794520%	
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 60,944,416	\$ 83,064,868	\$ 77,757,245	\$ 81,320,960	\$ 86,040,719	\$ 94,393,812	\$ 77,495,161	\$ 61,888,404	
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 60,944,416</u>	<u>\$ 83,064,868</u>	<u>\$ 77,757,245</u>	<u>\$ 81,320,960</u>	<u>\$ 86,040,719</u>	<u>\$ 94,393,812</u>	<u>\$ 77,495,161</u>	<u>\$ 61,888,404</u>	
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%	

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

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

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

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021	Year Ended June 30, 2022
State's proportion of the OPEB Liability associated with the District -	0.10%	0.10%	0.10%	0.10%	0.11%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$53,161,318	\$48,372,930	\$43,808,407	\$71,105,092	\$ 63,980,512
Total proportionate share of the OPEB liability associated with the District	<u>-</u> <u>\$53,161,318</u>	<u>-</u> <u>\$48,372,930</u>	<u>-</u> <u>\$43,808,407</u>	<u>-</u> <u>\$71,105,092</u>	<u>-</u> <u>\$ 63,980,512</u>
Balance, beginning	\$57,105,712	\$53,161,318	\$48,372,930	\$43,808,407	\$ 71,105,092
Increased by:					
Service cost	\$ 2,565,258	\$ 2,124,270	\$ 1,886,773	\$ 1,922,036	\$ 3,469,577
Interest cost	1,683,841	1,957,068	1,920,040	1,579,740	1,659,722
Changes of assumptions	-	-	653,187	12,988,457	63,122
Differences between expected and actual experiences	-	-	-	12,006,813	-
Member contributions	45,341	44,705	39,863	37,520	42,431
	<u>4,294,440</u>	<u>4,126,043</u>	<u>4,499,863</u>	<u>28,534,566</u>	<u>5,234,852</u>
	<u>\$61,400,152</u>	<u>\$57,287,361</u>	<u>\$52,872,793</u>	<u>\$72,342,973</u>	<u>\$ 76,339,944</u>
Decreased by:					
Changes of assumptions	7,007,505	5,551,036	-	-	-
Changes of benefit terms	-	-	-	-	68,099
Differences between expected and actual experiences	-	2,069,920	7,719,599	-	10,983,937
Gross benefit payments	1,231,329	1,293,475	1,344,787	1,237,881	1,307,396
	<u>8,238,834</u>	<u>8,914,431</u>	<u>9,064,386</u>	<u>1,237,881</u>	<u>12,359,432</u>
Balance, ending	<u>\$53,161,318</u>	<u>\$48,372,930</u>	<u>\$43,808,407</u>	<u>\$71,105,092</u>	<u>\$ 63,980,512</u>
Covered by employee payroll	<u>\$15,512,902</u>	<u>\$18,695,998</u>	<u>\$16,721,783</u>	<u>\$17,494,734</u>	<u>\$ 17,665,077</u>
Total OPEB liability as a percentage of covered employee payroll.	342.69%	258.73%	261.98%	406.44%	362.19%

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Required Supplementary Information – Part III

C. Budgetary Comparison Schedules

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources:					
Local Tax Levy	\$ 31,491,917	\$ -	\$ 31,491,917	\$ 31,491,917	\$ -
Tuition	-			9,164	9,164
Interest on Investments	3,000		3,000	7,604	4,604
Interest Earned on Capital Res	3,000		3,000	-	(3,000)
Interest Earned on Maint Res	500		500	-	(500)
Rentals	48,000		48,000	65,000	17,000
Unrestricted Miscellaneous	84,664		84,664	191,770	107,106
Total Local Sources	<u>31,631,081</u>		<u>31,631,081</u>	<u>31,765,455</u>	<u>134,374</u>
State Sources:					
Transportation Aid	143,130		143,130	143,130	-
Special Education Aid	1,568,259		1,568,259	1,568,259	-
Extraordinary Aid	164,884		164,884	298,317	133,433
Categorical Security Aid	185,508		185,508	185,508	-
Equalization Aid	1,028,603		1,028,603	1,028,603	-
TPAF Pension (On-Behalf - Non-Budgeted)				5,379,051	5,379,051
TPAF Post Retirement Med. Contrib.(On Behalf- Non Budgeted)				1,256,764	1,256,764
TPAF Long-term Disability (On Behalf- Non Budgeted)				1,794	1,794
TPAF Social Security (Reimbursed - Non-Budgeted)				1,128,196	1,128,196
Total - State Sources	<u>3,090,384</u>	<u>-</u>	<u>3,090,384</u>	<u>10,989,622</u>	<u>7,899,238</u>
Federal Sources:					
Medicaid Reimbursement	18,840		18,840	28,322	9,482
Total Revenues	<u>34,740,305</u>	<u>-</u>	<u>34,740,305</u>	<u>42,783,399</u>	<u>8,043,094</u>
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers					
Kindergarten	437,020	44,880	481,900	481,900	-
Grades 1 - 5	3,293,772	(153,265)	3,140,507	3,140,400	107
Grades 6 - 8	2,463,071	(163,000)	2,300,071	2,299,474	597
Grades 9-12	3,140,014	101,424	3,241,438	3,240,807	631
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	143,771	(11,000)	132,771	131,918	853
Purchased Technical Services	268,709	(11,310)	257,399	257,398	1
Other Purchased Services	352,183	(16,121)	336,062	335,590	472
General Supplies	244,000	252,218	496,218	381,417	114,801
Textbooks	55,000	124,737	179,737	179,715	22
Other Objects	16,000	12,129	28,129	19,486	8,643
Total Regular Programs	<u>10,413,540</u>	<u>180,692</u>	<u>10,594,232</u>	<u>10,468,105</u>	<u>126,127</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 136,992	\$ 781	\$ 137,773	\$ 137,773	\$ -
Other Salaries for Instruction	74,190	24,730	98,920	98,920	
General Supplies	1,000	-	1,000	541	459
Textbooks	500	-	500	-	500
Total Learning and/or Language Disabilities	212,682	25,511	238,193	237,234	959
Special Education Instruction -Resource Room/Resource Center					
Salaries of Teachers	2,332,333	(75,154)	2,257,179	2,256,315	864
Other Salaries for Instruction	498,600	-	498,600	487,951	10,649
General Supplies	8,000	-	8,000	4,072	3,928
Total Resource Room/Resource Center	2,838,933	(75,154)	2,763,779	2,748,338	15,441
Special Education Instruction - Preschool Disabilities Full Time					
Salaries of Teachers	169,620	320	169,940	169,940	-
Other Salaries for Instruction	98,920	-	98,920	96,578	2,342
General Supplies	2,000	-	2,000	1,155	845
Total Preschool Disabilities Full Time	270,540	320	270,860	267,673	3,187
Special Education - Home Instruction					
Salaries of Teachers	55,000	-	55,000	25,283	29,717
Total Special Education - Home Instruction	55,000	-	55,000	25,283	29,717
Special Education Instruction - Extended School Year					
Personal Services Salaries	40,000	(5,768)	34,232	23,224	11,008
Other Salaries for Instruction	18,000	-	18,000	16,057	1,943
Purchased Professional - Educational Services	25,000	(2,000)	23,000	13,961	9,039
General Supplies	500	(250)	250	-	250
Total Special Education Instruction-Extended School Year	83,500	(8,018)	75,482	53,242	22,240
Total Special Education	3,460,655	(57,341)	3,403,314	3,331,770	71,544
Basic Skills/Remedial - Instruction					
Salaries of Teachers	212,750	(96,842)	115,908	105,025	10,883
General Supplies	500	-	500	108	392
Total Basic Skill / Remedial - Instruction	213,250	(96,842)	116,408	105,133	11,275
Bilingual Education - Instruction					
Salaries of Teachers	179,750	21,842	201,592	201,591	1
General Supplies	1,500	(910)	590	416	174
Textbooks	200	-	200	-	200
Other Objects	-	910	910	910	-
Total Bilingual Education - Instruction	181,450	21,842	203,292	202,917	375
School Sponsored Co-Curricular Activities - Instruction					
Personal Services Salaries	227,000	24,448	251,448	251,170	278
General Supplies	16,000	269	16,269	13,283	2,986
Miscellaneous Expenditures	9,000	(269)	8,731	7,417	1,314
Total School Sponsored Co-Curricular Activities - Instruction	252,000	24,448	276,448	271,870	4,578
School Sponsored Athletics - Instruction					
Personal Services Salaries	355,505	24,183	379,688	379,688	-
Purchased Services	55,000	16,488	71,488	71,413	75
Supplies and Materials	105,000	11,102	116,102	109,807	6,295
Other Objects	37,000	2,500	39,500	37,828	1,672
Total School Sponsored Athletics - Instruction	552,505	54,273	606,778	598,736	8,042
Total Other Instruction	1,199,205	3,721	1,202,926	1,178,656	24,270
Total Instruction	15,073,400	127,072	15,200,472	14,978,531	221,941

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition - Other LEAs Regular	\$ 15,000	\$ 20,542	\$ 35,542	\$ 35,295	\$ 247
Tuition - Other LEAs Instate Special	754,124	(204,967)	549,157	454,639	94,518
Tuition - Co Vocational - Regular	671,229	63,961	735,190	735,087	103
Tuition - Co Vocational - Special	398,106	(69,822)	328,284	318,661	9,623
Tuition to CSSD & Reg. Day Schools	228,340	71,397	299,737	299,736	1
Tuition to Private Schools for the Handicapped - Within State	1,141,235	(217,418)	923,817	878,449	45,368
Tuition - Other (Charter Schools)	170,129	(63,964)	106,165	106,165	-
Total Undistributed Expenditures - Instruction	3,378,163	(400,271)	2,977,892	2,828,032	149,860
Undistributed Expenditures - Attendance & Social Work					
Salaries	130,289	1	130,290	130,289	1
Total Undistributed Attendance & Social Work	130,289	1	130,290	130,289	1
Undistributed Expenditures - Health Services					
Salaries	290,350	(10,450)	279,900	245,713	34,187
Purchased Professional and Technical Services	60,000	7,014	67,014	67,014	-
Supplies and Materials	11,000	-	11,000	2,628	8,372
Other Objects	3,500	-	3,500	854	2,646
Total Undistributed Expenditures - Health Services	364,850	(3,436)	361,414	316,209	45,205
Unidist. Expend. - Other Supp. Serv. Students - Speech					
Salaries	259,425	3,435	262,860	262,859	1
Purchased Professional - Educational Services	847,700	(16,390)	831,310	656,024	175,286
Supplies and Materials	6,000	-	6,000	4,425	1,575
Other Objects	1,000	2,699	3,699	3,699	-
Total Unidist. Exp. - Other Supp. Serv. Students - Speech	1,114,125	(10,256)	1,103,869	927,007	176,862
Unidist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	322,490	88,350	410,840	410,653	187
Purchased Professional - Educational Services	215,522	13,691	229,213	167,787	61,426
Total Other Supp. Serv. Students - Extra Serv.	538,012	102,041	640,053	578,440	61,613
Unidist. Expend. - Guidance					
Salaries of Other Professional Staff	691,987	41,375	733,362	717,152	16,210
Other Purchased Professional & Technical Services	500	(500)	-	-	-
Other Purchased Services (400-500 series)	250	(250)	-	-	-
Supplies and Materials	750	1,000	1,750	1,477	273
Other Objects	1,250	(250)	1,000	250	750
Total Unidist. Expend. - Guidance	694,737	41,375	736,112	718,879	17,233
Unidist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	769,726	(1)	769,725	756,815	12,910
Salaries of Secretarial and Clerical Assistants	115,186	1	115,187	115,186	1
Misc Pur Serv (400-500)	4,000	(1,000)	3,000	-	3,000
Supplies and Materials	7,000	1,218	8,218	6,263	1,955
Other Objects	2,000	-	2,000	315	1,685
Total Unidist. Expend. - Child Study Teams	897,912	218	898,130	878,579	19,551
Unidist. Expend. - Curriculum					
Salaries Supervisors of Instruction	243,835	(30,869)	212,966	201,724	11,242
Supplies and Materials	3,000	-	3,000	70	2,930
Other Objects	2,500	-	2,500	1,900	600
Total Curriculum	249,335	(30,869)	218,466	203,694	14,772
Unidist. Expend. - Educational Media Serv./School Library					
Salaries	369,461	-	369,461	360,656	8,805
Salaries of Technology Coordinator	140,000	(140,000)	-	-	-
Other Purchased Services	6,000	-	6,000	47	5,953
Supplies and Materials	13,000	159	13,159	6,633	6,526
Other Objects	700	240	940	450	490
Total Unidist. Expenditures - Edu. Media Serv./School Library	529,161	(139,601)	389,560	367,786	21,774
Unidist. Expend. - Instructional Staff Training Services					
Other Purchased Services (400 - 500 series)	8,000	(2,949)	5,051	4,248	803
Other Objects	-	2,550	2,550	2,550	-
Total Instructional Staff Training Services	8,000	(399)	7,601	6,798	803

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Services - General Administration					
Salaries	\$ 301,801	\$ -	\$ 301,801	\$ 301,800	\$ 1
Legal Services	75,000	4,679	79,679	79,679	-
Audit Fees	36,750	(1,120)	35,630	35,000	630
Other Purchased Prof Services	-	46,865	46,865	38,890	7,975
Purchased Technical Services	15,050	(14,740)	310	-	310
Communications/Telephone	72,225	(7,151)	65,074	65,074	-
BOE Other Purchased Services	2,500	1,500	4,000	4,000	-
Miscellaneous Purchased Services	61,889	(3,500)	58,389	56,986	1,403
General Supplies	7,000	(1,918)	5,082	4,854	228
Miscellaneous Expenditures	15,849	(4,613)	11,236	11,156	80
BOE Membership Dues and Fees	13,250	1,413	14,663	14,662	1
Total Undist. Exp. - Support Services - General Administration	601,314	21,415	622,729	612,101	10,628
Undist. Expend. - Support Services - School Administration					
Salaries of Principals/Assistant Principals	812,437	66,800	879,237	829,288	49,949
Salaries of Other Professional Staff	137,106	1,200	138,306	138,306	-
Salaries of Secretarial and Clerical Assistants	262,981	-	262,981	246,659	16,322
Supplies and Materials	40,000	1,619	41,619	27,232	14,387
Miscellaneous Expenditure	13,000	-	13,000	7,994	5,006
Total Undist. Expend. - Support Serv. - School Administration	1,265,524	69,619	1,335,143	1,249,479	85,664
Undistributed Expenditures - Central Services					
Personal Services Salaries	403,243	38,000	441,243	396,417	44,826
Purchased Technical Services	16,500	-	16,500	10,005	6,495
Misc. Purchased Services (400 -500 series)	500	2,294	2,794	2,294	500
Supplies and Materials	10,000	-	10,000	2,837	7,163
Interest on Bond Anticipation Note	75,602	-	75,602	75,602	-
Miscellaneous Expenditures	3,000	-	3,000	2,075	925
Total Undistributed Expenditures - Central Services	508,845	40,294	549,139	489,230	59,909
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	65,549	40,000	105,549	105,195	354
Purchased Technical Services	4,000	(40)	3,960	-	3,960
Other Purchased Services	34,250	5,105	39,355	39,353	2
Supplies and Materials	34,250	(989)	33,261	28,530	4,731
Other Objects	500	-	500	180	320
Total Undistributed Expenditures - Admin. Info. Tech	138,549	44,076	182,625	173,258	9,367

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	\$ 116,523	\$ 1	\$ 116,524	\$ 116,523	\$ 1
Cleaning, Repair, and Maintenance Services	362,000	431,779	793,779	716,759	77,020
General Supplies	15,000	18,268	33,268	30,431	2,837
Other Objects	500	-	500	340	160
Total Undist. Expend - Required Maint for School Facilities	494,023	450,048	944,071	864,053	80,018
Undistributed Expenditures - Custodial					
Salaries	931,348	(6,156)	925,192	906,262	18,930
Salaries of Non-Instructional Aides	170,230	(73,935)	96,295	96,294	1
Cleaning, Repair, and Maintenance	150,000	(33,057)	116,943	73,054	43,889
Other Purchased Property Services	55,000	(6,109)	48,891	31,577	17,314
Insurance	178,000	28,912	206,912	206,510	402
Miscellaneous Purchased Services	5,138	1,526	6,664	6,664	-
General Supplies	175,000	15,000	190,000	144,694	45,306
Energy (Natural Gas)	125,000	30,000	155,000	106,938	48,062
Energy (Electricity)	240,000	(40,000)	200,000	195,913	4,087
Other Objects	16,000	(703)	15,297	9,781	5,516
Total Undist. Exp. - Custodial services	2,045,716	(84,522)	1,961,194	1,777,687	183,507
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance	90,000	30,175	120,175	57,000	63,175
General Supplies	1,000	-	1,000	65	935
Other Objects	250	-	250	-	250
Total - Care & Upkeep of Grounds	91,250	30,175	121,425	57,065	64,360
Undistributed Expenditures - Security					
Salaries	83,950	4,950	88,900	88,900	-
Purchased Prof Services	130,500	47,769	178,269	178,268	1
Cleaning, Repair, and Maintenance	55,000	46,550	101,550	78,679	22,871
General Supplies	1,000	11,809	12,809	11,101	1,708
Other Objects	250	200	450	450	-
Total Security	270,700	111,278	381,978	357,398	24,580
Undistributed Expenditures - Student Transportation Services					
Sal for Pupil Trans (Betwn. Home & School) - Regular	40,000	-	40,000	37,548	2,452
Sal for Pupil Trans (Betwn. Home & School) - Other	5,000	(4,950)	50	-	50
Cleaning, Repair, & Maint. Services	15,000	(600)	14,400	9,667	4,733
Aid in Lieu Charter Schools	8,000	4,000	12,000	10,000	2,000
Contract Serv. (Other Betwn. Home and School) - Vendors	60,000	(4,000)	56,000	40,259	15,741
Contract Serv. (Betwn. Home & School) - Joint Agrmnts	18,863	500	19,363	19,318	45
Contract Serv. (Special Ed Students) - Joint Agrmnts	945,124	100	945,224	901,350	43,874
Transportation Supplies	10,000	-	10,000	2,982	7,018
Other Objects	1,000	-	1,000	45	955
Total Undistributed Expend. - Student Transportation Expenses	1,102,987	(4,950)	1,098,037	1,021,169	76,868

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 365,000	\$ (1,820)	\$ 363,180	\$ 358,163	\$ 5,017
Other Retirement Contributions - PERS	356,166	132,239	488,405	488,404	1
Unemployment Compensation	30,000	(29,881)	119	-	119
Workmen's Compensation	145,000	(49,500)	95,500	94,889	611
Health Benefits	4,197,530	(520,109)	3,677,421	3,505,161	172,260
Tuition Reimbursement	50,000	(13,769)	36,231	35,281	950
Other Employee Benefits	65,075	24,639	89,714	89,514	200
Total Unallocated Benefits - Employee Benefits	5,208,771	(458,201)	4,750,570	4,571,412	179,158
On-behalf TPAF Contributions (non-budgeted)	-	-	-	5,379,051	(5,379,051)
On-behalf Post Retirement Med. Contribution (non-budgeted)	-	-	-	1,256,764	(1,256,764)
On-behalf Long-term Disability (non-budgeted)	-	-	-	1,794	(1,794)
On-behalf Social Security Contributions (non-budgeted)	-	-	-	1,128,196	(1,128,196)
				7,765,805	(7,765,805)
Total Expenditures - Current Expense	34,705,663	(94,893)	34,610,770	40,872,901	(6,262,131)
Capital Outlay					
Instructional Equipment	-	148,067	148,067	3,824	144,243
Maintenance Equipment	-	106,426	106,426	64,095	42,331
Technology Equipment	-	178,736	178,736	34,628	144,108
Athletic Equipment	-	9,361	9,361	-	9,361
School Buses - Regular	20,467	-	20,467	20,466	1
Total Equipment	20,467	442,590	463,057	123,013	340,044
Facilities Acquisitions and Construction Services					
Construction Services	1,055,817	-	1,055,817	467,957	587,860
Other Objects	6,858	-	6,858	6,858	-
Total Facilities Acquisitions and Construction Services	1,062,675	-	1,062,675	474,815	587,860
Assets Acquired Under Financed Purchases (non-budgeted)	-	-	-	299,085	(299,085)
Total Capital Outlay	1,083,142	442,590	1,525,732	896,913	628,819
Interest Deposit Capital Reserve	3,000	-	3,000	-	3,000
Interest Earned Maintenance Reserve	500	-	500	-	500
Total General Fund Expenditures	35,792,305	347,697	36,140,002	41,769,814	(5,629,812)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(1,052,000)	(347,697)	(1,399,697)	1,013,585	2,413,282
Other Financing Sources (Uses):					
Operating Transfers Out:					
Capital Reserve Transfer to Debt Service	(60,000)	-	(60,000)	(37,952)	22,048
Operating Transfers In:					
Capital Projects Transfer to General Fund	-	-	-	2,293	2,293
Financed Purchases Payable (non-budgeted)	-	-	-	299,085	299,085
Total Other Financing Sources (Uses)	(60,000)	-	(60,000)	263,426	323,426
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Sources	(1,112,000)	(347,697)	(1,459,697)	1,277,011	2,736,708
Fund Balances, Beginning of Year	4,606,702		4,606,702	4,606,702	
Fund (Deficit) Balances, End of Year	\$ 3,494,702	\$ (347,697)	\$ 3,147,005	\$ 5,883,713	\$ 2,736,708
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (511,021)	\$ -	\$ (511,021)	\$ 1,662,660	\$ 2,173,681
Withdrawal from capital reserve	(448,979)	-	(448,979)	(37,952)	411,027
Withdrawal from maintenance reserve	(152,000)	-	(152,000)	-	152,000
Adjustment for prior year encumbrances	-	(347,697)	(347,697)	(347,697)	-
Total	\$ (1,112,000)	\$ (347,697)	\$ (1,459,697)	\$ 1,277,011	\$ 2,736,708
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 3,386,903	
Maintenance Reserve				974,202	
Assigned:					
Designated for Subsequent Year's Expenditures				200,000	
Year-End Encumbrances				690,318	
Unassigned Fund Balance				632,290	
				5,883,713	
Less: State Aid Revenue Not Recognized for GAAP basis				(273,875)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,609,838	

HASBROUCK HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 224,732	\$ 166,335	\$ 391,067	\$ 318,609	\$ 72,458
Federal Sources	1,184,980	279,582	1,464,562	831,996	632,566
Local Sources	159,516	21,342	180,858	242,937	(62,079)
Total Revenues	<u>1,569,228</u>	<u>467,259</u>	<u>2,036,487</u>	<u>1,393,542</u>	<u>642,945</u>
Expenditures:					
Instruction:					
Salaries of Teachers	150,549	177,763	328,312	286,474	41,838
Purchased Professional/Educational Services	189,742	184,849	374,591	202,496	172,095
Tuition	424,990	(59,832)	365,158	338,111	27,047
General Supplies	567,421	(420,828)	146,593	69,892	76,701
Textbooks	14,124	2,862	16,986	16,799	187
Other Objects	159,516	61,805	221,321	221,321	-
Total Instruction	<u>1,506,342</u>	<u>(53,381)</u>	<u>1,452,961</u>	<u>1,135,093</u>	<u>317,868</u>
Support Services					
Personal Services - Salaries	22,426	6,705	29,131	29,131	-
Personal Services - Employee Benefits	-	79,102	79,102	60,501	18,601
Purchased Professional and Technical	40,460	421,151	461,611	144,202	317,409
General Supplies	-	13,682	13,682	13,399	283
Total Support Services	<u>62,886</u>	<u>520,640</u>	<u>583,526</u>	<u>247,233</u>	<u>336,293</u>
Total Expenditures	<u>1,569,228</u>	<u>467,259</u>	<u>2,036,487</u>	<u>1,382,326</u>	<u>654,161</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,216</u>	<u>\$ 1,297,106</u>
Fund Balances, Beginning of Year				<u>173,306</u>	
Fund Balances, End of Year				<u>\$ 184,522</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 60,499	
Student Activities				124,023	
Total Fund Balance				<u>\$ 184,522</u>	

HASBROUCK HEIGHTS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C-3

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

		General Fund	Special Revenue Fund
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	C-1, C-2	\$ 42,783,399	\$ 1,393,542
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
2020-2021 State aid payment recognized in 2021-2022 for GAAP statements.		258,297	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(273,875)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	\$ 42,767,821	\$ 1,393,542
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1, C-2	\$ 41,769,814	\$ 1,382,326
Difference - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	\$ 41,769,814	\$ 1,382,326

Supplementary Information

Special Revenue Fund

HASBROUCK HEIGHTS SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

E-1
Sheet #1

	SDA Emergent Needs and Capital Maintenance	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid	Nonpublic Teach Stem	Nonpublic Chapter 192 Compensatory Education
Revenues							
State Sources	\$ 9,095	\$ 16,799	\$ 31,696	\$ 10,433	\$ 47,805	\$ 15,635	\$ 112,960
Federal Sources							
Local Sources							
Total Revenues	9,095	16,799	31,696	10,433	47,805	15,635	112,960
Expenditures							
Instruction:							
Salaries of Teachers						14,497	
Purchased Professional/Educational Services							112,960
Tuition							
General Supplies				10,433			
Textbooks		16,799					
Total Instruction	-	16,799	-	10,433	-	14,497	112,960
Support Services:							
Personal Services - Salaries			29,131				
Personal Services - Employee Benefits			2,229			1,138	
Other - Employee Benefits							
Purchased Professional Educational Services							
Purchased Professional and Technical Services	9,095				47,805		
Supplies and Materials			336				
Total Support Services	9,095	-	31,696	-	47,805	1,138	-
Total Expenditures	9,095	16,799	31,696	10,433	47,805	15,635	112,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

E-1
 Sheet #2

	Title I Part A	IDEA Basic Part B	Title II A	Title III	Title IV	Nonpublic Chapter 193		
						Supplementary Instruction	Examination and Classification	Corrective Speech
Revenues								
State Sources						\$ 21,146	\$ 21,048	\$ 31,992
Federal Sources	\$ 68,500	\$ 398,386	\$ 982	\$ 31,819	\$ 7,628			
Local Sources								
Total Revenues	68,500	398,386	982	31,819	7,628	21,146	21,048	31,992
Expenditures								
Instruction:								
Salaries of Teachers	63,630			4,000				
Purchased Professional/Educational Services					5,600	21,146	21,048	31,992
Tuition		338,111						
General Supplies				26,376	1,578			
Total Instruction	63,630	338,111	-	30,376	7,178	21,146	21,048	31,992
Support Services:								
Personal Services - Salaries								
Personal Services - Employee Benefits	4,870							
Purchased Professional Educational Services		60,275	982	1,275	450			
Purchased Professional and Technical Services								
Supplies and Materials				168				
Total Support Services	4,870	60,275	982	1,443	450	-	-	-
Total Expenditures	68,500	398,386	982	31,819	7,628	21,146	21,048	31,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

E-1
Sheet #3

COVID-19								
Education Stabilization Fund								
Elementary and Secondary School Emergency Relief Funds (ESSER)								
CARES Act Education Stabilization Fund	ESSER II CR Learning Acceleration	CRRSA ESSER II	Coronavirus Relief Fund (CRF)	Other Local Projects	Scholarships	Student Activity	Totals June 30, 2022	
Revenues								
State Sources								\$ 318,609
Federal Sources	\$ 1,905	\$ 11,613	\$ 290,681	\$ 20,482				831,996
Local Sources					\$ 10,400	\$ 13	\$ 232,524	242,937
Total Revenues	1,905	11,613	290,681	20,482	10,400	13	232,524	1,393,542
Expenditures								
Instruction:								
Salaries of Teachers			204,347					286,474
Purchased Professional and Technical Services			9,750					9,750
Purchased Professional/Educational Services								192,746
Tuition								338,111
General Supplies		11,613		9,492	10,400			69,892
Textbooks								16,799
Other Objects						2,500	218,821	221,321
Total Instruction	-	11,613	214,097	9,492	10,400	2,500	218,821	1,135,093
Support Services:								
Personal Services - Salaries								29,131
Personal Services - Employee Benefits			52,264					60,501
Purchased Professional Educational Services			24,320					87,302
Purchased Professional and Technical Services								56,900
Supplies and Materials	1,905			10,990				13,399
Total Support Services	1,905	-	76,584	10,990	-	-	-	247,233
Total Expenditures	1,905	11,613	290,681	20,482	10,400	2,500	218,821	1,382,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(2,487)	13,703	11,216
Beginning Fund Balance, June 30, 2021	-	-	-	-	-	62,986	110,320	173,306
Ending Fund Balance, June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,499	\$ 124,023	\$ 184,522

See Independent Auditors' Report

Capital Projects Fund

HASBROUCK HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

F-1

Issue/Project Title	Modified Appropriation	Expenditures to Date		Balance, 6/30/2022
		Prior Years Expenditures	Current Expended	
Referendum Project	\$ 6,664,781	\$ 6,610,476		\$ 54,305
2021 Project	1,560,000			1,560,000
SDA Grant Alyssa's Law Security Funding	101,796		\$ 101,796	
TOTAL	<u>\$ 8,326,577</u>	<u>\$ 6,610,476</u>	<u>\$ 101,796</u>	<u>\$ 1,614,305</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources	
Interest	\$ 2,293
Debt Authorization Canceled	(60,327)
State Sources - SDA Alyssa's Law School Security Grant	<u>101,796</u>
Total Revenues and Other Financing Sources	<u>43,762</u>
Expenditures and Other Financing Uses	
Construction services	101,796
Transfers out	<u>2,293</u>
Total Expenditures and Other Financing Uses	<u>104,089</u>
(Deficiency) Excess of Revenues and Other Financing Sources	
(Under) Over Expenditures and Other Financing Uses	(60,327)
Fund Balance, beginning of year	<u>1,674,632</u>
Fund Balance, end of year	<u><u>\$ 1,614,305</u></u>

Long-Term Debt

HASBROUCK HEIGHTS SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2022		Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
\$1,740,000 School Bonds	7/1/2014	\$ 1,740,000	8/15/2022	\$ 190,000	2.00%-2.50%	\$ 765,000		\$ 180,000	\$ 585,000
			8/15/2023	195,000					
			8/15/2024	200,000					
Refunding School Bonds; Refunds school refunding bonds issued on 4/7/05	7/23/2015	4,745,000	8/15/2022	625,000	3.00%	1,880,000		605,000	1,275,000
			8/15/2023	650,000					
\$3,895,000 School Bonds	7/1/2021	3,895,000	8/15/2022	125,000	0.50-2.00%		\$ 3,895,000		3,895,000
			8/15/2023	125,000					
			8/15/2024	250,000					
			8/15/2025	250,000					
			8/15/2026	250,000					
			8/15/2027	250,000					
			8/15/2028	250,000					
			8/15/2029	250,000					
			8/15/2030	250,000					
			8/15/2031	250,000					
			8/15/2032	250,000					
			8/15/2033	250,000					
			8/15/2034	250,000					
			8/15/2035	250,000					
			8/15/2036	250,000					
			8/15/2037	250,000					
8/15/2038	145,000								
						<u>\$ 2,645,000</u>	<u>\$ 3,895,000</u>	<u>\$ 785,000</u>	<u>\$ 5,755,000</u>

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINANCED PURCHASES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Financed Purchases Payable</u>	<u>Original Issue</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2022</u>
Dell Computers (2022)	\$ 233,997		\$ 233,997	\$ 74,301	\$ 159,696
TEQ Lease (2022)	65,088		65,088	14,436	50,652
Canon Copiers (2021)	285,855	\$ 236,607		56,015	180,592
Bleachers (2021)	860,000	684,867		167,914	516,953
School Bus (2017)	93,940	19,590		19,590	
Dell Computers (2018)	63,661	16,289		16,289	
Dell Computers (2020)	162,156	54,008		54,008	
Dell Computers (2020)	60,772	36,356		11,321	25,035
Dell Computers (2020)	64,170	38,444		12,212	26,232
Dell Computers (2021)	149,840	97,433		47,526	49,907
Dell Computers (2021)	43,237	27,743		13,357	14,386
TEQ Lease (2020)	68,394	40,965		12,963	28,002
ACER Financial (2020)	31,151	19,541		6,217	13,324
		<u>\$ 1,271,843</u>	<u>\$ 299,085</u>	<u>\$ 506,149</u>	<u>\$ 1,064,779</u>

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

I-3

REVENUES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Local Tax Levy	\$ 668,062	\$ -	\$ 668,062	\$ 668,062	\$ -
State Sources					
Debt Service Aid	187,188		187,188	187,188	
Total Revenues	<u>855,250</u>		<u>855,250</u>	<u>855,250</u>	
Regular Debt Service:					
Principal	785,000		785,000	785,000	
Interest	130,250		130,250	108,766	21,484
Total Expenditures	<u>915,250</u>		<u>915,250</u>	<u>893,766</u>	<u>21,484</u>
(Deficiency) of Revenues Under Expenditures	(60,000)		(60,000)	(38,516)	21,484
Other Financing Sources:					
Transfer from Capital Reserve	60,000		60,000	37,952	(22,048)
(Deficiency) of Revenues and Other Sources (Under) Expenditures	(60,000)		(60,000)	(564)	59,436
Fund Balance, Beginning of Year	564		564	564	
Fund Balance, End of Year	<u>\$ (59,436)</u>	<u>\$ -</u>	<u>\$ (59,436)</u>	<u>\$ -</u>	<u>\$ 59,436</u>

See Independent Auditors' Report

Introduction to the Statistical Section

STATISTICAL SECTION

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

J-1

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								(Restated)		
Governmental activities										
Net Investment in capital assets	\$ 79,815	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556	\$ 7,605,803
Restricted	2,604,032	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277	5,642,979
Unrestricted	174,487	403,169	(6,310,500)	(6,557,060)	(7,913,435)	(10,257,808)	(10,602,764)	(10,465,799)	(7,596,680)	(5,583,881)
Total governmental activities net position	<u>\$ 2,858,334</u>	<u>\$ 4,037,579</u>	<u>\$ (4,079,052)</u>	<u>\$ (3,536,520)</u>	<u>\$ (3,085,568)</u>	<u>\$ (251,317)</u>	<u>\$ 726,319</u>	<u>\$ 2,485,304</u>	<u>\$ 4,502,153</u>	<u>\$ 7,664,901</u>
Business-type activities										
Unrestricted	\$ 476,639	\$ 505,384	\$ 549,438	\$ 609,004	\$ 588,105	\$ 568,731	\$ 556,512	\$ 594,301	\$ 550,171	\$ 620,431
Total business-type activities net position	<u>\$ 476,639</u>	<u>\$ 505,384</u>	<u>\$ 549,438</u>	<u>\$ 609,004</u>	<u>\$ 588,105</u>	<u>\$ 568,731</u>	<u>\$ 556,512</u>	<u>\$ 594,301</u>	<u>\$ 550,171</u>	<u>\$ 620,431</u>
District-wide										
Net Investment in capital assets	\$ 79,815	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556	\$ 7,605,803
Restricted	2,604,032	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277	5,642,979
Unrestricted	651,126	908,553	(5,761,062)	(5,948,056)	(7,325,330)	(9,689,077)	(10,046,252)	(9,871,498)	(7,046,509)	(4,963,450)
Total district net position	<u>\$ 3,334,973</u>	<u>\$ 4,542,963</u>	<u>\$ (3,529,614)</u>	<u>\$ (2,927,516)</u>	<u>\$ (2,497,463)</u>	<u>\$ 317,414</u>	<u>\$ 1,282,831</u>	<u>\$ 3,079,605</u>	<u>\$ 5,052,324</u>	<u>\$ 8,285,332</u>

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

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

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

J-2
 Sheet #1

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,712,322	\$ 11,898,575	\$ 11,118,742	\$ 12,955,085	\$ 16,442,957	\$ 17,169,122	\$ 16,902,388	\$ 16,266,368	\$ 17,735,934	\$ 16,453,529
Special education	3,219,855	3,369,768	3,572,400	4,250,640	5,562,604	5,710,487	5,836,713	5,384,980	5,856,586	5,184,657
Other special education	663,788	954,998	775,700	1,206,852	1,448,872	1,749,399	1,687,982	1,687,024	1,793,336	1,710,311
Support Services:										
Tuition	2,659,415	2,947,018	2,875,701	2,819,933	2,984,551	2,610,946	2,958,742	3,177,719	3,454,209	3,262,822
Student and instruction related services	4,777,808	4,716,062	4,236,669	5,126,097	6,053,709	5,527,049	5,593,922	5,638,495	6,632,957	6,138,623
School administrative services	1,267,248	1,203,928	1,232,176	729,565	2,063,849	2,213,726	2,878,945	1,549,616	2,140,620	1,929,635
General and other administration	1,277,420	1,113,537	1,369,359	2,525,470	1,585,115	1,681,808	873,684	1,729,518	1,871,707	1,664,117
Plant operations and maintenance	2,172,803	2,452,148	2,499,991	2,269,536	3,037,806	3,590,178	4,356,623	4,175,341	3,622,076	3,437,021
Pupil transportation	653,674	701,864	673,390	827,807	921,197	812,192	826,962	750,644	1,135,146	1,072,204
Business and other support services	61,033	-	-	-	-	-	-	-	127,723	-
Interest on long-term debt/lease payment/other	371,769	581,807	750,364	458,751	540,009	126,551	229,944	392,978	34,114	68,599
Unallocated depreciation/amortization/other	9,651,199	-	-	-	341,748	-	-	-	-	-
Total governmental activities expenses	<u>38,488,334</u>	<u>29,939,705</u>	<u>29,104,492</u>	<u>33,169,736</u>	<u>40,982,417</u>	<u>41,191,458</u>	<u>42,145,905</u>	<u>40,752,683</u>	<u>44,404,408</u>	<u>40,921,518</u>
Business-type activities:										
Food service	459,545	479,702	508,418	503,341	517,246	584,865	558,567	449,429	151,188	731,098
Keys and other programs	540,595	435,643	417,212	425,075	417,174	376,539	450,844	370,354	142,121	292,265
Total business-type activities expense	<u>1,000,140</u>	<u>915,345</u>	<u>925,630</u>	<u>928,416</u>	<u>934,420</u>	<u>961,404</u>	<u>1,009,411</u>	<u>819,783</u>	<u>293,309</u>	<u>1,023,363</u>
Total district expenses	<u>\$ 39,488,474</u>	<u>\$ 30,855,050</u>	<u>\$ 30,030,122</u>	<u>\$ 34,098,152</u>	<u>\$ 41,916,837</u>	<u>\$ 42,152,862</u>	<u>\$ 43,155,316</u>	<u>\$ 41,572,466</u>	<u>\$ 44,697,717</u>	<u>\$ 41,944,881</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 3,346,953	\$ 918,842	\$ 980,872	\$ 3,918,280	\$ 10,301,427	\$ 793,712	\$ 806,044	\$ 868,055	\$ 1,100,413	\$ 1,382,326
Capital grants and contributions	-	-	-	-	531,738	1,609,642	101,796	-	-	101,796
Total governmental activities program revenues	<u>3,346,953</u>	<u>918,842</u>	<u>980,872</u>	<u>3,918,280</u>	<u>10,833,165</u>	<u>2,403,354</u>	<u>907,840</u>	<u>868,055</u>	<u>1,100,413</u>	<u>1,484,122</u>

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

J-2
 Sheet #2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services										
Food service	\$ 368,943	\$ 382,324	\$ 360,360	\$ 375,761	\$ 393,830	\$ 395,933	\$ 429,935	\$ 331,163	\$ 2,088	\$ 6,465
Keys and other programs	566,585	431,099	468,661	468,778	379,319	376,475	397,864	396,943	100,541	368,612
Operating grants and contributions	131,362	130,667	142,350	143,443	140,373	169,621	169,393	129,466	146,550	718,546
Total business type activities program revenues	<u>1,066,890</u>	<u>944,090</u>	<u>971,371</u>	<u>987,982</u>	<u>913,522</u>	<u>942,029</u>	<u>997,192</u>	<u>857,572</u>	<u>249,179</u>	<u>1,093,623</u>
Total district program revenues	<u>\$ 4,413,843</u>	<u>\$ 1,862,932</u>	<u>\$ 1,952,243</u>	<u>\$ 4,906,262</u>	<u>\$ 11,746,687</u>	<u>\$ 3,345,383</u>	<u>\$ 1,905,032</u>	<u>\$ 1,725,627</u>	<u>\$ 1,349,592</u>	<u>\$ 2,577,745</u>
Net (Expense)/Revenue										
Governmental activities	\$ (35,141,381)	\$ (29,020,863)	\$ (28,123,620)	\$ (29,355,301)	\$ (30,289,625)	\$ (38,788,104)	\$ (41,339,861)	\$ (39,884,628)	\$ (43,303,995)	\$ (39,437,396)
Business-type activities	66,750	28,745	45,741	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)	70,260
Total district-wide net expense	<u>\$ (35,074,631)</u>	<u>\$ (28,992,118)</u>	<u>\$ (28,077,879)</u>	<u>\$ (29,295,735)</u>	<u>\$ (30,310,523)</u>	<u>\$ (38,807,479)</u>	<u>\$ (41,352,080)</u>	<u>\$ (39,846,839)</u>	<u>\$ (43,348,125)</u>	<u>\$ (39,367,136)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 24,154,512	\$ 25,506,891	\$ 26,544,747	\$ 27,211,837	\$ 27,951,872	\$ 28,355,966	\$ 29,237,321	\$ 29,929,574	\$ 30,874,428	\$ 31,491,917
Taxes levied for debt service	616,448	609,408	626,631	706,288	620,898	665,472	727,048	798,514	591,393	668,062
Grants and contributions	1,392,326	3,730,917	1,556,062	1,632,506	1,650,675	12,317,036	12,008,380	10,337,181	13,620,588	10,164,334
Tuition received	128,504	59,380	160,000	69,615	45,914	60,457	43,412	38,271	31,630	9,164
Cancellation of unfunded capital projects			(1,608,545)							
Investment Earnings	7,278					71,768	109,757	72,425	3,594	9,897
Miscellaneous income	332,460	293,513	183,688	173,742	535,296	151,656	191,079	256,066	199,211	256,770
Total governmental activities	<u>26,631,528</u>	<u>30,200,109</u>	<u>27,462,583</u>	<u>29,793,988</u>	<u>30,804,655</u>	<u>41,622,355</u>	<u>42,316,997</u>	<u>41,432,031</u>	<u>45,320,844</u>	<u>42,600,144</u>
Business-type activities:										
Investment earnings/other expense			(1,687)							
Total business-type activities			<u>(1,687)</u>							
Total district-wide	<u>\$ 26,631,528</u>	<u>\$ 30,200,109</u>	<u>\$ 27,460,896</u>	<u>\$ 29,793,988</u>	<u>\$ 30,804,655</u>	<u>\$ 41,622,355</u>	<u>\$ 42,316,997</u>	<u>\$ 41,432,031</u>	<u>\$ 45,320,844</u>	<u>\$ 42,600,144</u>
Change in Net Position (Deficit)										
Governmental activities	\$ (8,509,853)	\$ 1,179,246	\$ (661,037)	\$ 438,687	\$ 515,030	\$ 2,834,251	\$ 977,136	\$ 1,547,403	\$ 2,016,849	\$ 3,162,748
Business-type activities	66,750	28,745	44,054	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)	70,260
Total district	<u>\$ (8,443,103)</u>	<u>\$ 1,207,991</u>	<u>\$ (616,983)</u>	<u>\$ 498,253</u>	<u>\$ 494,132</u>	<u>\$ 2,814,876</u>	<u>\$ 964,917</u>	<u>\$ 1,585,192</u>	<u>\$ 1,972,719</u>	<u>\$ 3,233,008</u>

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

J-3

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund								(Restated)		
Restricted for	\$ 941,405	\$ 1,234,903	\$ 1,850,318	\$ 2,043,773	\$ 1,643,510	\$ 2,243,510	\$ 2,439,477	\$ 2,581,654	\$ 3,398,971	\$ 4,361,105
Assigned to						797,807	814,994	577,592	547,697	890,318
Unassigned	440,295	456,169	474,184	397,648	642,813	378,027	247,099	404,632	401,737	358,415
Total general fund	<u>\$ 1,381,700</u>	<u>\$ 1,691,072</u>	<u>\$ 2,324,502</u>	<u>\$ 2,441,421</u>	<u>\$ 2,286,323</u>	<u>\$ 3,419,344</u>	<u>\$ 3,501,570</u>	<u>\$ 3,563,878</u>	<u>\$ 4,348,405</u>	<u>\$ 5,609,838</u>
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,589,994)	\$ (3,900,527)	\$ (3,900,527)	\$ (2,280,695)	
Restricted for:										
Special revenue fund								211,582	173,306	\$ 184,522
Capital projects fund	1,641,973	1,640,566			(297,605)					1,614,305
Debt services fund	20,654	36,318	81,088	73,261	14,879	54,871	57,141	95,928	564	
Total all other governmental funds	<u>\$ 1,662,627</u>	<u>\$ 1,676,884</u>	<u>\$ 81,088</u>	<u>\$ 73,261</u>	<u>\$ (282,726)</u>	<u>\$ (3,535,123)</u>	<u>\$ (3,843,386)</u>	<u>\$ (3,593,017)</u>	<u>\$ (2,106,825)</u>	<u>\$ 1,798,827</u>

Source: ACFR Schedule B-1 and District Income

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

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

J-4
Sheet #1

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local Tax Levy	\$ 24,770,960	\$ 26,116,299	\$ 27,171,378	\$ 27,918,125	\$ 28,572,770	\$ 29,021,438	\$ 29,964,369	\$ 30,728,088	\$ 31,465,821	\$ 32,159,979
Other Local Revenue	409,342	371,247	335,684	262,309	290,155	229,012	343,431	366,762	234,435	518,768
State sources	4,208,415	4,040,437	4,555,988	4,915,741	14,729,012	7,796,489	7,904,875	8,294,515	9,690,598	11,581,637
Local Sources			50,000							
Federal sources	589,765	609,322	617,726	635,044	652,012	604,120	588,561	648,183	870,898	860,318
Total revenue	29,978,482	31,137,305	32,730,776	33,731,219	44,243,949	37,651,059	38,801,236	40,037,548	42,261,752	45,120,702
Expenditures										
Instruction										
Regular Instruction	8,620,124	8,471,816	8,597,979	8,719,704	9,053,513	9,291,163	9,709,302	9,709,331	9,903,522	10,468,105
Special Education Instruction	2,259,813	2,379,806	2,906,417	2,883,326	3,031,456	3,016,578	3,242,476	3,167,038	3,223,468	3,331,770
Other	623,103	719,688	623,074	871,575	890,041	1,000,601	1,067,457	1,061,837	1,066,778	1,178,656
Total Instruction	11,503,040	11,571,310	12,127,470	12,474,605	12,975,010	13,308,342	14,019,235	13,938,206	14,193,768	14,978,531
Undistributed:										
Tuition	2,322,098	2,596,479	2,503,491	2,400,266	2,630,433	2,202,510	2,528,450	2,769,602	2,919,877	2,828,032
Support Services-Students	3,369,783	3,234,440	3,577,338	3,796,496	3,767,996	3,306,271	3,670,766	3,551,010	3,766,959	4,127,681
General Administration	597,516	974,938	654,037	619,169	592,594	571,102	557,894	601,088	684,020	612,101
School Administration	1,008,811	969,640	974,595	1,110,888	1,154,133	1,191,414	1,193,016	1,180,407	1,184,521	1,249,479
Other Administrative Services	112,768	102,414	422,875	508,894	472,831	498,330	547,646	471,355	209,442	662,488
Operations and Maintenance	1,835,799	2,088,368	2,089,633	2,266,962	2,367,389	2,419,586	3,129,863	3,348,090	3,401,464	3,056,203
Student Transportation	628,024	687,797	660,067	810,755	891,781	765,689	786,674	707,775	1,060,869	1,021,169
Business and Other Support Services:										
Employee Benefits	2,963,788	4,071,906	4,195,448	4,533,247	4,637,833	4,782,949	5,153,084	5,126,086	4,981,357	4,571,412
On-behalf TPAF Pension Contributions	2,378,341	1,293,041	1,715,198	2,104,645	2,631,388	3,176,484	3,700,465	3,863,177	6,038,774	6,637,609
Reimbursed TPAF Social Security										
Contributions	881,007	891,939	921,581	872,113	967,307	951,108	989,392	1,137,190		1,128,196
Transfers - Charter Schools	61,033		29,608							
Total Undistributed	16,158,968	16,910,962	17,743,871	19,023,435	20,113,685	19,865,443	22,257,250	22,755,780	24,247,283	25,894,370
Capital Outlay:										
Equipment									92,416	123,013
Increase in Capital Reserve						47,412				
Facilities Acquisition and Construction										
Services	110,441	224,347	388,310	139,168	47,051	66,639	425,557	1,356,350	242,824	474,815
Assets Acquired under Financed Purchases	68,475			72,000	347,907	657,917	536,785		478,931	299,085
Capital projects				49,407	1,379,076	4,902,031				101,796
Finance Purchase Retirements	149,565	154,775	382,243	86,781	90,801		63,661	386,643		
Total Capital Outlay	328,481	379,122	770,553	347,356	1,864,835	5,673,999	1,026,003	1,742,993	814,171	998,709
Total General and Capital Expenditures	27,990,489	28,861,394	30,641,894	31,845,396	34,953,530	38,847,784	37,302,488	38,436,979	39,255,222	41,871,610
Special Revenue:										
Federal	589,766	609,322	617,726	635,044	648,731	568,510	584,184	621,143	854,986	831,996
State	263,738	259,593	313,146	305,602	256,632	225,202	221,041	233,825	245,427	318,609
Local	56,135	49,927	50,000	875	-	-	819	13,087	122,679	231,721
Total Special Revenue Expenditures	909,639	918,842	980,872	941,521	905,363	793,712	806,044	868,055	1,223,092	1,382,326

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

J-4
Sheet #2

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Service Expenditures	\$ 874,426	\$ 777,089	\$ 802,077	\$ 888,239	\$ 840,550	\$ 841,725	\$ 966,504	\$ 1,018,062	\$ 851,650	\$ 893,766
Total Governmental Fund Expenditures	<u>\$ 29,774,554</u>	<u>\$ 30,557,325</u>	<u>\$ 32,424,843</u>	<u>\$ 33,675,156</u>	<u>\$ 36,699,443</u>	<u>\$ 40,483,221</u>	<u>\$ 39,075,036</u>	<u>\$ 40,323,096</u>	<u>\$ 41,329,964</u>	<u>\$ 44,147,702</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	\$ 203,928	\$ 579,980	\$ 305,933	\$ 56,064	\$ 7,544,506	\$ (2,832,162)	\$ (273,800)	\$ (285,548)	\$ 931,788	\$ 973,000
Other Financing Sources (Uses)										
Premium on Promissory Note in Cap Projects Adjustments					291,055	37,180	(16,398)	-	-	-
Finance Purchase Payables (non-budgeted)	68,475		382,243	72,000	347,907	657,917	63,661	386,643	1,338,931	299,085
Proceeds from refunding			(32,770)							
Cancellation of Unfunded Capital Projects			(1,608,545)							
Write-off of Prior year Revenue		(18,354)	(9,228)	(979)						
Interest earned in Capital Projects Fund						17,689				
Proceeds from bond issuance										3,895,000
Transfers In	12,800			21	(500,000)					
Transfers Out				(18,014)	500,000					
Total Other Financing Sources (uses)	<u>81,275</u>	<u>(18,354)</u>	<u>(1,268,300)</u>	<u>53,028</u>	<u>638,962</u>	<u>712,786</u>	<u>47,263</u>	<u>386,643</u>	<u>1,338,931</u>	<u>4,194,085</u>
Net Change in Fund Balances	<u>\$ 285,203</u>	<u>\$ 561,626</u>	<u>\$ (962,367)</u>	<u>\$ 109,092</u>	<u>\$ 8,183,468</u>	<u>\$ (2,119,376)</u>	<u>\$ (226,537)</u>	<u>\$ 101,095</u>	<u>\$ 2,270,719</u>	<u>\$ 5,167,085</u>
Debt Service as a Percentage of Non Capital Expenditures	2.97%	2.58%	2.53%	2.67%	2.29%	2.08%	2.47%	2.52%	2.06%	2.02%

Source: ACFR Schedule B-2

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

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

J-5

Description	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Annual Totals
Interest on Investments	\$ 7,604	\$ 3,592	\$ 72,337	\$109,757	\$ 54,079	\$ 13,948	\$ 12,324	\$ 8,770	\$ 8,876	\$ 7,279	\$ 290,962
Tuition	9,164	31,630	38,271	43,412	60,457	45,914	69,616	160,000	59,380	128,504	637,184
Rentals	65,000	-	-	-	-	500	48,400	1,150	51,475	48,900	150,425
Prior Year Tuition Refunds	49,215	51,975	119,803	14,772	13,466	50,156	25,635	26,957	6,784	46,084	355,632
Miscellaneous Income	142,555	105,972	81,157	175,489	101,010	179,635	106,334	138,787	244,709	178,576	1,311,669
Total	\$ 273,538	\$ 193,169	\$ 311,568	\$343,430	\$ 229,012	\$ 290,153	\$ 262,309	\$335,664	\$371,224	\$ 409,343	\$ 2,745,872

Source: District records

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

J-6

<u>Fiscal Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2013	\$ 1,547,020,681	\$ 1,712,005,582	90.36%
2014	1,551,931,320	1,678,988,516	92.43%
2015	1,551,911,749	1,764,238,083	87.96%
2016	1,561,099,137	1,788,301,616	87.30%
2017	1,679,791,800	1,764,762,500	95.19%
2018	1,718,394,708	1,788,729,980	96.07%
2019	1,766,657,570	1,798,398,549	98.24%
2020	1,797,767,287	1,858,167,394	96.75%
2021	1,874,325,444	1,903,471,924	98.47%
2022	2,005,190,700	2,041,484,047	98.22%

Source: County Abstract of Ratables

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

J-7

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality</u>	<u>County</u>	
2013	\$ 1.641	\$ 0.941	\$0.254	\$ 2.836
2014	1.708	0.946	0.250	2.904
2015	1.767	0.947	0.272	2.986
2016	1.801	0.952	0.282	3.035
2017	1.704	0.888	0.264	2.856
2018	1.705	0.892	0.255	2.852
2019	1.706	0.890	0.249	2.845
2020	1.719	0.901	0.256	2.876
2021	1.685	0.883	0.256	2.824
2022	1.607	0.839	0.246	2.692

Source: Tax Collector

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

J-8

<u>Taxpayers</u>	2013		2022	
	Assessed Valuation	As a % of District's Net Assessed Valuation	Assessed Valuation	As a % of District's Net Assessed Valuation
650 Terrace Ave LLC	\$ 32,385,300	2.10%	\$ 28,000,000	1.40%
Heights Plaza, Associates	23,643,500	1.53%	24,000,000	1.20%
Heights Plaza, LLC	16,628,900	1.08%	15,250,000	0.76%
Ess Prisa LLC	13,350,000	0.86%	17,707,900	0.88%
621 Route 46 Associates	14,470,600	0.94%	21,365,200	1.07%
Ottawa House Limited	11,710,000	0.76%	17,274,200	0.86%
611 Routh 46, LLC	11,621,200	0.75%	11,750,000	0.59%
Suncroft HIHH LLC	11,380,900	0.74%	14,266,000	0.71%
377 LaSalle Group	10,290,700	0.67%	11,043,000	0.55%
Skyline Associates	10,522,100	0.68%	16,409,300	0.82%
Total	\$ 156,003,200	10.11%	\$ 177,065,600	8.83%

Source: Municipal Tax Assessor

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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2013	\$ 24,770,960	\$ 24,770,960	100.00%
2014	26,116,297	26,116,297	100.00%
2015	27,030,709	27,030,709	100.00%
2016	27,804,795	27,804,795	100.00%
2017	28,572,770	28,572,770	100.00%
2018	29,021,438	29,021,438	100.00%
2019	29,964,369	29,964,369	100.00%
2020	30,728,088	30,728,088	100.00%
2021	31,465,821	31,465,821	100.00%
2022	32,159,979	29,556,124	91.90%

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

J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita ^a
	General Obligation Bonds	Financed Purchases Payable	Bond Anticipation Note			
2013	\$ 6,369,341	\$ 290,249		\$ 6,659,590	12,055	\$ 552
2014	5,855,000	135,474		5,990,474	12,088	496
2015	7,065,000	399,530		7,464,530	12,115	616
2016	6,210,000	321,177		6,531,177	12,091	540
2017	5,540,000	440,190		5,980,190	12,116	494
2018	4,850,000	694,507	\$ 6,225,000	11,769,507	12,054	976
2019	4,140,000	462,442	6,225,000	10,827,442	11,992	903
2020	3,405,000	432,543	6,225,000	10,062,543	11,912	845
2021	2,645,000	1,271,844	6,065,000	9,981,844	11,912	838
2022	5,755,000	1,064,779	-	6,819,779	12,051	566

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

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

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

J-11

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2013	12,055	\$ 1,544,763,900	\$ 6,369,341	0.41%	\$ 528.36
2014	12,088	1,551,931,320	5,855,000	0.38%	484.36
2015	12,115	1,551,911,749	7,065,000	0.46%	583.16
2016	12,091	1,561,099,137	6,210,000	0.40%	513.61
2017	12,116	1,679,791,800	5,540,000	0.33%	457.25
2018	12,054	1,718,394,708	4,850,000	0.28%	402.36
2019	11,992	1,766,657,570	4,140,000	0.23%	345.23
2020	11,912	1,797,767,287	3,405,000	0.19%	285.85
2021	11,912	1,874,325,444	2,645,000	0.14%	222.04
2022	12,051	2,005,190,700	5,755,000	0.29%	477.55

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

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(unaudited)

J-12

Net Direct Debt of District as of June 30, 2022		
Bonds issued	\$ 5,755,000	
Bond Anticipation Note	<u> -</u>	\$ 5,755,000
Net Overlapping Debt of School District		
Borough of Hasbrouck Heights (100%)	11,205,735	
County of Bergen - Borough's share (0.10%)	<u> 188,183</u>	<u>11,393,918</u>
Total Direct and Overlapping Bond Debt as of June 30, 2022		<u><u>\$ 17,148,918</u></u>

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
(unaudited)

J-13

Equalized valuation basis

	2022	\$	2,065,662,329
	2021		1,918,215,567
	2020		<u>1,909,066,285</u>
	(A)	\$	<u><u>5,892,944,181</u></u>
Average equalized valuation of taxable property	(A-3)	\$	1,964,314,727.00
Debt limit (4 % of average equalization value)	(B)		78,572,589
Net school debt as of June 30, 2022	(C)		<u>5,755,000</u>
School borrow margin available	(B-C)	\$	<u><u>72,817,589</u></u>
			<u>2022</u>
Debt limit		\$	78,572,589
Net school debt			<u>5,755,000</u>
School borrowing margin available		\$	<u><u>72,817,589</u></u>
Total net debt applicable to the limit as a percentage of debt limit			<u><u>7.324%</u></u>

Source:

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

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

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

J-14

<u>Year</u>	<u>Estimated School District Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	12,013	\$ 72,164	8.80%
2014	12,055	71,699	8.60%
2015	12,088	74,480	5.00%
2016	12,115	77,767	6.50%
2017	12,091	79,407	4.60%
2018	12,116	81,676	4.20%
2019	12,054	86,404	3.90%
2020	11,992	89,456	5.96%
2021	11,912	90,759	8.15%
2022	12,051	97,343	4.48%

Source: New Jersey State Department of Education

N/A - Data Not Available

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

J-15

Employer	2013		2022	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
N/A	N/A	N/A	N/A	N/A
		<u>0.00%</u>		<u>0.00%</u>

N/A - Data Not Available

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

J-16

<u>Function/Program</u>	<u>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>
Instruction										
Regular	95.3	104.6	104.4	106.4	106.0	106.2	105.0	106.0	110.2	108.2
Special Education	22.0	27.4	32.4	34.4	32.4	33.0	37.6	37.0	37.6	37.8
Other Instruction	26.6	26.0	29.0	30.0	31.0	40.0	28.0	26.0	27.0	29.0
Support Services:										
Attendance & Social Work	1.0	1.0	1.0	1.0	1.0	1.0	2.2	3.1	3.1	3.1
Health Services	3.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	4.0
Student & Instruction Related Services	3.0	3.0	3.0	3.0	3.0	3.0	2.6	2.6	2.6	2.6
Extraordinary Services	11.0	17.0	15.0	15.0	14.5	14.0	15.5	14.0	13.0	16.0
Support Services - Students Regular	4.5	6.0	6.0	6.0	6.0	5.0	6.0	7.0	8.0	9.0
Support Services - Students Special	8.7	8.8	8.4	9.0	9.0	9.0	9.0	9.0	9.0	9.2
Improvement of Instructional Services	0.0	0.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0
Educational Media/School Library	4.5	4.8	4.8	4.8	4.8	3.8	3.8	3.8	3.8	3.8
General administration	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	10.3	10.6	10.6	12.1	12.1	12.1	13.8	12.4	11.7	11.7
Central Services	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.2	4.3	4.3
Administrative Information Technology	0.5	0.3	0.3	1.3	1.3	1.3	1.2	1.2	1.3	1.3
Plant Operations and Maintenance	12.0	14.0	14.0	15.0	15.0	14.3	14.3	14.3	15.0	15.0
Pupil transportation	1.5	0.5	0.5	0.5	0.0	0.5	1.0	1.0	1.0	1.0
Other support services	0.0	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0
Total	<u>210.4</u>	<u>210.4</u>	<u>234.6</u>	<u>241.0</u>	<u>250.0</u>	<u>248.7</u>	<u>251.6</u>	<u>251.2</u>	<u>257.1</u>	<u>261.9</u>

Source: District Records

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

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Pupil/Teacher Ratio Senior High School</u>	<u>Pupil/Teacher Ratio Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	1,896.0	\$ 27,988,994	\$ 14,762	-0.37%	134	14.15	14.15	14.15	1,903.5	1,821.7	5.42%	95.70%
2014	1,892.0	26,675,523	14,099	-4.49%	132	14.33	14.33	14.33	1,883.5	1,811.6	-0.74%	96.18%
2015	1,875.0	27,615,185	14,728	3.52%	137	13.69	13.71	13.71	1,869.6	1,796.8	-0.48%	96.11%
2016	1,866.0	28,523,853	15,286	3.79%	142	13.14	13.14	13.14	1,859.0	1,787.7	-0.59%	96.16%
2017	1,849.0	29,472,818	15,940	1.62%	141	13.11	13.11	13.11	1,850.1	1,771.9	-0.48%	95.77%
2018	1,805.0	29,839,905	16,092	0.95%	139	12.99	12.97	12.97	1,799.6	1,727.2	-2.73%	95.98%
2019	1,786.0	32,110,038	17,979	11.73%	143	12.52	12.49	12.49	1,780.0	1,709.4	-1.09%	96.03%
2020	1,763.0	33,049,969	18,746	4.27%	143	12.33	12.33	12.33	1,752.1	1,700.8	-1.58%	97.07%
2021	1,739.5	33,374,626	19,186	2.35%	148	11.77	11.77	11.77	1,710.3	1,675.4	-2.39%	97.96%
2022	1,740.0	34,489,422	19,392	1.07%	146	11.92	11.92	11.92	1,704.5	1,625.5	-0.34%	95.37%

Note: Enrollment based on annual October District count.

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

J-18

	<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>										
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	455	448	439	439	387	387	387	353	342	356
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	469	455	446	439	414	414	414	386	384	387
<u>Middle/High School</u>										
Square Feet	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	999	989	990	990	1,048	1,048	1,036	1,024	983	961
Number of Schools at June 30										
Elementary	2	2	2	2	2	2	2	2	2	2
Middle School	1	1	1	1	1	1	1	1	1	1
Senior High School	1	1	1	1	1	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Source: District Facilities Office

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

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

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

<u>*School Facilities</u>	<u>School Number</u>	<u>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>
Hasbrouck Heights Middle/High School	50	\$ 200,817	\$ 211,204	\$ 176,635	\$ 254,185	\$ 286,350	\$ 252,529	\$ 389,590	\$ 840,442	\$ 485,336	\$ 452,673
Euclid	60	66,939	70,401	58,878	84,728	95,450	84,176	129,863	94,443	199,654	143,989
Lincoln	80	66,939	70,401	58,878	84,728	95,450	84,176	129,863	179,239	161,779	246,704
Other Facilities											20,687
Total School Facilities		<u>\$ 334,695</u>	<u>\$ 352,006</u>	<u>\$ 294,391</u>	<u>\$ 423,641</u>	<u>\$ 477,250</u>	<u>\$ 420,881</u>	<u>\$ 649,316</u>	<u>\$ 1,114,124</u>	<u>\$ 846,769</u>	<u>\$ 864,053</u>

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

Source: District records

HASBROUCK HEIGHTS SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
(unaudited)

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Ins. Fund (SAIF)		
Commercial Property - Blanket Building and Contents, Flood, Earthquake Comprehensive General Liability	\$58,736,568	\$2,500
Comprehensive Automobile Liability	5,000,000	
Commercial Inland Marine Coverage	5,000,000	
Board of Education Legal Liability-Darwin National-PGU	Various	
Crime Coverage (Blanket Dishonesty)	5,000,000	5,000
Auto Physical Damage Coverage	500,000	1,000
Auto Physical Damage Coverage		1,000
Umbrella Liability - SAIF Insurance AL/GL only	15,000,000	
Boiler and Machinery - SAIF (Hartford Steam)	100,000,000	2,500
Environmental Impairment Liability Ace Illinois Insurance Company	1,000,000 10,000,000	1,000 Policy Agregate
Student and Athletic Insurance Full Excess	25,000 5,000,000	
Additional Excess Liability Policy New Jersey Unsgared Xs Proram	30,000,000	
Foreign Liability	1,000,000	
Workers Compensation - Sober VII JIF	Pool Limits	
Official Bonds Dina Messery, Board Secretary/Business Admin. Robyn Scholz, Assistant to the Business Admin.	25,000 10,000	
Student Accident Accident Medical Excess Limit	6,000,000 25,000	Max Amount Per Accident
Catastrophic Cash Benefit	1,000,000	
Boiler & Machinery	1,000,000	Fund Limit (Deductibles Vary)

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Hasbrouck Heights School District, in the County of Bergen, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting

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

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

PKF O'CONNOR DAVIES, LLP

20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Page 2

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 17, 2023

David J. Gannon

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

**Report on Compliance for Each Major Federal and State
Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance and NJ OMB Circular 15-08**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Hasbrouck Heights School District's, in the County of Bergen, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

PKF O'CONNOR DAVIES, LLP

20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com
PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Page 2

We are required to be independent of the District 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 District'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, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' 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 District'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 GAAS, *Government Auditing Standards*, the 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 omissions, misrepresentations, or the override of internal control. Non-compliance 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment 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 District'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 District'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 Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Page 3

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditors' 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.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 17, 2023

David J. Gannon

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-3
Schedule A

Federal Grantor/ Pass-Through Grantor Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period	Balance, June 30, 2021			Balance, June 30, 2022		Amount Provided to Sub- Recipients
						Accounts Receivable	Deferred Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	
U.S. Department of Health and Human Services											
Passed Through State Department of Education											
General Fund:											
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	\$ 28,322	7/1/21-6/30/22			\$ 28,322	\$ (28,322)		
Total General Fund								28,322	(28,322)		
Special Revenue Fund:											
U.S. Department of Education-Passed-Through State											
State Department of Education											
Special Education Cluster:											
I.D.E.A. Part B Basic	84.027	H027A210100	IDEA-xxxx-22	474,709	7/1/21-9/30/22			303,429	(398,386)	\$ (94,957)	
I.D.E.A. Part B Basic	84.027	H027A200100	IDEA-xxxx-21	511,883	7/1/20-9/30/21	\$ (250,711)		250,711			
Subtotal of Special Education Cluster:						(250,711)		554,140	(398,386)	(94,957)	
Title I, Part A	84.010A	S010A50030	NCLB-xxxx-22	110,191	7/1/21-9/30/22			47,951	(68,500)	(20,549)	
Title I, Part A	84.010A	S010A50030	NCLB-xxxx-21	163,744	7/1/20-9/30/21	(65,765)		65,765			
Title I Part A Subtotal:						(65,765)		113,716	(68,500)	(20,549)	
Title II, Part A	84.367A	S367A150029	NCLB-xxxx-22	46,749	7/1/21-9/30/22			982	(982)	-	
Title II, Part A	84.367A	S367A150029	NCLB-xxxx-21	44,713	7/1/20-9/30/21	(22,947)		22,947			
Title II Part A Subtotal:						(22,947)		23,929	(982)	-	
Title III, No Child Left Behind	84.365A	S365A150030	NCLB-xxxx-22	39,250	7/1/21-9/30/22			4,282	(31,819)	(27,537)	
Title III, No Child Left Behind	84.365A	S365A150030	NCLB-xxxx-21	24,442	7/1/20-9/30/21	(12,338)		12,338			
Title III Subtotal:						(12,338)		16,620	(31,819)	(27,537)	
Title IV	84.424	S365A150030	NCLB-xxxx-22	29,420	7/1/21-9/30/22			6,793	(7,628)	(835)	
Title IV	84.424	S365A150030	NCLB-xxxx-21	20,698	7/1/20-9/30/21	(2,000)		2,000			
Title IV Subtotal:						(2,000)		8,793	(7,628)	(835)	
Elementary and Secondary School Emergency Relief (ESSER) Cluster:											
COVID-19 - CR Learning Acceleration (ESSER II)	84.425D	S425D210027	N/A	30,988	3/13/20-9/30/23			11,613	(11,613)	-	
COVID-19 - ESSER II	84.425D	S425D200027	N/A	481,465	3/13/20-9/30/23			179,304	(290,681)	(111,377)	
COVID-19 - CARES - ESSER I	84.425D	S425D200027	N/A	136,368	3/13/20-3/30/22	(8,473)		10,079	(1,905)	(299)	
Subtotal of ESSER Cluster:						(8,473)		200,996	(304,199)	(111,676)	
COVID-19 - CRF Cluster:											
COVID-19 - CRF - Grant Program	21.019	S377A130031	N/A	77,908	3/13/20-9/30/22		\$ 11,363		(10,990)		\$ 373
Passed-Through County of Bergen, New Jersey											
COVID-19 - CRF - Grant Program	21.019	S377A130031	N/A	33,818	3/13/20-9/30/22		9,492		(9,492)		
COVID-19 - CRF Cluster Subtotal							20,855		(20,482)		373
Total Special Revenue Fund						(362,234)	20,855	918,194	(831,996)	(255,554)	373
U.S. Department of Agriculture-Passed-Through State											
Department of Agriculture											
Enterprise Fund:											
Child Nutrition Cluster:											
National School Lunch Program	10.555	221NJ304N199	N/A	655,618	7/1/21-6/30/22			601,393	(655,618)	(54,225)	
National School Lunch Program	10.555	211NJ304N199	N/A	109,571	7/1/19-6/30/21	(22,911)		22,911			
Emergency Operational Cost Program - Schools	10.555	202121H170341	N/A	18,629	7/1/21-6/30/22			18,629	(18,629)		
Food Donations Program (NC)	10.555	221NJ304N1099	N/A	27,540	7/1/21-6/30/22			27,540	(27,540)		
Subtotal Child Nutrition Cluster:						(22,911)		670,473	(701,787)	(54,225)	
P-EBT Administrative Cost Reimbursement	10.649	202221S900941	N/A	614	7/1/21-6/30/22			614	(614)		
Total Enterprise Fund						(22,911)		671,087	(702,401)	(54,225)	
Total Federal Awards						\$ (385,145)	\$ 20,855	\$ 1,617,603	\$ (1,562,719)	\$ (309,779)	\$ 373
(NC) - Non-cash transaction											
N/A - Not Available											

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance, June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Balance, June 30, 2022			MEMO	
				Accounts Receivable	Due To Grantor				Accounts Receivable	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education:													
General Funds:													
Special Education Aid	22-495-034-5120-089	\$ 1,568,259	7/1/21-6/30/22			\$ 1,421,444	\$ (1,568,259)					\$ (146,815)	\$ 1,568,259
Special Education Aid	21-495-034-5120-089	1,565,729	7/1/20-6/30/21	\$ (148,804)		148,804							
Extraordinary Aid	22-495-034-5120-044	298,317	7/1/21-6/30/22				(298,317)		\$ (298,317)				298,317
Extraordinary Aid	21-495-034-5120-044	423,769	7/1/20-6/30/21	(407,254)		407,254							
Transportation Aid	22-495-034-5120-014	143,130	7/1/21-6/30/22			129,731	(143,130)					(13,399)	143,130
Transportation Aid	21-495-034-5120-014	143,130	7/1/20-6/30/21	(13,604)		13,604							
Equalization Aid	22-495-034-5120-078	1,028,603	7/1/21-6/30/22			932,309	(1,028,603)					(96,294)	1,028,603
Equalization Aid	21-495-034-5120-078	823,450	7/1/20-6/30/21	(78,259)		78,259							
Security Aid	22-495-034-5120-084	185,508	7/1/21-6/30/22			168,141	(185,508)					(17,367)	185,508
Security Aid	21-495-034-5120-078	185,508	7/1/20-6/30/21	(17,630)		17,630							
On-behalf TPAF Pension Contributions	22-495-034-5095-001	5,379,051	7/1/21-6/30/22			5,379,051	(5,379,051)						5,379,051
On-behalf TPAF Post Retirement Medical	22-495-034-5095-002	1,256,764	7/1/21-6/30/22			1,256,764	(1,256,764)						1,256,764
On-behalf TPAF LT Disability	22-495-034-5094-004	1,794	7/1/21-6/30/22			1,794	(1,794)						1,794
On-behalf TPAF Social Security Contributions	22-495-034-5095-006	1,128,196	7/1/21-6/30/22			1,073,112	(1,128,196)		(55,084)				1,128,196
On-behalf TPAF Social Security Contributions	21-495-034-5095-006	1,105,007	7/1/20-6/30/21	(54,340)		54,340							
Total General Funds				(719,891)		11,082,237	(10,989,622)		(353,401)			(273,875)	10,989,622
Special Revenue Funds													
SDA Emergent Needs and Capital Maintenance	N/A	43,584	7/1/21-6/30/22			43,584	(9,095)		\$ 34,489				9,095
Teachers' Grant	N/A	15,606	7/1/21-6/30/22			6,163	(15,635)		(9,472)				15,635
Teachers' Grant	N/A	7,420	7/1/20-6/30/21	(7,420)		7,420							7,420
NJ Nonpublic Aid:													
Textbook Aid	22-100-034-5120-064	16,986	7/1/21-6/30/22			17,055	(16,799)			\$ 256			16,799
Textbook Aid	21-100-034-5120-064	17,655	7/1/20-6/30/21		\$ 52			\$ 52					17,603
Compensatory Education	22-100-034-5120-067	121,381	7/1/21-6/30/22			121,381	(112,960)				8,421		112,960
Compensatory Education	21-100-034-5120-067	80,994	7/1/20-6/30/21		6,880			6,880					74,114
English as a Second Language	22-100-034-5120-067	9,135	7/1/21-6/30/22			9,135					9,135		
English as a Second Language	21-100-034-5120-067	7,905	7/1/20-6/30/21		4,352			4,352					3,553
Handicapped Services:													
Supplemental Instruction	22-100-034-5120-066	28,910	7/1/21-6/30/22			28,910	(21,146)			7,764			21,146
Supplemental Instruction	21-100-034-5120-066	20,237	7/1/20-6/30/21		890			890					19,347
Examination and Classification	22-100-034-5120-066	39,436	7/1/21-6/30/22			39,436	(21,048)			18,388			21,048
Examination and Classification	21-100-034-5120-066	57,032	7/1/20-6/30/21		29,724			29,724					27,308
Corrective Speech	22-100-034-5120-066	54,870	7/1/21-6/30/22			54,870	(31,992)			22,878			31,992
Corrective Speech	21-100-034-5120-066	46,481	7/1/20-6/30/21		14,400			14,400					32,081
Nursing Services	22-100-034-5120-070	31,696	7/1/21-6/30/22			31,696	(31,696)						31,696
Nursing Services	21-100-034-5120-070	29,478	7/1/20-6/30/21		203			203					29,275
Technology	22-100-034-5120-373	11,886	7/1/21-6/30/22			11,886	(10,433)			1,453			10,433
Security Aid	21-100-034-5120-509	49,525	7/1/21-6/30/22			49,525	(47,805)			1,720			47,805
Security Aid	21-100-034-5120-509	50,575	7/1/20-6/30/21		15,849			15,849					43,082
Total Special Revenue Funds				(7,420)	72,350	421,061	(318,609)		(9,472)	34,489	70,015		572,392
Capital Projects Fund													
SDA Alyssa's Law School Security Grant	20E00312	101,796	7/1/20-6/30/22			32,588	(101,796)		(69,208)				101,796
Total Capital Projects Fund				-		32,588	(101,796)		(69,208)				101,796
Debt Service Fund:													
Debt Service Aid	22-495-034-5120-075	187,188	7/1/21-6/30/22			187,188	(187,188)						187,188
Total Debt Service Fund				-		187,188	(187,188)						187,188
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	22-100-010-3350-023	16,145	7/1/21-6/30/22			14,897	(16,145)		(1,248)				16,145
State School Lunch Program	21-100-010-3350-023	6,748	7/1/20-6/30/21	(667)		667							
				(667)		15,564	(16,145)		(1,248)				16,145
Total State Financial Assistance				\$ (727,978)	\$ 72,350	\$ 11,738,638	\$ (11,613,360)	\$ 72,350	\$ (433,329)	\$ 34,489	\$ 70,015	\$ (273,875)	\$ 11,867,143
N/A - Not Available				General Fund: On-Behalf TPAF Contributions: Pension Contributions \$ 5,379,051 Post Retirement Medical 1,256,764 Long-term Disability 1,794 6,637,609 Total State Financial Assistance Subject to Single Audit \$ (4,975,751)									

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

HASBROUCK HEIGHTS SCHOOL DISTRICT

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

June 30, 2022

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,578) for the general fund and \$-0- for the special revenue fund. See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

HASBROUCK HEIGHTS SCHOOL DISTRICT

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2022

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 10,974,044	\$ 28,322	\$ 11,002,366
Special Revenue Fund	318,609	831,996	1,150,605
Capital Projects Fund	101,796		101,796
Debt Service Fund	187,188		187,188
Food Service Fund	<u>16,145</u>	<u>702,401</u>	<u>718,546</u>
Total Awards and Financial Assistance	<u>\$ 11,597,782</u>	<u>\$ 1,562,719</u>	<u>\$ 13,160,501</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2022.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2022 amounted to \$6,637,609. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. INDIRECT COSTS

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?

_____ Yes √ No

Federal Awards Section

Internal control over major programs:

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

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

Unmodified

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

_____ Yes √ No

Identification of Major Federal Programs:

<u>Assistance Listing</u> Number(s)	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
84.027	S027A210100	<u>Special Education IDEA Cluster:</u> IDEA Special Education Grants to States
84.425D	S425D2000027	Elementary and Secondary School Emergency Relief Funds

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

\$750,000

Auditee qualified as low-risk auditee?

 √ Yes _____ No

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Financial Assistance

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

\$750,000

Auditee qualified as low-risk auditee?

 √ Yes No

Internal control over major programs:

1) Material weakness(es) identified)

 Yes √ No

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

 Yes √ None Reported

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

Unmodified

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

 Yes √ No

Identification of major state programs:

GMIS/Program NumberName of State Program or Cluster

495-034-5094-003

Reimbursed TPAF Social Security Contributions

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

\$750,000

HASBROUCK HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED June 30, 2022

Section II - Financial Statement Findings

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

Section III - Summary of Auditors' Results

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

a) Federal Award Findings and Questioned Costs:

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

b) State Financial Assistance Findings and Questioned Costs:

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

HASBROUCK HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED June 30, 2022

Section IV:

a) Federal Award Findings and Questioned Costs:

There were no prior year audit findings.

b) State Financial Assistance Findings and Questioned Costs:

There were no prior year audit findings.