

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

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

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

**Annual Comprehensive  
Financial Report**

**of the**

**High Bridge School District**

**High Bridge, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**High Bridge School District  
Board of Education**

HIGH BRIDGE SCHOOL DISTRICT  
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INTRODUCTORY SECTION  
(UNAUDITED)

# HIGH BRIDGE SCHOOL DISTRICT

## HIGH BRIDGE MIDDLE SCHOOL

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



## HIGH BRIDGE ELEMENTARY SCHOOL

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

Gregory A Hobaugh, Ed.D.  
Superintendent

Karolina Cywa  
SBA / Board Secretary

October 31, 2022

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

Dear Board Members:

The annual comprehensive financial report of the High Bridge 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, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi- year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

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

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

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

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

### 3) MAJOR INITIATIVES:

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

Major district initiatives include the following:

- Expansion of the preschool program from four (4) full day sessions to five (5) full day sessions, saving our families thousands of dollars.
- Expanded preschool playground funded by PEA.
- Implement Multi-Tiered System Support (MTSS) academic and behavioral support. The program design includes professional development (pd), academic and behavioral support.
- Enhance our second year of the new reading series for grades Kindergarten through Second Grade. American Reading Company will provide trainers to instruct and mentor teaching staff, for grades Three-Five for the current year.
- The elementary school will continue to utilize Leadership for All as our Social/Emotional Program expanding the program with lunch bunch and grade/building level activities.
- Our middle and elementary schools are working at identifying gaps during online learning due to COVID-19.
- Provide remediation for students who are identified as at-risk due to COVID-19.
- All middle school students will participate in One Book One School to foster empathy, openness and kindness.

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

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

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

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

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
Page 3  
October 31, 2022

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

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

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


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

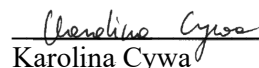
9) OTHER INFORMATION:

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

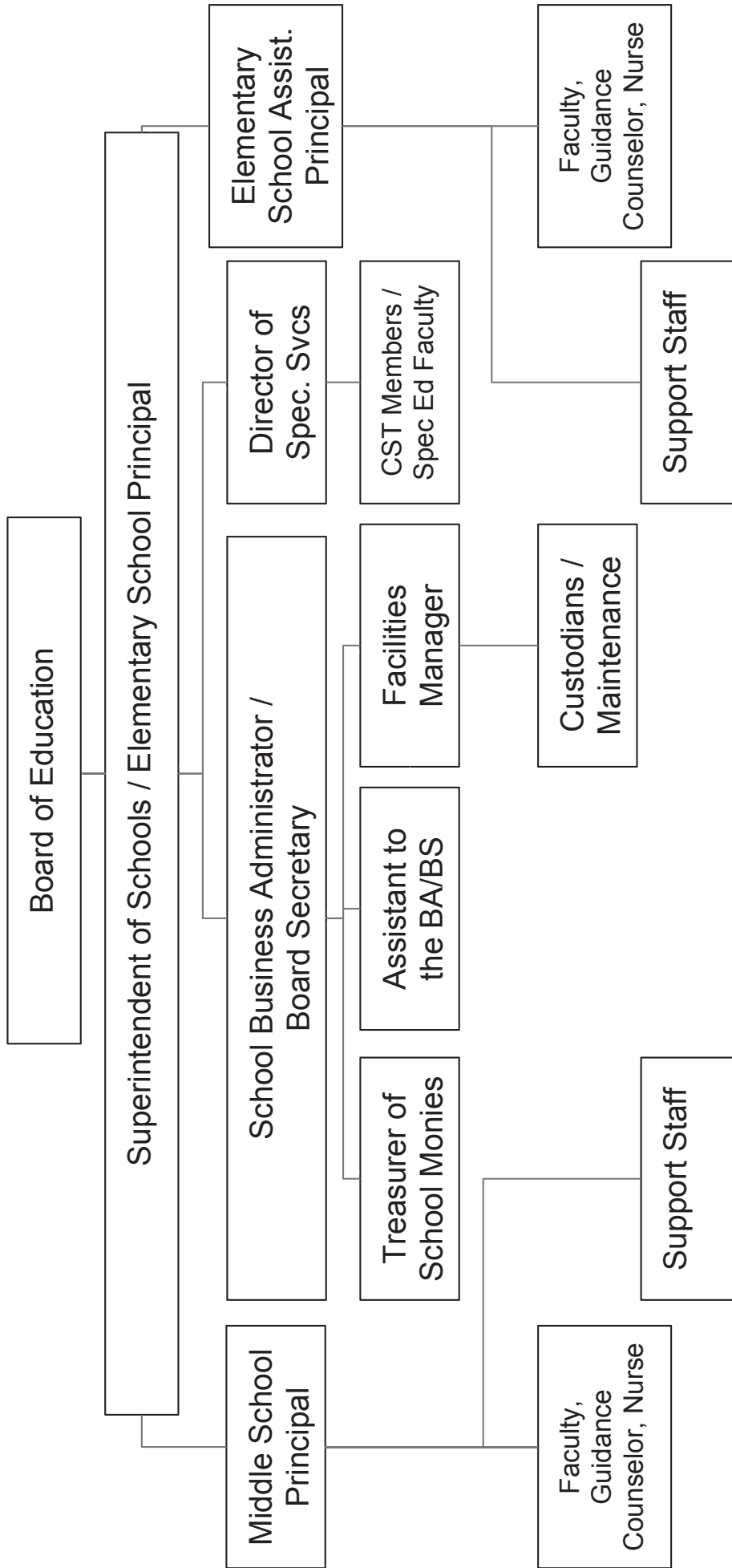
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the High Bridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

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

  
\_\_\_\_\_  
Karolina Cywa  
Business Administrator/Board Secretary

HIGH BRIDGE SCHOOL DISTRICT  
ORGANIZATIONAL CHART



**HIGH BRIDGE SCHOOL DISTRICT**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2022**

Members of the Board of Education

Term Expires

|                            |      |
|----------------------------|------|
| Cindy Sharkey, President   | 2023 |
| Karyn Gove, Vice President | 2022 |
| Robert Imhoff              | 2022 |
| Erin Delgado               | 2023 |
| Colleen Poles              | 2024 |
| Benjamin Bolger            | 2024 |

Other Officials

Title

|                        |   |
|------------------------|---|
| Gregory Hobaugh, Ed. D | Superintendent  |
| Karolina Cywa          | Business Administrator/Board Secretary (Starting July 01, 2022) |
| John Jennings          | Business Administrator/Board Secretary (Through June 30, 2022)  |
| Judy Favino            | Treasurer of School Monies                                      |
| Busch Law Group        | Attorneys   |

**HIGH BRIDGE SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
JUNE 30, 2022**

**Architects**

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

**Audit Firm**

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

**Attorneys**

Busch Law Group  
450 Main Street  
Metuchen, NJ 08840

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

**Official Depository**

Peapack-Gladstone Bank  
PO Box 700  
Bedminster, NJ 07921



FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the High Bridge School District (the “District”) in the County of Hunterdon, as of and for the fiscal year ended June 30, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

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

#### ***Matter Giving Rise to Qualified Opinion***

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 17) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

***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 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.

***Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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, *Government Auditing Standards* and audit requirements prescribed by the Office, 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 judgment, 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.

***Required Supplementary Information***

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

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members  
of the Board of Education  
High Bridge School District  
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***Other Information***

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 October 31, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 31, 2022  
Mount Arlington, New Jersey

NISIVOCIA LLP

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

REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This section of High Bridge School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

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

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

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

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

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

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

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

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

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

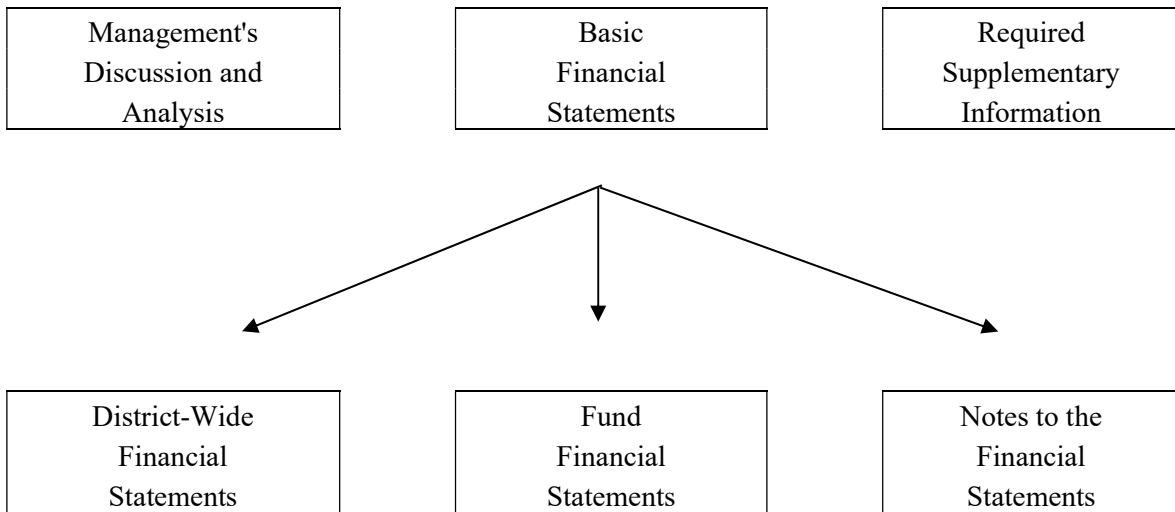


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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



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

**Figure A-2**

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

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

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

### *District-wide Statements*

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

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

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

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

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

### *Fund Financial Statements*

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

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

The District has two kinds of funds:

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

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

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

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

*Net Position.* The District's combined net position was \$8,613,390 on June 30, 2022, which was \$1,962,165 or 29.50% greater than the prior year (See Figure A-3).

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

|                                      | Governmental Activities |                     | Business-Type Activities |                  | Total School District |                     | Total<br>Percentage<br>Change |
|--------------------------------------|-------------------------|---------------------|--------------------------|------------------|-----------------------|---------------------|-------------------------------|
|                                      | 2021/22                 | 2020/21*            | 2021/22                  | 2020/21          | 2021/22               | 2020/21*            | 2021/22                       |
| Current and                          |                         |                     |                          |                  |                       |                     |                               |
| Other Assets                         | \$ 5,397,392            | \$ 3,916,866        | \$ 95,435                | \$ 28,705        | \$ 5,492,827          | \$ 3,945,571        |                               |
| Capital Assets, Net                  | 6,866,117               | 6,846,406           | 4,542                    | 871              | 6,870,659             | 6,847,277           |                               |
| Lease Assets, Net                    | 8,399                   | 16,158              |                          |                  | 8,399                 | 16,158              |                               |
| Total Assets                         | <u>12,271,908</u>       | <u>10,779,430</u>   | <u>99,977</u>            | <u>29,576</u>    | <u>12,371,885</u>     | <u>10,809,006</u>   | 14.46%                        |
| Deferred Outflows<br>of Resources    | <u>236,908</u>          | <u>373,289</u>      |                          |                  | <u>236,908</u>        | <u>373,289</u>      | -36.53%                       |
| Other Liabilities                    | 652,714                 | 742,376             | 11,625                   | 6,991            | 664,339               | 749,367             |                               |
| Long-Term Liabilities<br>Outstanding | <u>2,655,180</u>        | <u>2,942,765</u>    |                          |                  | <u>2,655,180</u>      | <u>2,942,765</u>    |                               |
| Total Liabilities                    | <u>3,307,894</u>        | <u>3,685,141</u>    | <u>11,625</u>            | <u>6,991</u>     | <u>3,319,519</u>      | <u>3,692,132</u>    | -10.09%                       |
| Deferred Inflows<br>of Resources     | <u>675,884</u>          | <u>812,024</u>      |                          |                  | <u>675,884</u>        | <u>812,024</u>      | -16.77%                       |
| Net Position:                        |                         |                     |                          |                  |                       |                     |                               |
| Net Investment in                    |                         |                     |                          |                  |                       |                     |                               |
| Capital Assets                       | 4,945,497               | 4,510,637           | 4,542                    | 871              | 4,950,039             | 4,511,508           |                               |
| Restricted                           | 3,499,883               | 2,792,395           |                          |                  | 3,499,883             | 2,792,395           |                               |
| Unrestricted/(Deficit)               | <u>79,658</u>           | <u>(647,478)</u>    | <u>83,810</u>            | <u>21,714</u>    | <u>163,468</u>        | <u>(625,764)</u>    |                               |
| Total Net Position                   | <u>\$ 8,525,038</u>     | <u>\$ 6,655,554</u> | <u>\$ 88,352</u>         | <u>\$ 22,585</u> | <u>\$ 8,613,390</u>   | <u>\$ 6,678,139</u> | 28.98%                        |

\* Restated

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

*Changes in Net Position.* Net position from governmental activities increased \$1,896,398 mostly due to increases in state aid, and net position from business-type activities increased \$65,767 due to revenues exceeding expenses related to Food Service.

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

|  | Governmental<br>Activities<br><u>2021/22</u> | Business-Type<br>Activities<br><u>2021/22</u> | Total School<br>District<br><u>2021/22</u> | Governmental<br>Activities<br><u>2020/21</u> | Business-Type<br>Activities<br><u>2020/21</u> | Total School<br>District<br><u>2020/21</u> | Total<br>Percentage<br>Change<br><u>2021/22</u> |
|--|--|---|--|--|---|--|---|
| Revenue:                               |  |   |  |  |   |  |   |
| Program Revenue:                       |  |   |  |  |   |  |   |
| Charges for Services                   | \$ 29,500                                    | \$ 6,400                                      | \$ 35,900                                  | \$ 33,996                                    | \$ 346  | \$ 34,342                                  |   |
| Operating Grants<br>and Contributions  | 4,968,289                                    | 198,310                                       | 5,166,599                                  | 4,214,965                                    | 82,020  | 4,296,985                                  |   |
| General Revenue:                       |  |   |  |  |   |  |   |
| Property Taxes                         | 7,152,466                                    |   | 7,152,466                                  | 7,020,901                                    |   | 7,020,901                                  |   |
| Other                                  | 169,127                                      | 25  | 169,152                                    | 201,850                                      | 9   | 201,859                                    |   |
| Total Revenue                          | <u>12,319,382</u>                            | <u>204,735</u>                                | <u>12,524,117</u>                          | <u>11,471,712</u>                            | <u>82,375</u>                                 | <u>11,554,087</u>                          | 8.40%   |
| Expenses:                              |  |   |  |  |   |  |   |
| Instruction                            | 7,307,904                                    |   | 7,307,904                                  | 6,437,786                                    |   | 6,437,786                                  |   |
| Pupil and Instruction<br>Services      | 1,448,221                                    |   | 1,448,221                                  | 1,531,094                                    |   | 1,531,094                                  |   |
| Administrative and<br>Business         | 638,570                                      |   | 638,570                                    | 675,000                                      |   | 675,000                                    |   |
| Maintenance and<br>Operations          | 899,716                                      |   | 899,716                                    | 1,043,166                                    |   | 1,043,166                                  |   |
| Pupil Transportation                   | 18,740                                       |   | 18,740                                     | 14,175                                       |   | 14,175                                     |   |
| Other                                  | 109,833                                      | 138,968                                       | 248,801                                    | 129,917                                      | 70,083  | 200,000                                    |   |
| Total Expenses                         | <u>10,422,984</u>                            | <u>138,968</u>                                | <u>10,561,952</u>                          | <u>9,831,138</u>                             | <u>70,083</u>                                 | <u>9,901,221</u>                           | 6.67%   |
| Increase/(Decrease)<br>in Net Position | <u>\$ 1,896,398</u>                          | <u>\$ 65,767</u>                              | <u>\$ 1,962,165</u>                        | <u>\$ 1,640,574</u>                          | <u>\$ 12,292</u>                              | <u>\$ 1,652,866</u>                        | 18.71%  |

**Governmental Activities**

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

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

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

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

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

**Figure A-5**

|                                | <b>Net Cost of Governmental Activities</b> |                         |                           |                         |
|--------------------------------|--|-------------------------|---------------------------|-------------------------|
|                                | Total Cost of<br>Services                  | Net Cost of<br>Services | Total Cost of<br>Services | Net Cost of<br>Services |
|                                | <u>2021/22</u>                             | <u>2021/22</u>          | <u>2020/21</u>            | <u>2020/21</u>          |
| Instruction                    | \$ 7,307,904                               | \$ 2,454,908            | \$ 6,437,786              | \$ 2,317,571            |
| Pupil and Instruction Services | 1,448,221                                  | 1,448,221               | 1,531,094                 | 1,531,094               |
| Administrative and Business    | 638,570                                    | 511,305                 | 675,000                   | 550,024                 |
| Maintenance and Operations     | 899,716                                    | 899,716                 | 1,043,166                 | 1,043,166               |
| Transportation                 | 18,740                                     | 1,212                   | 14,175                    | 10,405                  |
| Other                          | 109,833                                    | 109,833                 | 129,917                   | 129,917                 |
|                                | <u>\$ 10,422,984</u>                       | <u>\$ 5,425,195</u>     | <u>\$ 9,831,138</u>       | <u>\$ 5,582,177</u>     |

***Business-Type Activities***

Net position from the District’s business-type activity increased \$65,767 (Refer to Figure A-4). Factors contributing to these results included:

- Food service revenues exceeded expenses by \$65,767 mostly due to the Seamless Summer Option Program which resulted in revenues exceeding expenses related to the Food Service Fund which accounted for the overall increase in the net position of the business-type activities.

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

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

**General Fund Budgetary Highlights**

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

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

**Capital Asset and Long Term Liabilities**

**Figure A-6**

|   | <b>Capital Assets (Net of Depreciation)</b> |                            |                                 |                      |                              |                            | <b>Percentage<br/>Change<br/>2021/22</b> |
|---|---|----------------------------|---------------------------------|----------------------|------------------------------|----------------------------|--|
|   | <b>Governmental Activities</b>              |                            | <b>Business-Type Activities</b> |                      | <b>Total School District</b> |                            |  |
|   | <u>2021/22</u>                              | <u>2020/21</u>             | <u>2021/22</u>                  | <u>2020/21</u>       | <u>2021/22</u>               | <u>2020/21</u>             |  |
| Land  | \$ 4,826,600                                | \$ 4,826,600               |                                 |                      | \$ 4,826,600                 | \$ 4,826,600               |  |
| Site Improvements                                     | 91,349                                      | 98,592                     |                                 |                      | 91,349                       | 98,592                     |  |
| Buildings and Building<br>Improvements                | 1,753,610                                   | 1,797,011                  |                                 |                      | 1,753,610                    | 1,797,011                  |  |
| Furniture, Machinery, and<br>Equipment                | <u>194,558</u>                              | <u>124,203</u>             | <u>\$ 4,542</u>                 | <u>\$ 871</u>        | <u>199,100</u>               | <u>125,074</u>             |  |
| <b>Total Capital Assets<br/>(Net of Depreciation)</b> | <u><u>\$ 6,866,117</u></u>                  | <u><u>\$ 6,846,406</u></u> | <u><u>\$ 4,542</u></u>          | <u><u>\$ 871</u></u> | <u><u>\$ 6,870,659</u></u>   | <u><u>\$ 6,847,277</u></u> | 0.34%                                    |

**Figure A-7**

**Outstanding Long-Term Liabilities**

|                              | <u>2021/22</u>             | <u>2020/21*</u>            | <b>Percentage<br/>Change<br/>2021/22</b> |
|------------------------------|----------------------------|----------------------------|--|
| Bonds Payable                | \$ 1,920,000               | \$ 2,335,000               |  |
| Net Pension Liability        | 681,607                    | 931,740                    |  |
| Leases Payable               | 9,019                      | 16,927                     |  |
| Compensated Absences Payable | <u>44,554</u>              | <u>82,006</u>              |  |
|                              | <u><u>\$ 2,655,180</u></u> | <u><u>\$ 3,348,746</u></u> | -20.71%                                  |

\* Restated

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

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

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

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

**Contacting the District's Financial Management**

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

BASIC FINANCIAL STATEMENTS



DISTRICT-WIDE FINANCIAL STATEMENTS

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

|   | Governmental<br>Activities | Business-type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| <b>ASSETS</b>   |                            |                             |                     |
| Cash and Cash Equivalents   | \$ 2,073,664               | \$ 49,338                   | \$ 2,123,002        |
| Receivables from Other Governments:   |                            |                             |                     |
| Federal   | 66,576                     | 14,784                      | 81,360              |
| State   | 440,873                    | 256                         | 441,129             |
| Other   | 11,336                     |                             | 11,336              |
| Other Accounts Receivable   | 14,164                     |                             | 14,164              |
| Internal Balances   | (24,428)                   | 24,428                      |                     |
| Inventory   |                            | 6,629                       | 6,629               |
| Restricted Cash and Cash Equivalents  | 2,815,207                  |                             | 2,815,207           |
| Capital Assets, Net   |                            |                             |                     |
| Sites (Land)  | 4,826,600                  |                             | 4,826,600           |
| Depreciable Site Improvements, Buildings and<br>Building Improvements and Furniture,<br>Machinery and Equipment | 2,039,517                  | 4,542                       | 2,044,059           |
| Lease Assets, Net   | 8,399                      |                             | 8,399               |
| Total Assets  | <u>12,271,908</u>          | <u>99,977</u>               | <u>12,371,885</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                            |                             |                     |
| Deferred Outflows - Pensions  | 236,908                    |                             | 236,908             |
| Total Deferred Outflows of Resources  | <u>236,908</u>             |                             | <u>236,908</u>      |
| <b>LIABILITIES</b>  |                            |                             |                     |
| Accrued Interest Payable  | 32,000                     |                             | 32,000              |
| Accounts Payable  | 176,464                    | 7,612                       | 184,076             |
| Unearned Revenue  | 444,250                    | 4,013                       | 448,263             |
| Noncurrent Liabilities:   |                            |                             |                     |
| Due Within One Year   | 448,308                    |                             | 448,308             |
| Due Beyond One Year   | 2,206,872                  |                             | 2,206,872           |
| Total Liabilities   | <u>3,307,894</u>           | <u>11,625</u>               | <u>3,319,519</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                             |                     |
| Deferred Inflows - Pensions   | 675,884                    |                             | 675,884             |
| Total Deferred Inflows of Resources   | <u>675,884</u>             |                             | <u>675,884</u>      |
| <b>NET POSITION</b>   |                            |                             |                     |
| Net Investment in Capital Assets  | 4,945,497                  | 4,542                       | 4,950,039           |
| Restricted for:   |                            |                             |                     |
| Capital Projects  | 2,104,315                  |                             | 2,104,315           |
| Maintenance Reserve   | 484,322                    |                             | 484,322             |
| Excess Surplus  | 684,676                    |                             | 684,676             |
| Unemployment Compensation   | 210,014                    |                             | 210,014             |
| Student Activities  | 16,556                     |                             | 16,556              |
| Unrestricted/(Deficit)  | 79,658                     | 83,810                      | 163,468             |
| Total Net Position  | <u>\$ 8,525,038</u>        | <u>\$ 88,352</u>            | <u>\$ 8,613,390</u> |

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Functions/Programs                     | Expenses     | Program Revenue      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |       |
|--|--------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-------|
|  |              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total |
| Governmental Activities:               |              |                      |                                    |                                  |   |                          |       |
| Instruction:                           |              |                      |                                    |                                  |   |                          |       |
| Regular                                | \$ 4,946,071 | \$ 29,500            | \$ 3,713,210                       |                                  | \$ (1,203,361)                                    | \$ (1,203,361)           |       |
| Special Education                      | 2,179,649    |                      | 1,110,286                          |                                  | (1,069,363)                                       | (1,069,363)              |       |
| Other Instruction                      | 182,184      |                      |                                    |                                  | (182,184)   | (182,184)                |       |
| Support Services:                      |              |                      |                                    |                                  |   |                          |       |
| Tuition                                | 18,442       |                      |                                    |                                  | (18,442)  | (18,442)                 |       |
| Student & Instruction Related Services | 1,429,779    |                      |                                    |                                  | (1,429,779)                                       | (1,429,779)              |       |
| General Administrative Services        | 239,535      |                      | 56,599                             |                                  | (182,936)   | (182,936)                |       |
| School Administrative Services         | 244,412      |                      | 70,666                             |                                  | (173,746)   | (173,746)                |       |
| Central Services                       | 127,924      |                      |                                    |                                  | (127,924)   | (127,924)                |       |
| Administrative Information Technology  | 26,699       |                      |                                    |                                  | (26,699)  | (26,699)                 |       |
| Plant Operations and Maintenance       | 899,716      |                      |                                    |                                  | (899,716)   | (899,716)                |       |
| Pupil Transportation                   | 18,740       |                      | 17,528                             |                                  | (1,212)   | (1,212)                  |       |
| Interest on Long-Term Debt             | 109,833      |                      |                                    |                                  | (109,833)   | (109,833)                |       |
| Total Governmental Activities          | 10,422,984   | 29,500               | 4,968,289                          |                                  | (5,425,195)                                       | (5,425,195)              |       |

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Functions/Programs                                  | Program Revenue |                         |  | Net (Expense) Revenue and<br>Changes in Net Position |                |
|---|-----------------|-------------------------|--|--|----------------|
|   | Expenses        | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions               | Total          |
| Business-Type Activities:                           |                 |                         |  |  |                |
| Food Service  | \$ 138,968      | \$ 6,400                | \$ 198,310                               |  | \$ 65,742      |
| Total Business-Type Activities                      | 138,968         | 6,400                   | 198,310                                  |  | 65,742         |
| Total Primary Government                            | \$ 10,561,952   | \$ 35,900               | \$ 5,166,599                             | \$ -0-   | \$ (5,425,195) |
| General Revenue:                                    |                 |                         |  |  |                |
| Taxes:  |                 |                         |  |  |                |
| Property Taxes, Levied for<br>General Purposes, Net |                 |                         |  |  | \$ 6,699,003   |
| Taxes Levied for Debt Service                       |                 |                         |  |  | 453,463        |
| Federal and State Aid not Restricted                |                 |                         |  |  | 78,287         |
| Investment Earnings                                 |                 |                         |  |  | 3,600          |
| Restricted Miscellaneous Income                     |                 |                         |  |  | 64,779         |
| Miscellaneous Income                                |                 |                         |  |  | 22,461         |
| Total General Revenues                              |                 |                         |  |  | 7,321,593      |
| Change in Net Position                              |                 |                         |  |  | 1,896,398      |
| Net Position - Beginning (as Restated)              |                 |                         |  |  | 6,628,640      |
| Net Position - Ending                               |                 |                         |  |  | \$ 8,525,038   |
|   |                 |                         |  |  | \$ 88,352      |
|   |                 |                         |  |  | \$ 6,699,003   |
|   |                 |                         |  |  | 453,463        |
|   |                 |                         |  |  | 78,287         |
|   |                 |                         |  |  | 3,625          |
|   |                 |                         |  |  | 64,779         |
|   |                 |                         |  |  | 22,461         |
|   |                 |                         |  |  | 7,321,618      |
|   |                 |                         |  |  | 1,962,165      |
|   |                 |                         |  |  | 6,651,225      |
|   |                 |                         |  |  | \$ 8,613,390   |

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

FUND FINANCIAL STATEMENTS

HIGH BRIDGE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|--------------------------------|
| <b>ASSETS:</b>                             |                     |                            |                                |
| Cash and Cash Equivalents                  | \$ 1,798,248        | \$ 275,416                 | \$ 2,073,664                   |
| Receivables From Other Governments:        |                     |                            |                                |
| Federal                                    |                     | 66,576                     | 66,576                         |
| State                                      | 440,873             |                            | 440,873                        |
| Other                                      |                     | 11,336                     | 11,336                         |
| Other Accounts Receivable                  | 14,164              |                            | 14,164                         |
| Restricted Cash and Cash Equivalents       | 2,798,651           | 16,556                     | 2,815,207                      |
| <b>Total Assets</b>                        | <u>\$ 5,051,936</u> | <u>\$ 369,884</u>          | <u>\$ 5,421,820</u>            |
| <b>LIABILITIES AND FUND BALANCES:</b>      |                     |                            |                                |
| Liabilities:                               |                     |                            |                                |
| Accounts Payable                           | \$ 106,464          |                            | \$ 106,464                     |
| Interfund Payable:                         |                     |                            |                                |
| Food Service Fund                          | 24,428              |                            | 24,428                         |
| Unearned Revenue                           |                     | \$ 444,250                 | 444,250                        |
| <b>Total Liabilities</b>                   | <u>130,892</u>      | <u>444,250</u>             | <u>575,142</u>                 |
| Fund Balances:                             |                     |                            |                                |
| Restricted for:                            |                     |                            |                                |
| Capital Reserve Account                    | 2,104,315           |                            | 2,104,315                      |
| Maintenance Reserve Account                | 484,322             |                            | 484,322                        |
| Excess Surplus - 2023-2024                 | 684,676             |                            | 684,676                        |
| Excess Surplus - 2022-2023                 | 362,026             |                            | 362,026                        |
| Unemployment Compensation                  | 210,014             |                            | 210,014                        |
| Student Activities                         |                     | 16,556                     | 16,556                         |
| Assigned to:                               |                     |                            |                                |
| Year End Encumbrances                      | 506,198             |                            | 506,198                        |
| Unassigned:                                |                     |                            |                                |
| General Fund                               | 569,493             |                            | 569,493                        |
| Special Revenue Fund/(Deficit)             |                     | (90,922)                   | (90,922)                       |
| <b>Total Fund Balances/(Deficit)</b>       | <u>4,921,044</u>    | <u>(74,366)</u>            | <u>4,846,678</u>               |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 5,051,936</u> | <u>\$ 369,884</u>          |                                |

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

|   |                     |
|---|---------------------|
| Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$11,578,814 and the accumulated depreciation is \$4,712,697. | 6,866,117           |
| Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.  | 8,399               |
| Long-Term Liabilities, including Bonds Payable, Financed Purchases, and Leases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.               | (1,973,573)         |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.   | (32,000)            |
| The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.  | (681,607)           |
| Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:  |                     |
| Deferred Outflows   | 166,908             |
| Deferred Inflows  | (675,884)           |
| <b>Net Position of Governmental Activities</b>  | <u>\$ 8,525,038</u> |

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|-------------------------|--------------------------------|
| <b>REVENUE:</b>  |                     |                            |                         |                                |
| <b>Local Sources:</b>                                    |                     |                            |                         |                                |
| Local Tax Levy   | \$ 6,699,003        |                            | \$ 453,463              | \$ 7,152,466                   |
| Tuition Charges  | 29,500              |                            |                         | 29,500                         |
| Interest Earned on Capital Reserve Funds                 | 1,029               |                            |                         | 1,029                          |
| Interest Earned on Maintenance Reserve Funds             | 273                 |                            |                         | 273                            |
| Interest Earned  | 2,298               |                            |                         | 2,298                          |
| Restricted Miscellaneous Revenue                         | 33,405              | \$ 31,374                  |                         | 64,779                         |
| Miscellaneous  | 22,461              | 2,000                      |                         | 24,461                         |
| <b>Total - Local Sources</b>                             | <b>6,787,969</b>    | <b>33,374</b>              | <b>453,463</b>          | <b>7,274,806</b>               |
| State Sources  | 3,452,079           | 627,316                    | 78,287                  | 4,157,682                      |
| Federal Sources  |                     | 314,480                    |                         | 314,480                        |
| <b>Total Revenue</b>                                     | <b>10,240,048</b>   | <b>975,170</b>             | <b>531,750</b>          | <b>11,746,968</b>              |
| <b>EXPENDITURES</b>                                      |                     |                            |                         |                                |
| <b>Current:</b>  |                     |                            |                         |                                |
| Regular Instruction                                      | 2,202,736           | 844,964                    |                         | 3,047,700                      |
| Special Education Instruction                            | 999,430             | 93,306                     |                         | 1,092,736                      |
| Other Instruction  | 137,047             |                            |                         | 137,047                        |
| <b>Support Services and Undistributed Costs:</b>         |                     |                            |                         |                                |
| Tuition  | 18,442              |                            |                         | 18,442                         |
| Student & Instruction Related Services                   | 1,203,463           | 26,138                     |                         | 1,229,601                      |
| General Administrative Services                          | 188,316             |                            |                         | 188,316                        |
| School Administrative Services                           | 170,347             |                            |                         | 170,347                        |
| Central Services   | 113,922             |                            |                         | 113,922                        |
| Administrative Information Technology                    | 26,699              |                            |                         | 26,699                         |
| Pupil Transportation                                     | 18,740              |                            |                         | 18,740                         |
| Plant Operations and Maintenance                         | 727,634             |                            |                         | 727,634                        |
| Benefits - Allocated and Unallocated                     | 3,135,137           |                            |                         | 3,135,137                      |
| <b>Debt Service:</b>                                     |                     |                            |                         |                                |
| Principal  |                     |                            | 415,000                 | 415,000                        |
| Interest and Other Charges                               |                     |                            | 116,750                 | 116,750                        |
| Capital Outlay   | 89,419              | 52,201                     |                         | 141,620                        |
| <b>Total Expenditures</b>                                | <b>9,031,332</b>    | <b>1,016,609</b>           | <b>531,750</b>          | <b>10,579,691</b>              |
| Excess/(Deficiency) of Revenue over/(under) Expenditures | 1,208,716           | (41,439)                   |                         | 1,167,277                      |
| <b>OTHER FINANCING SOURCES/(USES)</b>                    |                     |                            |                         |                                |
| Transfers  | (27,552)            | 27,552                     |                         |                                |
| <b>Total Other Financing Sources/(Uses)</b>              | <b>(27,552)</b>     | <b>27,552</b>              |                         |                                |
| <b>Net Change in Fund Balances</b>                       | <b>1,181,164</b>    | <b>(13,887)</b>            |                         | <b>1,167,277</b>               |
| Fund Balance/(Deficit)—July 1                            | 3,739,880           | (60,479)                   |                         | 3,679,401                      |
| Fund Balance/(Deficit)—June 30                           | <u>\$ 4,921,044</u> | <u>\$ (74,366)</u>         | <u>\$ - 0 -</u>         | <u>\$ 4,846,678</u>            |

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

HIGH BRIDGE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   |                                 |                     |
|---|---------------------------------|---------------------|
| Total Net Change in Fund Balances - Governmental Funds (from B-2)   |                                 | \$ 1,167,277        |
| Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:  |                                 |                     |
| Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.  |                                 |                     |
|   | Depreciation expense            | \$ (121,909)        |
|   | Capital Asset Additions         | <u>141,620</u>      |
|   |                                 | 19,711              |
| Capital outlays related to lease assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.  |                                 |                     |
|   | Amortization Expense            | (7,759)             |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). |                                 |                     |
|   |                                 | 37,452              |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)   |                                 |                     |
|   |                                 | 415,000             |
| Repayment of leases 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.   |                                 |                     |
|   |                                 | 7,908               |
| In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).   |                                 |                     |
|   |                                 | 6,917               |
| The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:  |                                 |                     |
|   | Change in Net Pension Liability | 250,133             |
|   | Change in Deferred Outflows     | (136,381)           |
|   | Change in Deferred Inflows      | <u>136,140</u>      |
| Change in Net Position - Governmental Funds (Exhibit A-2)   |                                 | <u>\$ 1,896,398</u> |

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



HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

|  | <u>Business-Type<br/>Activities -<br/>Enterprise Funds</u> |
|--|--|
| <b>ASSETS:</b>                         |  |
| Current Assets:                        |  |
| Cash and Cash Equivalents              | \$ 49,338  |
| Intergovernmental Accounts Receivable: |  |
| State                                  | 256  |
| Federal                                | 14,784   |
| Interfund Receivable                   | 24,428   |
| Inventories                            | 6,629  |
|  | 95,435   |
| Total Current Assets                   | 95,435   |
| Non-Current Assets:                    |  |
| Capital Assets:                        |  |
| Equipment                              | 176,844  |
| Accumulated Depreciation               | (172,302)  |
|  | 4,542  |
| Total Non-Current Assets               | 4,542  |
| Total Assets                           | 99,977   |
| <b>LIABILITIES:</b>                    |  |
| Current Liabilities:                   |  |
| Accounts Payable- Vendors              | 7,612  |
| Unearned Revenue - Donated Commodities | 2,320  |
| Unearned Revenue - Prepaid Sales       | 1,693  |
|  | 11,625   |
| Total Liabilities                      | 11,625   |
| <b>NET POSITION:</b>                   |  |
| Investment in Capital Assets           | 4,542  |
| Unrestricted                           | 83,810   |
|  | 88,352   |
| Total Net Position                     | \$ 88,352  |

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

HIGH BRIDGE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>Business-Type<br/>Activities -<br/>Enterprise Funds</u> |
|---|--|
| Operating revenue   |  |
| Local Sources:  |  |
| Daily Sales - Non-Reimbursable Sales  | \$ 6,400   |
| <b>Total Operating Revenue</b>  | <u>6,400</u>   |
| Operating Expenses:   |  |
| Cost of Sales - Reimbursable Programs   | 76,851   |
| Salaries, Benefits & Payroll Taxes  | 50,417   |
| Supplies, Insurance & Other Costs   | 1,565  |
| Management Fee  | 7,417  |
| Depreciation  | 1,357  |
| Miscellaneous Expenses  | 1,361  |
| <b>Total Operating Expenses</b>   | <u>138,968</u>   |
| <b>Operating (Loss)</b>   | <u>(132,568)</u>   |
| Non-Operating Revenue   |  |
| Local Sources:  |  |
| Interest Income   | 25   |
| State Sources:  |  |
| COVID 19 - Seamless Summer Option   | 3,286  |
| Federal Sources:  |  |
| COVID 19 - Seamless Summer Option   | 184,652  |
| Other Nutrition Programs -  |  |
| COVID 19 - Pandemic/Electronic Benefits Transfer Administrative Reimbursement | 1,242  |
| Food Distribution Program   | 9,130  |
| <b>Total Non-Operating Revenue</b>  | <u>198,335</u>   |
| <b>Change in Net Position</b>   | 65,767   |
| <b>Net Position - Beginning of Year</b>                                       | <u>22,585</u>  |
| <b>Net Position - End of Year</b>   | <u>\$ 88,352</u>   |

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

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

|   | <u>Business-Type<br/>Activities -<br/>Enterprise Funds</u> |
|---|--|
| Cash Flows From Operating Activities:   |  |
| Receipts from Customers   | \$ 6,400   |
| Payments to Food Service Vendor   | (127,715)  |
| Net Cash (Used for) Operating Activities  | <u>(121,315)</u>   |
| Cash Flows From Noncapital Financing Activities:                                |  |
| State Sources   | 3,487  |
| Federal Sources   | 153,646  |
| Net Cash Provided by Investing Activities                                       | <u>157,133</u>   |
| Cash Flows From Investing Activities:   |  |
| Interest Income   | 25   |
| Net Cash Provided by Investing Activities                                       | <u>25</u>  |
| Cash Flows (Used for) Capital Financing Activities:                             |  |
| Acquisition of Capital Assets   | (5,028)  |
| Net Cash (Used for) Capital Financing Activities                                | <u>(5,028)</u>   |
| Net Increase in Cash and Cash Equivalents                                       | 30,815   |
| Cash and Cash Equivalents, July 1   | <u>18,523</u>  |
| Cash and Cash Equivalents, June 30  | <u>\$ 49,338</u>   |
| Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:   |  |
| Operating Loss  | \$ (132,568)   |
| Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities: |  |
| Depreciation  | 1,357  |
| Food Distribution Program   | 9,130  |
| Changes in Assets and Liabilities:  |  |
| (Increase) in Inventory   | (3,868)  |
| Increase in Accounts Payable  | 4,117  |
| Increase in Unearned Revenue - Donated Commodities                              | 1,252  |
| (Decrease) in Unearned Revenue - Prepaid Sales                                  | (735)  |
| Net Cash (Used for) Operating Activities  | <u>\$ (145,743)</u>  |

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$10,372 and \$9,130, respectively, the fiscal year ended June 30, 2022.

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

The District reports the following proprietary fund:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

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

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

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

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> |
|--|-------------------------|-------------------------------------|
| Sources/Inflows of Resources:  |                         |                                     |
| Actual Amounts (Budgetary Basis) "Revenue"<br>from the Budgetary Comparison Schedule   | \$ 10,243,687           | \$ 1,022,531                        |
| Differences - Budget to GAAP:  |                         |                                     |
| Grant Accounting Budgetary Basis Differs from GAAP in that the<br>Budgetary basis recognizes Encumbrances as Expenditures<br>and Revenue whereas the GAAP basis does not.  |                         | (686)                               |
| Prior Year State Aid Payments Recognized for GAAP Statements,<br>not Recognized for Budgetary Purposes   | 137,204                 | 71,799                              |
| Current Year State Aid Payments Recognized for Budgetary<br>Purposes, not Recognized for GAAP Statements   | <u>(140,843)</u>        | <u>(90,922)</u>                     |
| Total Revenues as Reported on the Statement of Revenues,<br>Expenditures and Changes in Fund Balances - Governmental Funds.  | <u>\$ 10,240,048</u>    | <u>\$ 1,002,722</u>                 |
| Uses/Outflows of Resources:  |                         |                                     |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the<br>Budgetary Comparison Schedule  | \$ 9,031,332            | \$ 1,017,295                        |
| Differences - Budget to GAAP:  |                         |                                     |
| Encumbrances for supplies and equipment ordered but<br>not received are reported in the year the order is placed for<br>budgetary purposes, but in the year the supplies are received<br>for financial reporting purposes. |                         | <u>(686)</u>                        |
| Total Expenditures as Reported on the Statement of Revenue,<br>Expenditures, and Changes in Fund Balances - Governmental Funds   | <u>\$ 9,031,332</u>     | <u>\$ 1,016,609</u>                 |

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

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

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

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

N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2022.

O. Compensated Absences:

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

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

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

P. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

R. Fund Balance Appropriated:

General Fund: Of the \$4,921,044 General Fund fund balance at June 30, 2022, \$2,104,315 is restricted in the capital reserve account; \$484,322 is restricted in the maintenance reserve account; \$684,676 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024, \$362,026 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023, \$506,198 is assigned for year-end encumbrances, \$210,014 is restricted for unemployment compensation, and \$569,493 is unassigned which is \$140,843 less than the Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ending June 30, 2023.

Special Revenue Fund: Of the \$(74,366) Special Revenue Fund fund balance at June 30, 2022, \$(90,922) is unassigned due to the last two state aid payments, which are not recognized on a GAAP Basis, and \$16,556 is restricted for student activities.

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

The District's unassigned fund balance in the General Fund and Special Revenue Fund is less on a GAAP basis than the budgetary basis by \$140,843 and \$90,922 respectively as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

S. Deficit in Net Position/Fund Balance:

The District has a deficit in unassigned fund balance of \$90,922 and a total deficit of \$74,366 in the Special Revenue Fund due to the last two state aid payments for the Preschool Education Aid Program payments not being received as of June 30, 2022.

T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2022 related to pensions.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

T. Net Position (Cont'd)

The District had a deferred inflow of resources at June 30, 2022 related to pensions.

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

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

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

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund for encumbrances at June 30, 2022.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

V. Revenue - Exchange and Nonexchange Transactions:

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

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

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

W. Operating Revenue and Expenses:

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

X. Management Estimates:

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

Y. Pensions:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

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

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) ; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

|                                | <u>Restricted Cash and Cash Equivalents</u> |  |  |                                      |                               | <u>Total</u>        |
|--------------------------------|---|--|--|--------------------------------------|-------------------------------|---------------------|
|                                | <u>Cash and Cash<br/>Equivalents</u>        | <u>Capital<br/>Reserve<br/>Account</u> | <u>Maintenance<br/>Reserve<br/>Account</u> | <u>Unemployment<br/>Compensation</u> | <u>Student<br/>Activities</u> |                     |
| Checking & Savings<br>Accounts | \$ 2,123,002                                | \$ 2,104,315                           | \$ 484,322                                 | \$ 210,014                           | \$ 16,556                     | \$ 4,938,209        |
|                                | <u>\$ 2,123,002</u>                         | <u>\$ 2,104,315</u>                    | <u>\$ 484,322</u>                          | <u>\$ 210,014</u>                    | <u>\$ 16,556</u>              | <u>\$ 4,938,209</u> |

During the period ended June 30, 2022 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$4,938,209 and the bank balance was \$5,315,064.



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

|                                 |              |
|---------------------------------|--------------|
| Beginning Balance, July 1, 2021 | \$ 1,808,390 |
| Increased by:                   |              |
| Interest Earnings               | 1,029        |
| Board Resolution                | 1,000,000    |
|                                 | 2,809,419    |
| Decreased by:                   |              |
| Budgeted Withdrawal             | (705,104)    |
| Ending Balance, June 30, 2022   | \$ 2,104,315 |

The June 30, 2022 Capital Reserve balance does not exceed the local support costs of uncompleted capital projects in the District’s Long Range Facilities Plan (“LRFP”). The withdrawal from the capital reserve account was for use in DOE approved facilities projects, consistent with the District’s LRFP.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

|                                 |    |         |
|---------------------------------|----|---------|
| Beginning Balance, July 1, 2021 | \$ | 434,049 |
| Increased by:                   |    |         |
| Interest Earnings               |    | 273     |
| Board Resolution                |    | 50,000  |
| Ending Balance, June 30, 2022   | \$ | 484,322 |

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$23,833 to Capital Outlay.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

|   | <u>Beginning<br/>Balance<br/>as Restated</u> | <u>Increases</u> | <u>Adjustments/<br/>Decreases</u> | <u>Ending<br/>Balance</u> |
|---|--|------------------|-----------------------------------|---------------------------|
| Governmental Activities:  |  |                  |                                   |                           |
| Capital Assets not Being Depreciated:                                       |  |                  |                                   |                           |
| Sites (Land)  | \$ 4,826,600                                 |                  |                                   | \$ 4,826,600              |
| Total Capital Assets<br>Not Being Depreciated                               | <u>4,826,600</u>                             |                  |                                   | <u>4,826,600</u>          |
| Capital Assets Being Depreciated:   |  |                  |                                   |                           |
| Site Improvements   | 445,416                                      |                  |                                   | 445,416                   |
| Buildings and Building Improvements   | 4,335,375                                    | \$ 50,536        |                                   | 4,385,911                 |
| Machinery and Equipment   | 1,829,803                                    | 91,084           |                                   | 1,920,887                 |
| Total Capital Assets<br>Being Depreciated                                   | <u>6,610,594</u>                             | <u>141,620</u>   |                                   | <u>6,752,214</u>          |
| Governmental Activities Capital Assets                                      | <u>11,437,194</u>                            | <u>141,620</u>   |                                   | <u>11,578,814</u>         |
| Less Accumulated Depreciation for:  |  |                  |                                   |                           |
| Site Improvements   | (346,824)                                    | (7,243)          |                                   | (354,067)                 |
| Buildings and Building Improvements   | (2,538,364)                                  | (93,937)         |                                   | (2,632,301)               |
| Machinery and Equipment   | (1,705,600)                                  | (20,729)         |                                   | (1,726,329)               |
|   | <u>(4,590,788)</u>                           | <u>(121,909)</u> |                                   | <u>(4,712,697)</u>        |
| Governmental Activities Capital Assets,<br>Net of Accumulated Depreciation  | <u>\$ 6,846,406</u>                          | <u>\$ 19,711</u> | <u>\$ - 0 -</u>                   | <u>\$ 6,866,117</u>       |
| Business Type Activities:   |  |                  |                                   |                           |
| Capital Assets Being Depreciated:   |  |                  |                                   |                           |
| Furniture and Equipment   | \$ 171,816                                   | \$ 5,028         |                                   | \$ 176,844                |
| Less Accumulated Depreciation   | <u>(170,945)</u>                             | <u>(1,357)</u>   |                                   | <u>(172,302)</u>          |
| Business Type Activities Capital Assets,<br>Net of Accumulated Depreciation | <u>\$ 871</u>                                | <u>\$ 3,671</u>  | <u>\$ - 0 -</u>                   | <u>\$ 4,542</u>           |

Depreciation expense was charged to governmental functions as follows:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2022 were as follows:

|  | (Restated)<br>Beginning<br>Balance | Increases                   | Ending<br>Balance           |
|--|------------------------------------|-----------------------------|-----------------------------|
|  | <u>                    </u>        | <u>                    </u> | <u>                    </u> |
| Governmental Activities:   |                                    |                             |                             |
| Lease Assets Being Amortized:  |                                    |                             |                             |
| Machinery and Equipment  | \$ 31,034                          |                             | 31,034                      |
| Total Lease Assets Being Amortized                                       | <u>31,034</u>                      |                             | <u>31,034</u>               |
| Governmental Activities Lease Assets                                     | <u>31,034</u>                      |                             | <u>31,034</u>               |
| Less Accumulated Amortization for:                                       |                                    |                             |                             |
| Machinery and Equipment  | <u>(14,876)</u>                    | \$ (7,759)                  | <u>(22,635)</u>             |
|  | <u>(14,876)</u>                    | <u>(7,759)</u>              | <u>(22,635)</u>             |
| Governmental Activities Lease Assets,<br>Net of Accumulated Amortization | <u>\$ 16,158</u>                   | <u>\$ (7,759)</u>           | <u>\$ 8,399</u>             |

Amortization expense was charged to governmental functions as follows:

|                     |                 |
|---------------------|-----------------|
| Regular Instruction | \$ 7,759        |
|                     | <u>\$ 7,759</u> |

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

|                                 | (Restated)<br>Balance<br>6/30/2021 | Accrued                     | Retired                     | Balance<br>6/30/2022        |
|---------------------------------|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                 | <u>                    </u>        | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Bonds Payable                   | \$ 2,335,000                       |                             | \$ 415,000                  | \$ 1,920,000                |
| Compensated Absences<br>Payable | 82,006                             | \$ 297                      | 37,749                      | 44,554                      |
| Leases Payable                  | 16,927                             |                             | 7,908                       | 9,019                       |
| Net Pension Liability           | 931,740                            |                             | 250,133                     | 681,607                     |
|                                 | <u>\$ 3,348,746</u>                | <u>\$ 297</u>               | <u>\$ 702,882</u>           | <u>\$ 2,655,180</u>         |

A. Bonds Payable:

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2022 as follows:

Serial Bonds - 1999 Refunding Bonds

| Final<br>Maturity<br>Date | Interest<br>Rate | Amount       |
|---------------------------|------------------|--------------|
| 2/15/2026                 | 4.875 - 4.90%    | \$ 1,920,000 |

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

| Fiscal<br>Year Ending<br>June 30, | Bonds        |            | Total        |
|-----------------------------------|--------------|------------|--------------|
|                                   | Principal    | Interest   |              |
| 2023                              | \$ 440,000   | \$ 96,000  | \$ 536,000   |
| 2024                              | 465,000      | 75,520     | 540,520      |
| 2025                              | 495,000      | 50,120     | 545,120      |
| 2026                              | 520,000      | 25,110     | 545,110      |
|                                   | \$ 1,920,000 | \$ 246,750 | \$ 2,166,750 |

The bonds will be liquidated by the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds and business type activities in the current year. The long-term liability balance of compensated absences is \$44,554 for Governmental Activities and \$ - 0 - for Business-type Activities.

Compensated absences will be liquidated by the General Fund.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$681,607. See Note 10 for further information on the PERS.

E. Financed Purchases Payable:

As of June 30, 2022, the Board had no finances purchases payable.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

F. Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

| Purpose       | <u>Leases Payable</u><br>Frequency of Payment | Final Maturity Date | Interest Rate | Amount   |
|---------------|---|---------------------|---------------|----------|
| Savin Copiers | Monthly                                       | 07/01/23            | 5.250%        | \$ 9,019 |

Principal and interest due on leases outstanding will be liquidated through the General Fund and is as follows:

| Fiscal Year<br>Ending June 30, | Governmental Activities |          |
|--------------------------------|-------------------------|----------|
|                                | Principal               | Interest |
| 2023                           | \$ 8,308                | \$ 260   |
| 2024                           | 711                     | 3        |
|                                | \$ 9,019                | \$ 263   |

NOTE 10. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$67,382 for 2022.

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

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

At June 30, 2022, the District reported a liability of \$681,607 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 as of 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.00575%, which was an increase of 0.00004% from its proportion measured as of June 30, 2020.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$182,510. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Year of<br/>Deferral</u> | <u>Amortization<br/>Period<br/>in Years</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|-----------------------------|---|---|--|
| Changes in Assumptions  | 2017                        | 5.48  |   | \$ 28,805                                    |
|   | 2018                        | 5.63  |   | 54,003                                       |
|   | 2019                        | 5.21  |   | 47,640                                       |
|   | 2020                        | 5.16  |   | 112,208                                      |
|   | 2021                        | 5.13  | \$ 3,550                                      |  |
|   |                             |   | <u>3,550</u>                                  | <u>242,656</u>                               |
| Changes in Proportion   | 2017                        | 5.48  | 16,242  |  |
|   | 2018                        | 5.63  | 13,165  |  |
|   | 2019                        | 5.21  |   | 248,795                                      |
|   | 2020                        | 5.16  | 116,169                                       |  |
|   | 2021                        | 5.13  | 7,032   |  |
|   |                             |   | <u>152,608</u>                                | <u>248,795</u>                               |
| Difference Between Expected and Actual Experience   | 2017                        | 5.48  | 857   |  |
|   | 2018                        | 5.63  |   | 2,055  |
|   | 2019                        | 5.21  | 3,642   |  |
|   | 2020                        | 5.16  | 6,251   |  |
|   | 2021                        | 5.13  |   | 2,825  |
|   |                             |   | <u>10,750</u>                                 | <u>4,880</u>                                 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2018                        | 5.00  |   | 5,325  |
|   | 2019                        | 5.00  |   | (1,718)                                      |
|   | 2020                        | 5.00  |   | (38,718)                                     |
|   | 2021                        | 5.00  |   | 214,664                                      |
|   |                             |   |   | <u>179,553</u>                               |
| Contribution Subsequent to Measurement Date   | 2021                        | 1.00  | 70,000  |  |
|   |                             |   | <u>\$ 236,908</u>                             | <u>\$ 675,884</u>                            |



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

| Fiscal Year<br>Ending June 30, | Total        |
|--------------------------------|--------------|
| 2022                           | \$ (160,829) |
| 2023                           | (114,832)    |
| 2024                           | (78,296)     |
| 2025                           | (58,855)     |
| 2026                           | 23           |
|                                | \$ (412,789) |

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. This actuarial valuation used the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation Rate:           |  |
| Price                     | 2.75%                                  |
| Wage                      | 3.25%                                  |
| Salary Increases:         |  |
| Through 2026              | 2.00 – 6.00% based on years of service |
| Thereafter                | 3.00 – 7.00% based on years of service |
| Investment Rate of Return | 7.00%                                  |

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity                      | 27.00%                   | 8.09%   |
| Non-U.S. Developed Market Equity | 13.50%                   | 8.71%   |
| Emerging Markets 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 Management Strategies       | 3.00%                    | 3.35%   |

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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

|   | June 30, 2021             |                                     |                           |
|---|---------------------------|-------------------------------------|---------------------------|
|   | 1%<br>Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
| District's proportionate share of the Net Pension Liability | \$ 928,211                | \$ 681,607                          | \$ 472,329                |

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$332,788 to the TPAF for normal pension benefits on behalf of the District, which is greater than the contractually required contribution of \$392,788.

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$16,692,768. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0347%, which was a decrease of 0.004% from its proportion measured as of June 30, 2020.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

|   |    |                   |
|---|----|-------------------|
| District's Proportionate Share of the Net Pension Liability                           | \$ | -0-               |
| State's Proportionate Share of the Net Pension Liability Associated with the District |    | 16,692,768        |
| Total   | \$ | <u>16,692,768</u> |

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$392,788 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

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

|   | Year of<br>Deferral | Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions  | 2014                | 8.50                               |                                      | \$ 1,464,605                        |
|   | 2015                | 8.30                               | \$ 57,204,429                        |                                     |
|   | 2016                | 8.30                               |                                      | 37,311,034                          |
|   | 2017                | 8.30                               | 93,981,436                           |                                     |
|   | 2018                | 8.29                               | 618,845,893                          |                                     |
|   | 2019                | 8.04                               |                                      | 97,553,990                          |
|   | 2020                | 7.99                               |                                      | 6,444,940                           |
|   | 2021                | 7.93                               | <u>171,234,070</u>                   |                                     |
|   |                     |                                    | <u>941,265,828</u>                   | <u>142,774,569</u>                  |
| Difference Between Expected and Actual Experience   | 2014                | 8.50                               | 153,774,925                          |                                     |
|   | 2015                | 8.30                               | 926,219,611                          |                                     |
|   | 2016                | 8.30                               | 3,000,278,784                        |                                     |
|   | 2017                | 8.30                               |                                      | 5,282,196,290                       |
|   | 2018                | 8.29                               |                                      | 3,527,661,165                       |
|   | 2019                | 8.04                               |                                      | 2,510,940,613                       |
|   | 2020                | 7.99                               | 1,209,286,241                        |                                     |
|   | 2021                | 7.93                               |                                      | 12,903,483,645                      |
|   |                     |                                    | <u>5,289,559,561</u>                 | <u>24,224,281,713</u>               |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2018                | 5.00                               |                                      | 96,030,373                          |
|   | 2019                | 5.00                               |                                      | (72,441,385)                        |
|   | 2020                | 5.00                               |                                      | (724,186,621)                       |
|   | 2021                | 5.00                               |                                      | 3,554,633,811                       |
|   |                     |                                    | <u>2,854,036,178</u>                 |                                     |
|   |                     |                                    | <u>\$ 6,230,825,389</u>              | <u>\$ 27,221,092,460</u>            |

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

| Fiscal Year<br>Ending June 30, | Total               |
|--------------------------------|---------------------|
| 2022                           | \$ (2,914,282,899)  |
| 2023                           | (3,500,098,875)     |
| 2024                           | (4,665,036,366)     |
| 2025                           | (4,192,375,542)     |
| 2026                           | (2,350,648,872)     |
| Thereafter                     | (3,367,824,517)     |
|                                | \$ (20,990,267,071) |

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

| Asset Class                      | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|-------------------|--|
| U.S. Equity                      | 27.00%            | 8.09%                                  |
| Non-U.S. Developed Market Equity | 13.50%            | 8.71%                                  |
| Emerging Markets 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 Equivalentents              | 4.00%             | 0.50%                                  |
| U.S. Treasuries                  | 5.00%             | 0.95%                                  |
| Risk Management Strategies       | 3.00%             | 3.35%                                  |

Discount Rate – TPAF

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 pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments in determining the total pension liability.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

|   | June 30, 2021                |  |                              |
|---|------------------------------|--|------------------------------|
|   | At 1%<br>Decrease<br>(6.00%) | At Current<br>Discount Rate<br>(7.00%) | At 1%<br>Increase<br>(8.00%) |
| State's Proportionate Share of the Net Pension Liability Associated with the District | \$ 19,750,332                | \$ 16,692,768                          | \$ 14,124,605                |

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$9,625 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$17,543 for the year ended June 30, 2022.

NOTE 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. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

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

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

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

The June 30, 2022 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2021 is as follows:

|                        |               |
|------------------------|---------------|
| Total Assets           | \$ 52,863,732 |
| Net Position           | \$ 20,991,515 |
| Total Revenue          | \$ 42,696,854 |
| Total Expenses         | \$ 42,245,248 |
| Change in Net Position | \$ 451,606    |
| Members Dividends      | \$ -0-        |

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

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

New Jersey Unemployment Compensation Insurance

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

| <u>Fiscal Year</u> | <u>Employer Contributions</u> | <u>Employee Contributions and Interest</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|--|--------------------------|-----------------------|
| 2021-2022          | \$ 25,000                     | \$ 8,527                                   | \$ 123                   | \$ 210,014            |
| 2020-2021          | 52,824                        | 7,669                                      | 347                      | 176,610               |
| 2019-2020          | 50,000                        | 7,806                                      | 68                       | 116,464               |

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

There were interfund balances at June 30, 2022 as follows:

| <u>Fund</u>     | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------|-----------------------------|--------------------------|
| General Fund    |                             | \$ 24,428                |
| Enterprise Fund | \$ 24,428                   |                          |
|                 | <u>\$ 24,428</u>            | <u>\$ 24,428</u>         |

The interfund due from the General Fund to the Enterprise Fund as of June 30, 2022 represents the amount of receipts for the Federal and State Lunch Program received in the General Fund which were not turned over to the Enterprise Fund prior to June 30, 2022.

NOTE 14. DEFERRED COMPENSATION

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

AXA Equitable Life Insurance Company  
Lincoln National Life Insurance Company  
Lincoln Investment Planning, LLC

Security Benefit Group  
Siracusa Benefits Program

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. TAX CALENDAR

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

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

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, the District had the following encumbrances payable:

| General<br>Fund   | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|-------------------|----------------------------|--------------------------------|
| <u>\$ 506,198</u> | <u>\$ 116,895</u>          | <u>\$ 623,093</u>              |

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$116,895 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Accounts Payable

At June 30, 2022, the District had the following accounts payable:

|  | <u>Governmental<br/>Funds</u> | <u>District<br/>Contribution<br/>Subsequent to the<br/>Measurement<br/>Date</u> | <u>Total<br/>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities<br/>Proprietary<br/>Funds</u> |
|--|-------------------------------|---|--|---|
|  | <u>General<br/>Fund</u>       |   |  |   |
| Vendors                                | \$ 12,052                     |   | \$ 12,052                                    | \$ 7,612  |
| Due to State of New Jersey             |                               | \$ 70,000   | 70,000                                       |   |
| Payroll Deductions<br>and Withholdings | 94,412                        |   | 94,412                                       |   |
|  | <u>\$ 106,464</u>             | <u>\$ 70,000</u>  | <u>\$ 176,464</u>                            | <u>\$ 7,612</u>   |

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions and Other Inputs

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

|                   |   |   |
|-------------------|---|---|
| Inflation Rate    | 2.50%                                     |   |
|                   | TPAF/ABP                                  | PERS                                      |
| Salary Increases: |   |   |
| Through 2026      | 1.55 - 4.45%<br>based on service<br>years | 2.00 - 6.00%<br>based on service<br>years |
| Thereafter        | 1.55 - 4.45%<br>based on service<br>years | 3.00 - 7.00%<br>based on service<br>years |

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at June 30, 2019                           | \$ 14,651,561           |
| Changes for Year:                                  |                         |
| Service Cost                                       | 530,522                 |
| Interest on the Total OPEB Liability               | 524,376                 |
| Difference Between Expected and Actual Experiences | 4,221,188               |
| Changes of Assumptions                             | 4,363,495               |
| Gross Benefit Payments by the State                | (415,868)               |
| Contributions from Members                         | 12,605                  |
| Net Changes  | 9,236,318               |
| Balance at June 30, 2020                           | \$ 23,887,879           |

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | June 30, 2020                |                                |                              |
|---|------------------------------|--------------------------------|------------------------------|
|   | At 1%<br>Decrease<br>(1.21%) | At<br>Discount Rate<br>(2.21%) | At 1%<br>Increase<br>(3.21%) |
| Total OPEB Liability Attributable to the District | \$ 28,798,071                | \$ 23,887,879                  | \$ 20,048,582                |

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | June 30, 2020  |                               |                |
|---|----------------|-------------------------------|----------------|
|   | 1%<br>Decrease | Healthcare<br>Cost Trend Rate | 1%<br>Increase |
| Total OPEB Liability Attributable to the District | \$ 19,283,101  | \$ 23,887,879                 | \$ 29,371,146  |

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$886,534 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

|  | Year of<br>Deferral | Original<br>Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|---------------------|--|--------------------------------------|-------------------------------------|
| Changes in Assumptions                             | 2017                | 9.54   |                                      | \$ 1,449,717                        |
| Changes in Assumptions                             | 2018                | 9.51   |                                      | 1,276,025                           |
|  | 2019                | 9.29   | \$ 171,995                           |                                     |
|  | 2020                | 9.24   | 3,891,255                            |                                     |
|  |                     |  | 4,063,250                            | 2,725,742                           |
| Differences Between Expected and Actual Experience | 2018                | 9.51   |                                      | 1,206,241                           |
|  | 2019                | 9.29   |                                      | 2,024,386                           |
|  | 2020                | 9.24   | 3,626,802                            |                                     |
|  |                     |  | 3,626,802                            | 3,230,627                           |
| Changes in Proportion                              | N/A                 | N/A  | \$ 63,116                            |                                     |
|  |                     |  | \$ 7,753,168                         | \$ 5,956,369                        |



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

| Fiscal Year<br>Ending June 30, | Total          |
|--------------------------------|----------------|
| 2021                           | \$ (15,303)    |
| 2022                           | (15,303)       |
| 2023                           | (15,303)       |
| 2024                           | (15,303)       |
| 2025                           | (15,303)       |
| Thereafter                     | (1,657,168)    |
|                                | \$ (1,733,683) |

NOTE 18. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021 as a result of implementing GASB 87, *Leases*:

|   | June 30, 2021<br>as Previously<br>Reported | Retroactive<br>Adjustments | Balance<br>June 30, 2021<br>as Restated |
|---|--|----------------------------|---|
| <u>Statement of Net Position - Governmental Activities:</u> |  |                            |   |
| Assets:   |  |                            |   |
| Lease Asset, Net  | \$ -0-                                     | \$ 16,158                  | \$ 16,158                               |
| Total Asset   | 10,763,272                                 | 16,158                     | 10,779,430                              |
| Noncurrent Liabilities:                                     |  |                            |   |
| Due Within One Year   | 415,000                                    | 7,908                      | 422,908                                 |
| Due Beyond One Year   | 2,933,746                                  | 9,019                      | 2,942,765                               |
| Total Liabilities   | 3,668,214                                  | 16,927                     | 3,685,141                               |
| Net Position:   |  |                            |   |
| Net Investment in Capital Assets                            | 4,511,406                                  | (769)                      | 4,510,637                               |
| Total Net Position  | 6,656,323                                  | (769)                      | 6,655,554                               |

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

|   | Fiscal Year Ending June 30, |               |               |               |               |               |               |               |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2015                        | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
| District's proportion of the net pension liability  | 0.0090272079%               | 0.0092239230% | 0.0064083651% | 0.0072587968% | 0.0074604124% | 0.0048710533% | 0.0057136077% | 0.0057536561% |
| District's proportionate share of the net pension liability   | \$ 1,690,140                | \$ 2,070,586  | \$ 1,897,974  | \$ 1,689,732  | \$ 1,468,918  | \$ 877,690    | \$ 931,740    | \$ 681,607    |
| District's covered employee payroll   | \$ 604,158                  | \$ 624,463    | \$ 520,502    | \$ 491,789    | \$ 379,573    | \$ 375,248    | \$ 424,861    | \$ 438,832    |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 279.75%                     | 331.58%       | 364.64%       | 343.59%       | 386.99%       | 233.90%       | 219.30%       | 155.32%       |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 52.08%                      | 47.93%        | 40.14%        | 48.10%        | 53.60%        | 56.27%        | 58.32%        | 70.33%        |

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

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

|  | Fiscal Year Ending June 30, |            |            |            |            |            |            |            |
|--|-----------------------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2015                        | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       |
| Contractually required contribution                                  | \$ 74,419                   | \$ 79,301  | \$ 57,488  | \$ 68,818  | \$ 74,821  | \$ 48,462  | \$ 62,504  | \$ 67,382  |
| Contributions in relation to the contractually required contribution | (68,220)                    | (79,301)   | (57,488)   | (68,818)   | (74,821)   | (48,462)   | (62,504)   | (67,382)   |
| Contribution deficiency/(excess)                                     | \$ 6,199                    | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     |
| District's covered employee payroll                                  | \$ 624,463                  | \$ 520,502 | \$ 491,789 | \$ 379,573 | \$ 375,248 | \$ 424,861 | \$ 438,832 | \$ 432,018 |
| Contributions as a percentage of covered employee payroll            | 11.92%                      | 15.24%     | 11.69%     | 18.13%     | 19.94%     | 11.41%     | 14.24%     | 15.60%     |

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

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

|   | Fiscal Year Ending June 30, |               |               |               |               |               |               |                |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | 2015                        | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022           |
| State's proportion of the net pension liability attributable to the District  | 0.03544432720%              | 0.0346341701% | 0.0358560443% | 0.0353942738% | 0.0334722717% | 0.0354961310% | 0.0350863740% | 3.47222215100% |
| State's proportionate share of the net pension liability attributable to the District   | \$ 18,943,275               | \$ 21,890,275 | \$ 28,206,647 | \$ 23,864,096 | \$ 21,294,340 | \$ 21,784,311 | \$ 23,103,955 | \$ 16,692,768  |
| District's covered employee payroll   | \$ 3,484,640                | \$ 3,555,755  | \$ 3,591,847  | \$ 3,639,669  | \$ 3,764,351  | \$ 3,705,157  | \$ 3,737,292  | \$ 4,013,546   |
| State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll | 543.62%                     | 615.63%       | 785.30%       | 655.67%       | 565.68%       | 587.95%       | 618.20%       | 415.91%        |
| Plan fiduciary net position as a percentage of the total pension liability  | 33.64%                      | 28.71%        | 33.64%        | 25.41%        | 26.49%        | 26.95%        | 24.60%        | 35.52%         |

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

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

|  | Fiscal Year Ending June 30, |              |              |              |              |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015                        | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
| Contractually required contribution                                  | \$ 1,019,326                | \$ 1,336,598 | \$ 2,119,337 | \$ 1,653,184 | \$ 1,241,386 | \$ 1,284,897 | \$ 1,436,702 | \$ 392,788   |
| Contributions in relation to the contractually required contribution | (187,245)                   | (287,078)    | (384,196)    | (492,929)    | (712,736)    | (769,579)    | (1,028,536)  | (1,028,536)  |
| Contribution deficiency/(excess)                                     | \$ 832,081                  | \$ 1,049,520 | \$ 1,735,141 | \$ 1,160,255 | \$ 528,650   | \$ 515,318   | \$ 408,166   | \$ (635,748) |
| District's covered employee payroll                                  | \$ 3,555,755                | \$ 3,591,847 | \$ 3,639,669 | \$ 3,764,351 | \$ 3,705,157 | \$ 3,737,292 | \$ 4,013,546 | \$ 3,982,275 |
| Contributions as a percentage of covered employee payroll            | 5.27%                       | 7.99%        | 10.56%       | 13.09%       | 19.24%       | 20.59%       | 25.63%       | 25.83%       |

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

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

|  | Fiscal Years Ending  |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 2017                 | 2018                 | 2019                 | 2020                 |
| Total OPEB Liability   |                      |                      |                      |                      |
| Service Cost   | \$ 764,073           | \$ 634,908           | \$ 580,675           | \$ 530,522           |
| Interest Cost  | 643,971              | 745,415              | 685,550              | 524,376              |
| Difference Between Expected and Actual Experience                |                      | (2,000,211)          | (3,746,634)          | 4,221,188            |
| Changes in Assumptions   | (2,601,464)          | (1,990,993)          | 218,456              | 4,363,495            |
| Member Contributions   | 17,406               | 16,034               | (449,759)            | 12,605               |
| Gross Benefit Payments   | (472,709)            | (463,931)            | 13,332               | (415,868)            |
| Net Change in Total OPEB Liability                               | (1,648,723)          | (3,058,778)          | (2,698,380)          | 9,236,318            |
| Total OPEB Liability - Beginning                                 | 22,057,442           | 20,408,719           | 17,349,941           | 14,651,561           |
| Total OPEB Liability - Ending                                    | <u>\$ 20,408,719</u> | <u>\$ 17,349,941</u> | <u>\$ 14,651,561</u> | <u>\$ 23,887,879</u> |
| District's Covered Employee Payroll *                            | \$ 4,180,218         | \$ 4,112,349         | \$ 4,131,458         | \$ 4,143,924         |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 20.48%               | 23.70%               | 28.20%               | 17.35%               |

\* - Covered payroll for the fiscal years ending June 30, 2020, 2019, 2018, and 2017 are based on the payroll on the June 30, 2019, 2018, 2017 and 2016 census data.

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

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement 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-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.



HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

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

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

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

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

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

BUDGETARY COMPARISON SCHEDULES

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

|  | Original Budget  | Budget Transfers | Final Budget     | Actual            | Variance Final to Actual |
|--|------------------|------------------|------------------|-------------------|--------------------------|
| Revenues from Local Sources:                       |                  |                  |                  |                   |                          |
| Local Tax Levy                                     | \$ 6,699,003     |                  | \$ 6,699,003     | \$ 6,699,003      |                          |
| Tuition From Other LEAs Within the State           | 35,000           |                  | 35,000           | 29,500            | \$ (5,500)               |
| Rents and Royalties                                | 5,000            |                  | 5,000            |                   | (5,000)                  |
| Unrestricted Miscellaneous Revenues                |                  |                  |                  | 22,461            | 22,461                   |
| Interest Earned                                    |                  |                  |                  | 2,298             | 2,298                    |
| Interest Earned on Maintenance Reserve             | 400              |                  | 400              | 273               | (127)                    |
| Interest Earned on Capital Reserve Funds           | 400              |                  | 400              | 1,029             | 629                      |
| Other Restricted Miscellaneous Revenues            |                  |                  |                  | 33,405            | 33,405                   |
| Total Revenues from Local Sources                  | <u>6,739,803</u> |                  | <u>6,739,803</u> | <u>6,787,969</u>  | <u>48,166</u>            |
| Revenues from State Sources:                       |                  |                  |                  |                   |                          |
| School Choice Aid                                  | 33,630           |                  | 33,630           | 33,630            |                          |
| Categorical Transportation Aid                     | 14,338           |                  | 14,338           | 14,338            |                          |
| Extraordinary Aid                                  |                  |                  |                  | 410,148           | 410,148                  |
| Categorical Special Education Aid                  | 275,401          |                  | 275,401          | 275,401           |                          |
| Equalization Aid                                   | 1,050,682        |                  | 1,050,682        | 1,050,682         |                          |
| Categorical Security Aid                           | 34,384           |                  | 34,384           | 34,384            |                          |
| Non-Public Transportation Aid                      |                  |                  |                  | 3,190             | 3,190                    |
| TPAF Post Retirement Contributions (Non-Budgeted)  |                  |                  |                  | 1,009,332         | 1,009,332                |
| TPAF Pension Contributions (Non-Budgeted)          |                  |                  |                  | 322,327           | 322,327                  |
| TPAF Non-Contributory Insurance (Non-Budgeted)     |                  |                  |                  | 19,204            | 19,204                   |
| TPAF Long-Term Disability Insurance (Non-Budgeted) |                  |                  |                  | 432               | 432                      |
| Reimbursed TPAF Social Security Contributions      |                  |                  |                  | 282,650           | 282,650                  |
| Total Revenues from State Sources                  | <u>1,408,435</u> |                  | <u>1,408,435</u> | <u>3,455,718</u>  | <u>2,047,283</u>         |
| TOTAL REVENUE                                      | <u>8,148,238</u> |                  | <u>8,148,238</u> | <u>10,243,687</u> | <u>2,095,449</u>         |

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

|   | Original Budget  | Budget Transfers | Final Budget     | Actual           | Variance Final to Actual |
|---|------------------|------------------|------------------|------------------|--------------------------|
| <b>GENERAL CURRENT EXPENSE</b>                |                  |                  |                  |                  |                          |
| Regular Programs - Instruction:               |                  |                  |                  |                  |                          |
| Kindergarten - Salaries of Teachers           | \$ 176,998       | \$ 88            | \$ 177,086       | \$ 175,176       | \$ 1,910                 |
| Grades 1-5 - Salaries of Teachers             | 1,016,920        |                  | 1,016,920        | 1,008,124        | 8,796                    |
| Grades 6-8 - Salaries of Teachers             | 640,219          |                  | 640,219          | 601,146          | 39,073                   |
| Regular Programs - Home Instruction:          |                  |                  |                  |                  |                          |
| Salaries of Teachers                          | 3,000            | 9,698            | 12,698           | 12,698           |                          |
| Purchased Professional-Educational Services   | 1,000            | (198)            | 802              | 802              |                          |
| Regular Programs - Undistributed Instruction: |                  |                  |                  |                  |                          |
| Purchased Professional-Educational Services   | 151,768          |                  | 151,768          | 121,874          | 29,894                   |
| Purchased Technical Services                  | 100,000          | 1,174            | 101,174          | 91,185           | 9,989                    |
| General Supplies                              | 146,400          | (1,279)          | 145,121          | 59,603           | 85,518                   |
| Textbooks                                     | 50,000           | 97,930           | 147,930          | 132,930          | 15,000                   |
| <b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>   | <u>2,286,305</u> | <u>107,413</u>   | <u>2,393,718</u> | <u>2,202,736</u> | <u>190,982</u>           |
| <b>Special Education - Instruction:</b>       |                  |                  |                  |                  |                          |
| Resource Room/Resource Center:                |                  |                  |                  |                  |                          |
| Salaries of Teachers                          | 647,222          | (2,472)          | 644,750          | 616,429          | 28,321                   |
| General Supplies                              | 1,300            |                  | 1,300            | 1,036            | 264                      |
| Total Resource Room/Resource Center           | <u>648,522</u>   | <u>(2,472)</u>   | <u>646,050</u>   | <u>617,465</u>   | <u>28,585</u>            |
| <b>Autism:</b>                                |                  |                  |                  |                  |                          |
| Salaries of Teachers                          | 376,298          | 5,144            | 381,442          | 379,990          | 1,452                    |
| Other Salaries for Instruction                | 5,200            | (1,647)          | 3,553            | 580              | 2,973                    |
| General Supplies                              | 1,400            | 3                | 1,403            | 1,395            | 8                        |
| Total Autism                                  | <u>382,898</u>   | <u>3,500</u>     | <u>386,398</u>   | <u>381,965</u>   | <u>4,433</u>             |

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

|  | Original Budget | Budget Transfers | Final Budget | Actual     | Variance Final to Actual |
|--|-----------------|------------------|--------------|------------|--------------------------|
| Home Instruction:  |                 |                  |              |            |                          |
| Purchased Professional-Educational Services                                    | \$ 2,000        | \$ (681)         | \$ 1,319     |            | \$ 1,319                 |
| Total Home Instruction   | 2,000           | (681)            | 1,319        |            | 1,319                    |
| TOTAL SPECIAL EDUCATION - INSTRUCTION  | 1,033,420       | 347              | 1,033,767    | \$ 999,430 | \$ 34,337                |
| Basic Skills/Remedial - Instruction:   |                 |                  |              |            |                          |
| Salaries of Teachers   | 91,766          | 555              | 92,321       | 92,321     |                          |
| General Supplies   | 300             | (190)            | 110          | 110        |                          |
| Total Basic Skills/Remedial - Instruction                                      | 92,066          | 365              | 92,431       | 92,431     |                          |
| Bilingual Education - Instruction:   |                 |                  |              |            |                          |
| General Supplies   | 250             | 9                | 259          | 259        |                          |
| Total Bilingual Education - Instruction  | 250             | 9                | 259          | 259        |                          |
| School Sponsored Cocurricular & Extracurricular Activities - Instruction:      |                 |                  |              |            |                          |
| Salaries   | 23,500          |                  | 23,500       | 19,416     | 4,084                    |
| Purchased Services (300-500 series)  | 7,500           |                  | 7,500        | 4,175      | 3,325                    |
| Supplies and Materials   | 4,000           |                  | 4,000        | 2,925      | 1,075                    |
| Other Objects  | 250             |                  | 250          | 250        |                          |
| Transfers to Cover Deficit (Agency Funds)                                      | 500             |                  | 500          | 450        | 50                       |
| Total School Sponsored Cocurricular & Extracurricular Activities - Instruction | 35,750          |                  | 35,750       | 26,966     | 8,784                    |
| School-Sponsored Athletics - Instruction:                                      |                 |                  |              |            |                          |
| Salaries   | 13,000          |                  | 13,000       | 12,672     | 328                      |
| Purchased Services (300-500 series)  | 4,000           |                  | 4,000        | 3,439      | 561                      |
| Total School-Sponsored Athletics - Instruction                                 | 17,000          |                  | 17,000       | 16,111     | 889                      |

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

|   | Original Budget | Budget Transfers | Final Budget | Actual    | Variance Final to Actual |
|---|-----------------|------------------|--------------|-----------|--------------------------|
| Before/After School Programs - Instruction:                   |                 |                  |              |           |                          |
| Salaries of Teachers  | \$ 2,500        | \$ 80            | \$ 2,580     | \$ 1,280  | \$ 1,300                 |
| Total Before/After School Programs                            | 2,500           | 80               | 2,580        | 1,280     | 1,300                    |
| Summer School - Instruction:                                  |                 |                  |              |           |                          |
| Salaries of Teachers  | 2,200           | (80)             | 2,120        |           | 2,120                    |
| Total Summer School - Instruction                             | 2,200           | (80)             | 2,120        |           | 2,120                    |
| TOTAL INSTRUCTION   | 3,469,491       | 108,134          | 3,577,625    | 3,339,213 | 238,412                  |
| Undistributed Expenditures - Instruction:                     |                 |                  |              |           |                          |
| Tuition to Other LEAs Within the State-Regular                |                 | 18,250           | 18,250       | 18,250    |                          |
| Tuition to Other LEAs Within the State-Special                | 25,000          | (18,250)         | 6,750        |           | 6,750                    |
| Tuition to Priv. School for the Handicap. W/I State           | 65,000          |                  | 65,000       | 192       | 64,808                   |
| Total Undistributed Expenditures - Instruction                | 90,000          |                  | 90,000       | 18,442    | 71,558                   |
| Undistributed Expenditures - Attendance & Social Work:        |                 |                  |              |           |                          |
| Salaries  | 53,107          |                  | 53,107       | 51,813    | 1,294                    |
| Total Undistributed Expenditures - Attendance and Social Work | 53,107          |                  | 53,107       | 51,813    | 1,294                    |
| Undistributed Expenditures - Health Services:                 |                 |                  |              |           |                          |
| Salaries  | 147,046         | 1,913            | 148,959      | 143,932   | 5,027                    |
| Purchased Professional and Technical Services                 | 1,750           |                  | 1,750        | 1,750     |                          |
| Supplies and Materials  | 7,250           | (883)            | 6,367        | 4,486     | 1,881                    |
| Total Undistributed Expenditures - Health Services            | 156,046         | 1,030            | 157,076      | 150,168   | 6,908                    |

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

|   | Original Budget | Budget Transfers | Final Budget | Actual     | Variance Final to Actual |
|---|-----------------|------------------|--------------|------------|--------------------------|
| Undistributed Expenditures - Speech, OT, PT, Related Services:      |                 |                  |              |            |                          |
| Salaries  | \$ 153,216      | \$ 10            | \$ 153,226   | \$ 125,795 | \$ 27,431                |
| Purchased Professional - Educational Services                       | 7,900           | (1,972)          | 5,928        | 4,121      | 1,807                    |
| Supplies and Materials  | 7,000           | (1,705)          | 5,295        | 1,634      | 3,661                    |
| Total Undistributed Expenditures - Speech, OT, PT, Related Services | 168,116         | (3,667)          | 164,449      | 131,550    | 32,899                   |
| Undistributed Expenditures - Other Support Services Students:       |                 |                  |              |            |                          |
| Salaries  | 3,500           |                  | 3,500        |            | 3,500                    |
| Purchased Professional - Educational Services                       | 450,000         |                  | 450,000      | 296,540    | 153,460                  |
| Total Undistributed Expenditures - Other Support Services Students  | 453,500         |                  | 453,500      | 296,540    | 156,960                  |
| Undistributed Expenditures - Guidance:                              |                 |                  |              |            |                          |
| Salaries of Other Professional Staff                                | 136,568         | 3,612            | 140,180      | 140,180    |                          |
| Salaries of Secretarial and Clerical Assistants                     | 46,915          | 9                | 46,924       | 43,938     | 2,986                    |
| Supplies and Materials  | 750             | (337)            | 413          | 413        |                          |
| Total Undistrib Expenditures - Guidance                             | 184,233         | 3,284            | 187,517      | 184,531    | 2,986                    |
| Undistributed Expenditures - Child Study Team:                      |                 |                  |              |            |                          |
| Salaries of Other Professional Staff                                | 224,728         | (1,210)          | 223,518      | 211,329    | 12,189                   |
| Salaries of Secretarial and Clerical Assistants                     | 30,718          | 1,210            | 31,928       | 29,445     | 2,483                    |
| Purchased Professional - Educational Services                       | 32,000          | (10,000)         | 22,000       | 2,882      | 19,118                   |
| Other Purchased Professional and Technical Services                 | 7,000           |                  | 7,000        | 156        | 6,844                    |
| Supplies and Materials  | 15,000          | 9,593            | 24,593       | 11,231     | 13,362                   |
| Other Objects   | 2,750           | (172)            | 2,578        |            | 2,578                    |
| Total Undistrib Expenditures - Child Study Team                     | 312,196         | (579)            | 311,617      | 255,043    | 56,574                   |

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

|  | Original Budget | Budget Transfers | Final Budget | Actual    | Variance Final to Actual |
|--|-----------------|------------------|--------------|-----------|--------------------------|
| Undistributed Expenditures - Improvement of Instructional Services:      |                 |                  |              |           |                          |
| Salaries of Supervisors of Instruction                                   | \$ 68,198       | \$ 77            | \$ 68,275    | \$ 68,275 |                          |
| Salaries of Secretarial and Clerical Assistants                          | 9,243           | 91               | 9,334        | 9,334     |                          |
| Other Salaries   | 2,000           | (168)            | 1,832        | 584       | \$ 1,248                 |
| Total Undistributed Expenditures - Improvement of Instructional Services | 79,441          |                  | 79,441       | 78,193    | 1,248                    |
| Undistributed Expenditures-Educational Media Services/School Library:    |                 |                  |              |           |                          |
| Salaries   | 102,116         | (14,600)         | 87,516       | 37,500    | 50,016                   |
| Purchased Professional and Technical Services                            | 700             | 4,050            | 4,750        | 4,350     | 400                      |
| Supplies and Materials   | 10,370          | (50)             | 10,320       | 2,484     | 7,836                    |
| Total Undistrib Expend-Educational Media Services/School Library         | 113,186         | (10,600)         | 102,586      | 44,334    | 58,252                   |
| Undistributed Expenditures-Instructional Staff Training Services:        |                 |                  |              |           |                          |
| Other Salaries   |                 | 3,240            | 3,240        | 2,408     | 832                      |
| Purchased Professional - Educational Service                             | 1,200           | (1,088)          | 112          | 112       |                          |
| Other Purchased Services (400-500 series)                                | 12,500          | (2,152)          | 10,348       | 8,883     | 1,465                    |
| Total Undistributed Expenditures-Instructional Staff Training Services   | 13,700          |                  | 13,700       | 11,291    | 2,409                    |
| Undistributed Expenditures-Support Services-General Administration:      |                 |                  |              |           |                          |
| Salaries   | 101,528         | 3,413            | 104,941      | 104,941   |                          |
| Legal Services   | 50,000          | (2,187)          | 47,813       | 16,233    | 31,580                   |
| Audit Fees   | 24,500          |                  | 24,500       | 24,500    |                          |
| Architectural/Engineering Services                                       | 2,000           |                  | 2,000        |           | 2,000                    |
| Other Purchased Professional Services                                    | 5,200           | (416)            | 5,200        | 4,785     | 415                      |
| Communications/Telephone   | 20,000          |                  | 19,584       | 13,285    | 6,299                    |
| BOE Other Purchased Services   | 4,000           |                  | 4,000        | 900       | 3,100                    |
| Other Purch. Services (400-500 series other than 530 & 585)              | 14,000          | 2,187            | 16,187       | 14,410    | 1,777                    |
| General Supplies   | 1,000           |                  | 1,000        | 994       | 6                        |
| Miscellaneous Expenditures   | 7,500           | (2,516)          | 4,984        | 4,249     | 735                      |
| BOE Membership Dues and Fees   | 4,500           | (481)            | 4,019        | 4,019     |                          |
| Total Undistributed Expenditures-Support Services-General Administration | 234,228         |                  | 234,228      | 188,316   | 45,912                   |



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

|  | Original Budget | Budget Transfers | Final Budget | Actual     | Variance Final to Actual |
|--|-----------------|------------------|--------------|------------|--------------------------|
| Undistributed Expenditures-Support Services-School Administration:       |                 |                  |              |            |                          |
| Salaries of Principals/Assistant Principals/Program Director             | \$ 132,923      | \$ 364           | \$ 133,287   | \$ 131,025 | \$ 2,262                 |
| Salaries of Secretarial and Clerical Assistants                          | 36,915          | 172              | 37,087       | 36,787     | 300                      |
| Supplies and Materials   | 5,000           | (536)            | 4,464        | 4,464      | 0                        |
| Other Objects  | 5,200           |                  | 5,200        | 2,535      | 2,665                    |
| Total Undistributed Expenditures-Support Services-School Administration  | 180,038         |                  | 180,038      | 170,347    | 9,691                    |
| Undistributed Expenditures - Central Services:                           |                 |                  |              |            |                          |
| Salaries   | 82,964          |                  | 82,964       | 82,664     | 300                      |
| Purchased Professional Services  | 2,700           |                  | 2,700        | 1,829      | 871                      |
| Purchased Technical Services   | 34,000          |                  | 34,000       | 25,829     | 8,171                    |
| Miscellaneous Purchased Services (400-500 series other than 594)         | 1,000           |                  | 1,000        | 700        | 300                      |
| Supplies and Materials   | 2,500           |                  | 2,500        | 833        | 1,667                    |
| Other Objects  | 5,000           |                  | 5,000        | 2,067      | 2,933                    |
| Total Undistributed Expenditures - Central Services                      | 128,164         |                  | 128,164      | 113,922    | 14,242                   |
| Undistributed Expenditures - Administration Information Technology:      |                 |                  |              |            |                          |
| Other Purchased Services (400-500 series)                                | 30,000          | (11,829)         | 18,171       | 14,870     | 3,301                    |
| Supplies and Materials   |                 | 11,829           | 11,829       | 11,829     | 0                        |
| Total Undistributed Expenditures - Administration Information Technology | 30,000          |                  | 30,000       | 26,699     | 3,301                    |
| Undistributed Expenditures-Operations and Maintenance Of Plant Services  |                 |                  |              |            |                          |
| Undistributed Expenditures-Required Maintenance for School Facilities:   |                 |                  |              |            |                          |
| Salaries   | 129,109         | 305              | 129,414      | 116,489    | 12,925                   |
| Cleaning, Repair, and Maintenance Services                               | 220,000         | (7,655)          | 212,345      | 150,277    | 62,068                   |
| General Supplies   | 11,000          |                  | 11,000       | 9,260      | 1,740                    |
| Total Undistributed Expenditures- Required Maint. for School Facilities  | 360,109         | (7,350)          | 352,759      | 276,026    | 76,733                   |

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

|  | Original Budget | Budget Transfers | Final Budget   | Actual         | Variance Final to Actual |
|--|-----------------|------------------|----------------|----------------|--------------------------|
| Undistributed Expenditures-Custodial Services:                                       |                 |                  |                |                |                          |
| Salaries   | \$ 192,616      | \$ 2,332         | \$ 194,948     | \$ 184,811     | \$ 10,137                |
| Salaries of Non-Instructional Aides  | 14,960          |                  | 14,960         | 12,142         | 2,818                    |
| Purchased Professional and Technical Services  | 10,000          |                  | 10,000         | 8,898          | 1,102                    |
| Cleaning, Repair, and Maintenance Services   | 1,000           | (1,000)          |                |                |                          |
| Other Purchased Property Services  | 22,000          | (2,000)          | 20,000         | 17,162         | 2,838                    |
| Insurance  | 77,000          | 3,036            | 80,036         | 80,036         |                          |
| General Supplies   | 35,000          | (5,332)          | 29,668         | 21,139         | 8,529                    |
| Energy (Natural Gas)   | 60,000          | 8,500            | 68,500         | 61,165         | 7,335                    |
| Energy (Electricity)   | 71,000          |                  | 71,000         | 65,240         | 5,760                    |
| Other Objects  | 1,500           |                  | 1,500          | 1,015          | 485                      |
| <b>Total Undistributed Expenditures-Custodial Services</b>                           | <b>485,076</b>  | <b>5,536</b>     | <b>490,612</b> | <b>451,608</b> | <b>39,004</b>            |
| Care and Upkeep of Grounds:  |                 |                  |                |                |                          |
| Purchased Professional and Technical Services  |                 | 12,000           | 12,000         |                | 12,000                   |
| Total Care And Upkeep Of Grounds   |                 | 12,000           | 12,000         |                | 12,000                   |
| <b>Total Undistributed Expenditures-Operations and Maintenance Of Plant Services</b> | <b>845,185</b>  | <b>10,186</b>    | <b>855,371</b> | <b>727,634</b> | <b>127,737</b>           |
| Undistributed Expenditures-Student Transportation Services:                          |                 |                  |                |                |                          |
| Contract. Services - Aid in Lieu of Payments-Nonpublic Studts                        | 15,000          | (2,000)          | 13,000         | 4,500          | 8,500                    |
| Contr Services-Aid in Lieu of Payments-Choice Students                               | 3,000           | 2,000            | 5,000          | 4,700          | 300                      |
| Contract. Services (Other than Between Home & School)-Vendors                        | 9,000           |                  | 9,000          | 7,550          | 1,450                    |
| Contract. Services (Between Home & School)-Joint Agreements                          | 3,000           |                  | 3,000          | 1,730          | 1,270                    |
| Contract. Services (Special Education Students)-Joint Agreements                     | 3,000           |                  | 3,000          |                | 3,000                    |
| Contract. Services (Regular Students)-ESCs & CTSAAs                                  | 50,000          |                  | 50,000         | 260            | 49,740                   |
| Contract. Services (Special Education Students)-ESCs & CTSAAs                        | 50,000          |                  | 50,000         |                | 50,000                   |
| <b>Total Undistributed Expenditures-Student Transportation Services</b>              | <b>133,000</b>  |                  | <b>133,000</b> | <b>18,740</b>  | <b>114,260</b>           |

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

|   | Original Budget  | Budget Transfers | Final Budget     | Actual           | Variance Final to Actual |
|---|------------------|------------------|------------------|------------------|--------------------------|
| <b>UNALLOCATED BENEFITS</b>                         |                  |                  |                  |                  |                          |
| Social Security Contributions                       | \$ 68,500        | \$ 22,000        | \$ 90,500        | \$ 90,469        | \$ 31                    |
| Other Retirement Contributions - PERS               | 70,000           | (2,000)          | 68,000           | 67,382           | 618                      |
| Other Retirement Contributions - Regular            | 8,000            | 2,000            | 10,000           | 9,625            | 375                      |
| Unemployment Compensation                           | 25,000           |                  | 25,000           | 25,000           |                          |
| Workers Compensation                                | 71,000           | (6,407)          | 64,593           | 64,593           |                          |
| Health Benefits                                     | 1,375,000        | (22,333)         | 1,352,667        | 1,170,150        | 182,517                  |
| Tuition Reimbursement                               | 35,000           |                  | 35,000           | 28,554           | 6,446                    |
| Other Employee Benefits                             | 3,506            | 921              | 4,427            | 4,257            | 170                      |
| Unused Sick Payment to Terminated/Retired Staff     | 70,000           |                  | 70,000           | 41,162           | 28,838                   |
| <b>TOTAL UNALLOCATED BENEFITS</b>                   | <u>1,726,006</u> | <u>(5,819)</u>   | <u>1,720,187</u> | <u>1,501,192</u> | <u>218,995</u>           |
| <b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>       |                  |                  |                  |                  |                          |
| TPAF Post Retirement Contributions (Non-Budgeted)   |                  |                  |                  | 1,009,332        | (1,009,332)              |
| TPAF Pension Contributions (Non-Budgeted)           |                  |                  |                  | 322,327          | (322,327)                |
| TPAF Non-Contributory Insurance (Non-Budgeted)      |                  |                  |                  | 19,204           | (19,204)                 |
| TPAF Long-Term Disability Insurance (Non-Budgeted)  |                  |                  |                  | 432              | (432)                    |
| Reimbursed TPAF Social Security Contributions       |                  |                  |                  | 282,650          | (282,650)                |
| <b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b> |                  |                  |                  | <u>1,633,945</u> | <u>(1,633,945)</u>       |
| <b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>  | <u>1,726,006</u> | <u>(5,819)</u>   | <u>1,720,187</u> | <u>3,135,137</u> | <u>(1,414,950)</u>       |
| <b>TOTAL UNDISTRIBUTED EXPENDITURES</b>             | <u>4,900,146</u> | <u>(6,165)</u>   | <u>4,893,981</u> | <u>5,602,700</u> | <u>(708,719)</u>         |
| <b>TOTAL GENERAL CURRENT EXPENSE</b>                | <u>8,369,637</u> | <u>101,969</u>   | <u>8,471,606</u> | <u>8,941,913</u> | <u>(470,307)</u>         |

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | Original Budget    | Budget Transfers | Final Budget       | Actual           | Variance Final to Actual |
|---|--------------------|------------------|--------------------|------------------|--------------------------|
| <b>CAPITAL OUTLAY</b>                                   |                    |                  |                    |                  |                          |
| Equipment:  |                    |                  |                    |                  |                          |
| Grades 6-8  | \$                 | 3,600            | \$ 3,600           | \$ 3,600         |                          |
| Undistributed:  |                    |                  |                    |                  |                          |
| Undistributed Expenditures - Care and Upkeep of Grounds | \$ 15,000          | (2,420)          | 12,580             | 12,580           |                          |
| Undistributed Expenditures - Security                   |                    | 22,703           | 22,703             | 22,703           |                          |
| Total Equipment   | <u>15,000</u>      | <u>23,883</u>    | <u>38,883</u>      | <u>38,883</u>    |                          |
| Facilities Acquisition and Construction Services:       |                    |                  |                    |                  |                          |
| Architectural/Engineering Services                      | 50,000             |                  | 50,000             | 38,274           | \$ 11,726                |
| Other Purchased Professional and Technical Services     |                    | 3,150            | 3,150              | 2,800            | 350                      |
| Construction Services                                   | 790,383            | (3,150)          | 787,233            | 9,462            | 777,771                  |
| Assessment for Debt Service on SDA Funding              | 8                  |                  | 8                  |                  | 8                        |
| Total Facilities Acquisition and Construction Services  | <u>840,391</u>     |                  | <u>840,391</u>     | <u>50,536</u>    | <u>789,855</u>           |
| TOTAL CAPITAL OUTLAY                                    | <u>855,391</u>     | <u>23,883</u>    | <u>879,274</u>     | <u>89,419</u>    | <u>789,855</u>           |
| TOTAL EXPENDITURES                                      | <u>9,225,028</u>   | <u>125,852</u>   | <u>9,350,880</u>   | <u>9,031,332</u> | <u>319,548</u>           |
| Excess/(Deficit) of Revenues Over/(Under) Expenditures  | <u>(1,076,790)</u> | <u>(125,852)</u> | <u>(1,202,642)</u> | <u>1,212,355</u> | <u>2,414,997</u>         |
| Other Financing Sources/(Uses):                         |                    |                  |                    |                  |                          |
| Transfer out - Preschool Education Aid                  | (55,104)           |                  | (55,104)           | (27,552)         | 27,552                   |
|   | <u>(55,104)</u>    |                  | <u>(55,104)</u>    | <u>(27,552)</u>  | <u>27,552</u>            |

HIGH BRIDGE 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> |
|--|------------------------|-------------------------|---------------------|---------------------|---------------------------------|
| Excess/(Deficit) of Revenues and Other Financing Sources |                        |                         |                     |                     |                                 |
| Over/(Under) Expenditures and Other Financing Uses       | \$ (1,131,894)         | \$ (125,852)            | \$ (1,257,746)      | \$ 1,184,803        | \$ 2,442,549                    |
| Fund Balance, July 1                                     | <u>3,877,084</u>       |                         | <u>3,877,084</u>    | <u>3,877,084</u>    |                                 |
| Fund Balance, June 30                                    | <u>\$ 2,745,190</u>    | <u>\$ (125,852)</u>     | <u>\$ 2,619,338</u> | <u>\$ 5,061,887</u> | <u>\$ 2,442,549</u>             |
| <b>Recapitulation:</b>                                   |                        |                         |                     |                     |                                 |
| Restricted Fund Balance:                                 |                        |                         |                     |                     |                                 |
| Excess Surplus - Restricted For 2023-2024                |                        |                         |                     | \$ 684,676          |                                 |
| Excess Surplus - Restricted For 2022-2023                |                        |                         |                     | 362,026             |                                 |
| Capital Reserve  |                        |                         |                     | 2,104,315           |                                 |
| Maintenance Reserve                                      |                        |                         |                     | 484,322             |                                 |
| Unemployment Compensation                                |                        |                         |                     | 210,014             |                                 |
| Assigned Fund Balance:                                   |                        |                         |                     |                     |                                 |
| Year End Encumbrances                                    |                        |                         |                     | 506,198             |                                 |
| Unassigned Fund Balance                                  |                        |                         |                     | <u>710,336</u>      |                                 |
|  |                        |                         |                     | <u>5,061,887</u>    |                                 |
| Reconciliation to Governmental Funds Statement (GAAP):   |                        |                         |                     |                     |                                 |
| Last State Aid Payments not Recognized on GAAP basis     |                        |                         | \$ (140,843)        |                     |                                 |
| Fund Balance per Governmental Funds (GAAP)               |                        |                         |                     | <u>\$ 4,921,044</u> |                                 |

HIGH BRIDGE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | Original Budget | Budget Transfers | Final Budget | Actual    | Variance Final to Actual |
|--|-----------------|------------------|--------------|-----------|--------------------------|
| Revenue:   |                 |                  |              |           |                          |
| Local Sources  |                 | \$ 31,374        | \$ 31,374    | \$ 31,374 |                          |
| State Sources  | \$ 965,882      | (282,336)        | 683,546      | 683,546   |                          |
| Federal Sources  | 132,462         | 147,597          | 280,059      | 280,059   |                          |
| Total Revenue  | 1,098,344       | (103,365)        | 994,979      | 994,979   |                          |
| Other Financing Sources:   |                 |                  |              |           |                          |
| Transfer In - Board Contribution - General Fund                                      |                 | 27,552           | 27,552       | 27,552    |                          |
| Total Revenues and Other Financing Sources   | 1,098,344       | (75,813)         | 1,022,531    | 1,022,531 |                          |
| Expenditures:  |                 |                  |              |           |                          |
| Instruction:   |                 |                  |              |           |                          |
| Salaries of Teachers   | 572,223         | (250,187)        | 322,036      | 322,036   |                          |
| Other Salaries for Instruction   |                 | 115,391          | 115,391      | 115,391   |                          |
| Purchased Professional and Educational Services                                      | 7,000           | (393)            | 6,607        | 6,607     |                          |
| General Supplies   | 38,606          | (10,204)         | 28,402       | 28,402    |                          |
| Other Purchased Services   |                 | 25,000           | 25,000       | 25,000    |                          |
| Total Instruction  | 617,829         | (120,393)        | 497,436      | 497,436   |                          |
| Support Services:  |                 |                  |              |           |                          |
| Salaries of Other Professional Staff   | 160,434         | 21,648           | 182,082      | 182,082   |                          |
| Employee Benefits  | 165,030         | (61,913)         | 103,117      | 103,117   |                          |
| Purchased Professional/Educational Services  |                 | 46,863           | 46,863       | 46,863    |                          |
| Purchased Professional & Technical Services  | 86,631          | (65,230)         | 21,401       | 21,401    |                          |
| Other Purchased Services   |                 | 86,063           | 86,063       | 86,063    |                          |
| Supplies and Materials   |                 | 1,994            | 1,994        | 1,994     |                          |
| Student Activities   |                 | 26,138           | 26,138       | 26,138    |                          |
| Total Support Services   | 412,095         | 55,563           | 467,658      | 467,658   |                          |
| Facilities Acquisition and Construction Services:                                    |                 |                  |              |           |                          |
| Non-Instructional Equipment  | 15,000          | (2,930)          | 12,070       | 12,070    |                          |
| Instructional Equipment  | 53,420          | (13,289)         | 40,131       | 40,131    |                          |
| Total Facilities Acquisition and Construction Services                               | 68,420          | (16,219)         | 52,201       | 52,201    |                          |
| Total Expenditures   | 1,098,344       | (81,049)         | 1,017,295    | 1,017,295 |                          |
| Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures | \$ -0-          | \$ 5,236         | \$ 5,236     | \$ 5,236  | \$ -0-                   |

HIGH BRIDGE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

|  | <u>General<br/>Fund</u> | <u>Special Revenue<br/>Fund</u> |
|--|-------------------------|---------------------------------|
| Sources/Inflows of Resources:  |                         |                                 |
| Actual Amounts (Budgetary Basis) "Revenue"<br>from the Budgetary Comparison Schedule   | \$ 10,243,687           | \$ 1,022,531                    |
| Differences - Budget to GAAP:  |                         |                                 |
| Budgetary basis recognizes Encumbrances as Revenue and Expenditures<br>whereas the GAAP Basis does not.  |                         | (686)                           |
| Prior Year State Aid Payments Recognized for GAAP Statements, not<br>Recognized for Budgetary Purposes   | 137,204                 | 71,799                          |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not<br>Recognized for GAAP Statements   | <u>(140,843)</u>        | <u>(90,922)</u>                 |
| Total Revenues as Reported on the Statement of Revenues, Expenditures<br>and Changes in Fund Balances - Governmental Funds.  | <u>\$ 10,240,048</u>    | <u>\$ 1,002,722</u>             |
| Uses/Outflows of Resources:  |                         |                                 |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the<br>Budgetary Comparison Schedule  | \$ 9,031,332            | \$ 1,017,295                    |
| Differences - Budget to GAAP:  |                         |                                 |
| Encumbrances for supplies and equipment ordered but<br>not received are reported in the year the order is placed for<br>budgetary purposes, but in the year the supplies are received<br>for financial reporting purposes. |                         | <u>(686)</u>                    |
| Total Expenditures as Reported on the Statement of Revenue,<br>Expenditures, and Changes in Fund Balances - Governmental Funds   | <u>\$ 9,031,332</u>     | <u>\$ 1,016,609</u>             |

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest of (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

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

|   | Title I      | Elementary and Secondary Education Act<br>Title II A | Title III    | Title IV     | Preschool<br>Education Aid | Student<br>Activities |
|---|--------------|--|--------------|--------------|----------------------------|-----------------------|
| <b>REVENUE:</b>   |              |  |              |              |                            |                       |
| Local Sources   |              |  |              |              |                            |                       |
| State Sources   | \$ 8,400     | \$ 53,779  | \$ 1,200     | \$ 9,894     | \$ 675,344                 | \$ 31,374             |
| Federal Sources   |              |  |              |              |                            |                       |
| <b>Total Revenue</b>  | <b>8,202</b> | <b>53,779</b>  | <b>1,200</b> | <b>9,894</b> | <b>675,344</b>             | <b>31,374</b>         |
| <b>Other Financing Sources:</b>                               |              |  |              |              |                            |                       |
| Transfer In - Board Contribution - General Fund               |              |  |              |              | 27,552                     |                       |
| <b>Total Revenues and Other Financing Sources</b>             | <b>8,202</b> | <b>53,779</b>  | <b>1,200</b> | <b>9,894</b> | <b>702,896</b>             | <b>31,374</b>         |
| <b>EXPENDITURES:</b>  |              |  |              |              |                            |                       |
| Instruction:  |              |  |              |              |                            |                       |
| Salaries of Teachers  | 5,486        | 42,263   |              |              | 271,887                    |                       |
| Other Salaries for Instruction                                |              |  |              |              | 115,391                    |                       |
| Purchased Professional and Educational Services               |              |  |              |              | 6,607                      |                       |
| Other Purchased Services                                      |              |  |              |              |                            |                       |
| General Supplies  |              |  | 1,200        |              | 25,718                     |                       |
| <b>Total Instruction</b>                                      | <b>5,486</b> | <b>42,263</b>  | <b>1,200</b> |              | <b>419,603</b>             |                       |
| <b>Support Services:</b>                                      |              |  |              |              |                            |                       |
| Salaries of Other Professional Staff                          |              |  |              | 5,194        | 141,788                    |                       |
| Employee Benefits   | 2,914        | 10,899   |              |              | 89,304                     |                       |
| Purchased Professional/Educational Services                   |              |  |              |              |                            |                       |
| Purchased Professional & Technical Services                   |              |  |              | 4,700        |                            |                       |
| Other Purchased Services                                      |              |  |              |              |                            |                       |
| Supplies and Materials  |              | 617  |              |              |                            |                       |
| Student Activities  |              |  |              |              |                            | 26,138                |
| <b>Total Support Services</b>                                 | <b>2,914</b> | <b>11,516</b>  |              | <b>9,894</b> | <b>231,092</b>             | <b>26,138</b>         |
| <b>Facilities Acquisition and Construction Services:</b>      |              |  |              |              |                            |                       |
| Non-Instructional Equipment                                   |              |  |              |              | 12,070                     |                       |
| Instructional Equipment                                       |              |  |              |              | 40,131                     |                       |
| <b>Total Facilities Acquisition and Construction Services</b> |              |  |              |              | <b>52,201</b>              |                       |
| <b>Total Expenditures</b>                                     | <b>8,202</b> | <b>53,779</b>  | <b>1,200</b> | <b>9,894</b> | <b>702,896</b>             | <b>26,138</b>         |

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

|  | Education Stabilization Aid - A.R.P. |                         |           |                       | I.D.E.A.<br>Part B, Basic | A.R.P. I.D.E.A.<br>Preschool | Totals<br>June 30, 2022 |
|--|--------------------------------------|-------------------------|-----------|-----------------------|---------------------------|------------------------------|-------------------------|
|  | Mental<br>Health                     | Accelerated<br>Learning | ESSER III | I.D.E.A.<br>Preschool |                           |                              |                         |
| REVENUE:   |                                      |                         |           |                       |                           |                              |                         |
| Local Sources  |                                      |                         |           |                       |                           |                              |                         |
| State Sources  |                                      |                         |           |                       |                           |                              |                         |
| Federal Sources  | \$ 12,280                            | \$ 26,700               | \$ 76,733 | \$ 5,509              | \$ 68,863                 | \$ 16,701                    | \$ 31,374               |
| Total Revenue  | 12,280                               | 26,700                  | 76,733    | 5,509                 | 68,863                    | 16,701                       | 994,979                 |
| Other Financing Sources:                               |                                      |                         |           |                       |                           |                              |                         |
| Transfer In - Board Contribution - General Fund        |                                      |                         |           |                       |                           |                              |                         |
| Total Revenues and Other Financing Sources             | 12,280                               | 26,700                  | 76,733    | 5,509                 | 68,863                    | 16,701                       | 1,022,531               |
| EXPENDITURES:  |                                      |                         |           |                       |                           |                              |                         |
| Instruction:   |                                      |                         |           |                       |                           |                              |                         |
| Salaries of Teachers                                   |                                      | 2,400                   |           |                       |                           |                              | 322,036                 |
| Other Salaries for Instruction                         |                                      |                         |           |                       |                           |                              | 115,391                 |
| Purchased Professional and Educational Services        |                                      |                         |           |                       | 25,000                    |                              | 6,607                   |
| Other Purchased Services                               | 352                                  |                         |           | 1,132                 |                           |                              | 25,000                  |
| General Supplies                                       |                                      |                         |           |                       |                           |                              | 28,402                  |
| Total Instruction                                      | 352                                  | 2,400                   |           | 1,132                 | 25,000                    |                              | 497,436                 |
| Support Services:                                      |                                      |                         |           |                       |                           |                              |                         |
| Salaries of Other Professional Staff                   | 10,800                               | 24,300                  |           |                       |                           |                              | 182,082                 |
| Employee Benefits                                      |                                      |                         |           |                       |                           |                              | 103,117                 |
| Purchased Professional/Educational Services            |                                      |                         |           | 3,000                 | 43,863                    |                              | 46,863                  |
| Purchased Professional & Technical Services            |                                      |                         |           |                       |                           | 16,701                       | 21,401                  |
| Other Purchased Services                               | 1,128                                |                         | 76,733    |                       |                           |                              | 86,063                  |
| Supplies and Materials                                 |                                      |                         |           |                       |                           |                              | 1,994                   |
| Student Activities                                     |                                      |                         |           |                       |                           |                              | 26,138                  |
| Total Support Services                                 | 11,928                               | 24,300                  | 76,733    | 4,377                 | 43,863                    | 16,701                       | 467,658                 |
| Facilities Acquisition and Construction Services:      |                                      |                         |           |                       |                           |                              |                         |
| Non-Instructional Equipment                            |                                      |                         |           |                       |                           |                              | 12,070                  |
| Instructional Equipment                                |                                      |                         |           |                       |                           |                              | 40,131                  |
| Total Facilities Acquisition and Construction Services |                                      |                         |           |                       |                           |                              | 52,201                  |
| Total Expenditures                                     | \$ 12,280                            | \$ 26,700               | \$ 76,733 | \$ 5,509              | \$ 68,863                 | \$ 16,701                    | \$ 1,017,295            |

HIGH BRIDGE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

District-Wide Total

|   | Budgeted          | Actual            | Variance          |
|---|-------------------|-------------------|-------------------|
| <b>EXPENDITURES:</b>                            |                   |                   |                   |
| <b>Instruction:</b>                             |                   |                   |                   |
| Salaries of Teachers                            | \$ 360,498        | \$ 271,887        | \$ 88,611         |
| Other Salaries for Instruction                  | 175,000           | 115,391           | 59,609            |
| Purchased Professional and Educational Services | 7,000             | 6,607             | 393               |
| General Supplies                                | 38,000            | 25,718            | 12,282            |
| <b>Total Instruction</b>                        | <b>580,498</b>    | <b>419,603</b>    | <b>160,895</b>    |
| <b>Support Services:</b>                        |                   |                   |                   |
| Salaries of Other Professional Staff            | 151,934           | 141,788           | 10,146            |
| Employee Benefits                               | 165,030           | 89,304            | 75,726            |
| <b>Total Support Services</b>                   | <b>316,964</b>    | <b>231,092</b>    | <b>85,872</b>     |
| <b>Equipment:</b>                               |                   |                   |                   |
| Non-Instructional Equipment                     | 15,000            | 12,070            | 2,930             |
| Instructional Equipment                         | 53,420            | 40,131            | 13,289            |
| <b>Total Equipment</b>                          | <b>68,420</b>     | <b>52,201</b>     | <b>16,219</b>     |
| <b>Total Expenditures</b>                       | <b>\$ 965,882</b> | <b>\$ 702,896</b> | <b>\$ 262,986</b> |

CALCULATION OF BUDGET & CARRYOVER

|   |                   |
|---|-------------------|
| Total Revised 2021-2022 Preschool Education Aid Allocation                                      | \$ 881,664        |
| Add: Actual Preschool Expansion Aid Carryover (June 30, 2021)                                   | 185,931           |
| Add: Budgeted Transfer from General Fund  | 27,552            |
| <b>Total Preschool Education Aid Funds Available for 2021-2022 Budget</b>                       | <b>1,095,147</b>  |
| Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)      | (965,882)         |
| <b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2022</b>             | <b>129,265</b>    |
| Add: June 30, 2022 Unexpended Preschool Education Aid   | 262,986           |
| 2021-2022 Carryover - Preschool Education Aid   | \$ 392,251        |
| <b>2021-2022 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2022-2023</b> | <b>\$ 392,251</b> |

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2022

## ASSETS:

## Current Assets:

|  |           |
|--|-----------|
| Cash and Cash Equivalents              | \$ 49,338 |
| Intergovernmental Accounts Receivable: |           |
| State                                  | 256       |
| Federal                                | 14,784    |
| Interfund Receivable                   | 24,428    |
| Inventories                            | 6,629     |

|                      |               |
|----------------------|---------------|
| Total Current Assets | <u>95,435</u> |
|----------------------|---------------|

## Non-Current Assets:

## Capital Assets:

|                          |                  |
|--------------------------|------------------|
| Equipment                | 176,844          |
| Accumulated Depreciation | <u>(172,302)</u> |

|                          |              |
|--------------------------|--------------|
| Total Non-Current Assets | <u>4,542</u> |
|--------------------------|--------------|

|              |               |
|--------------|---------------|
| Total Assets | <u>99,977</u> |
|--------------|---------------|

## LIABILITIES:

## Current Liabilities:

|  |       |
|--|-------|
| Accounts Payable- Vendors              | 7,612 |
| Unearned Revenue - Donated Commodities | 2,320 |
| Unearned Revenue - Prepaid Sales       | 1,693 |

|                   |               |
|-------------------|---------------|
| Total Liabilities | <u>11,625</u> |
|-------------------|---------------|

## NET POSITION:

|                                  |                  |
|----------------------------------|------------------|
| Net Investment in Capital Assets | 4,542            |
| Unrestricted                     | <u>83,810</u>    |
| Total Net Position               | <u>\$ 88,352</u> |

HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>Business-Type<br/>Activities -<br/>Enterprise Fund</u> |
|---|---|
| Operating revenue   |   |
| Local Sources:  |   |
| Daily Sales - Non-Reimbursable Sales  | \$ 6,400  |
| Total Operating Revenue   | <u>6,400</u>  |
| Operating Expenses:   |   |
| Cost of Sales - Reimbursable Programs   | 76,851  |
| Salaries, Benefits & Payroll Taxes  | 50,417  |
| Supplies, Insurance & Other Costs   | 1,565   |
| Management Fee  | 7,417   |
| Depreciation  | 1,357   |
| Miscellaneous Expenses  | 1,361   |
| Total Operating Expenses  | <u>138,968</u>  |
| Operating (Loss)  | <u>(132,568)</u>  |
| Non-Operating Revenue   |   |
| Local Sources:  |   |
| Interest Income   | 25  |
| State Sources:  |   |
| COVID 19 - Seamless Summer Option   | 3,286   |
| Federal Sources:  |   |
| COVID 19 - Seamless Summer Option   | 184,652   |
| Other Nutrition Programs -  |   |
| COVID 19 - Pandemic/Electronic Benefits Transfer Administrative Reimbursement | 1,242   |
| Food Distribution Program   | 9,130   |
| Total Non-Operating Revenue   | <u>198,335</u>  |
| Change in Net Position  | 65,767  |
| Net Position - Beginning of Year  | <u>22,585</u>   |
| Net Position - End of Year  | <u>\$ 88,352</u>  |



HIGH BRIDGE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | <u>Business-Type<br/>Activities -<br/>Enterprise Fund</u> |
|---|---|
| Cash Flows From Operating Activities:   |   |
| Receipts from Customers   | \$ 6,400  |
| Payments to Food Service Vendor   | (127,715)   |
| Net Cash (Used for) Operating Activities  | <u>(121,315)</u>  |
| Cash Flows From Noncapital Financing Activities:                                |   |
| State Sources   | 3,487   |
| Federal Sources   | 153,646   |
| Net Cash Provided by Noncapital Financing Activities                            | <u>157,133</u>  |
| Cash Flows From Investing Activities:   |   |
| Interest Income   | 25  |
| Net Cash Provided by Investing Activities                                       | <u>25</u>   |
| Cash Flows (Used for) Capital Financing Activities:                             |   |
| Acquisition of Capital Assets   | (5,028)   |
| Net Cash (Used for) Capital Financing Activities                                | <u>(5,028)</u>  |
| Net Increase in Cash and Cash Equivalents                                       | 30,815  |
| Cash and Cash Equivalents, July 1   | <u>18,523</u>   |
| Cash and Cash Equivalents, June 30  | <u>\$ 49,338</u>  |
| Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:   |   |
| Operating Loss  | \$ (132,568)  |
| Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities: |   |
| Depreciation  | 1,357   |
| Food Distribution Program   | 9,130   |
| Changes in Assets and Liabilities:  |   |
| (Increase) in Inventory   | (3,868)   |
| Increase in Accounts Payable  | 4,117   |
| Increase in Unearned Revenue - Donated Commodities                              | 1,252   |
| (Decrease) in Unearned Revenue - Prepaid Sales                                  | (735)   |
| Net Cash (Used for) Operating Activities  | <u>\$ (121,315)</u>                                       |

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$10,372 and \$9,130, respectively, the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT

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

| Purpose                     | Date of Issue | Original Issue | Maturities of Bonds |            |                           |        | Interest Rate       | Balance June 30, 2021 | Matured             | Balance June 30, 2022 |
|-----------------------------|---------------|----------------|---------------------|------------|---------------------------|--------|---------------------|-----------------------|---------------------|-----------------------|
|                             |               |                | Date                | Amount     | Outstanding June 30, 2022 | Amount |                     |                       |                     |                       |
| 1999 Series Refunding Bonds | 05/01/1999    | \$ 6,405,000   | 2/15/2023           | \$ 440,000 |                           | 4.875% | \$ 2,335,000        | \$ 415,000            | \$ 1,920,000        |                       |
|                             |               |                | 2/15/2024           | 465,000    |                           | 4.900% |                     |                       |                     |                       |
|                             |               |                | 2/15/2025           | 495,000    |                           | 4.900% |                     |                       |                     |                       |
|                             |               |                | 2/15/2026           | 520,000    |                           | 4.900% |                     |                       |                     |                       |
|                             |               |                |                     |            |                           |        | <u>\$ 2,335,000</u> | <u>\$ 415,000</u>     | <u>\$ 1,920,000</u> |                       |

HIGH BRIDGE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES

| Purpose       | Interest<br>Rate | Original<br>Issue | (Restated)<br>Balance<br>July 1, 2021 | Matured  | Balance<br>June 30, 2022 |
|---------------|------------------|-------------------|---------------------------------------|----------|--------------------------|
| Savin Copiers | 5.25%            | \$ 31,034         | \$ 16,927                             | \$ 7,908 | \$ 9,019                 |
|               |                  |                   | \$ 16,927                             | \$ 7,908 | \$ 9,019                 |

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

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to Actual</u> |
|---|----------------------------|-------------------------|----------------|-------------------------------------|
| REVENUE:  |                            |                         |                |                                     |
| Local Sources:  |                            |                         |                |                                     |
| Local Tax Levy  | \$ 453,463                 | \$ 453,463              | \$ 453,463     |                                     |
| State Sources:  |                            |                         |                |                                     |
| Debt Service Aid Type II                                    | <u>78,287</u>              | <u>78,287</u>           | <u>78,287</u>  |                                     |
| Total Revenue   | <u>531,750</u>             | <u>531,750</u>          | <u>531,750</u> |                                     |
| EXPENDITURES:   |                            |                         |                |                                     |
| Regular Debt Service:                                       |                            |                         |                |                                     |
| Interest  | 116,750                    | 116,750                 | 116,750        |                                     |
| Redemption of Principal                                     | <u>415,000</u>             | <u>415,000</u>          | <u>415,000</u> |                                     |
| Total Regular Debt Service                                  | <u>531,750</u>             | <u>531,750</u>          | <u>531,750</u> |                                     |
| Total Expenditures  | <u>531,750</u>             | <u>531,750</u>          | <u>531,750</u> |                                     |
| Excess/(Deficiency) of Revenue<br>Over/(Under) Expenditures | <u>-0-</u>                 | <u>-0-</u>              | <u>-0-</u>     |                                     |
| Fund Balance, July 1  | <u>-0-</u>                 | <u>-0-</u>              | <u>-0-</u>     | \$ -0-                              |
| Fund Balance, June 30                                       | <u>\$ -0-</u>              | <u>\$ -0-</u>           | <u>\$ -0-</u>  | <u>\$ -0-</u>                       |

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

This part of the District’s 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**

|   | <b><u>Exhibit</u></b> |
|---|-----------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.  | J-1 thru J-5          |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.   | J-6 thru J-9          |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.   | J-10 thru J-13        |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments. | J-14 thru J-15        |
| <b>Operating Information</b><br>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.                | J-16 thru J-20        |

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

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

|   | June 30,     |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021*        | 2022         |
| <b>Governmental Activities:</b>             |              |              |              |              |              |              |              |              |              |              |
| Net Investment in Capital Assets            | \$ 6,716,877 | \$ 7,150,892 | \$ 6,896,677 | \$ 6,910,733 | \$ 6,956,795 | \$ 7,116,316 | \$ 3,695,270 | \$ 4,231,567 | \$ 4,510,637 | \$ 4,945,497 |
| Restricted                                  | 852,280      | 1,027,239    | 1,107,509    | 1,002,111    | 1,228,281    | 1,207,031    | 1,141,136    | 2,019,269    | 2,792,395    | 3,499,883    |
| Unrestricted (Deficit)                      | (435,228)    | (737,264)    | (1,826,430)  | (1,054,963)  | (1,606,760)  | (1,514,321)  | (1,304,199)  | (1,235,087)  | (647,478)    | 79,658       |
| Total Governmental Activities Net Position  | \$ 7,133,929 | \$ 7,440,867 | \$ 6,177,756 | \$ 6,857,881 | \$ 6,578,316 | \$ 6,809,026 | \$ 3,532,207 | \$ 5,015,749 | \$ 6,655,554 | \$ 8,525,038 |
| <b>Business-Type Activities:</b>            |              |              |              |              |              |              |              |              |              |              |
| Investment in Capital Assets                | \$ 12,012    | \$ 19,519    | \$ 23,985    | \$ 29,943    | \$ 16,106    | \$ 17,866    | \$ 1,571     | \$ 65,226    | \$ 871       | \$ 4,542     |
| Unrestricted                                |              |              |              |              |              |              | 11,523       | 9,071        | 21,714       | 83,810       |
| Total Business-Type Activities Net Position | \$ 12,012    | \$ 19,519    | \$ 23,985    | \$ 29,943    | \$ 16,106    | \$ 17,866    | \$ 13,094    | \$ 74,297    | \$ 22,585    | \$ 88,352    |
| <b>District-Wide:</b>                       |              |              |              |              |              |              |              |              |              |              |
| Net Investment in Capital Assets            | \$ 6,716,877 | \$ 7,150,892 | \$ 6,896,677 | \$ 6,910,733 | \$ 6,956,795 | \$ 7,116,316 | \$ 3,696,841 | \$ 4,296,793 | \$ 4,511,508 | \$ 4,950,039 |
| Restricted                                  | 852,280      | 1,027,239    | 1,107,509    | 1,002,111    | 1,228,281    | 1,207,031    | 1,141,136    | 2,019,269    | 2,792,395    | 3,499,883    |
| Unrestricted (Deficit)                      | (423,216)    | (717,745)    | (1,802,445)  | (1,025,020)  | (1,590,654)  | (1,496,455)  | (1,292,676)  | (1,226,016)  | (625,764)    | 163,468      |
| Total District Net Position                 | \$ 7,145,941 | \$ 7,460,386 | \$ 6,201,741 | \$ 6,887,824 | \$ 6,594,422 | \$ 6,826,892 | \$ 3,545,301 | \$ 5,090,046 | \$ 6,678,139 | \$ 8,613,390 |

\* - Restated

Source: High Bridge School District Financial Reports



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

|   | Fiscal Year Ending June 30, |              |              |              |               |               |               |              |              |               |
|---|-----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------|
|   | 2013                        | 2014         | 2015         | 2016         | 2017          | 2018          | 2019          | 2020         | 2021         | 2022          |
| Expenses:                                       |                             |              |              |              |               |               |               |              |              |               |
| Governmental Activities:                        |                             |              |              |              |               |               |               |              |              |               |
| Instruction:                                    |                             |              |              |              |               |               |               |              |              |               |
| Regular   | \$ 3,137,938                | \$ 3,618,789 | \$ 3,823,787 | \$ 3,634,495 | \$ 4,318,019  | \$ 4,109,407  | \$ 3,886,221  | \$ 4,272,536 | \$ 4,235,288 | \$ 4,946,071  |
| Special Education                               | 1,138,708                   | 1,011,013    | 1,121,448    | 1,840,147    | 2,323,027     | 1,728,279     | 2,385,799     | 2,156,574    | 2,082,409    | 2,179,649     |
| Other Special Instruction                       | 286,591                     | 202,430      | 206,774      | 244,301      | 187,676       | 269,055       | 227,659       | 180,503      | 120,089      | 182,184       |
| School-Sponsored/Other Instruction              | 51,967                      | 46,725       | 51,714       |              |               |               |               |              |              |               |
| Support Services:                               |                             |              |              |              |               |               |               |              |              |               |
| Tuition   | 79,600                      | 62,163       | 110,371      | 14,833       | 42,148        | 57,241        |               |              | 41,007       | 18,442        |
| Student & Instruction Related Services          | 1,463,455                   | 1,206,011    | 1,843,458    | 1,486,272    | 2,132,378     | 2,231,582     | 1,615,900     | 1,463,113    | 1,490,087    | 1,429,779     |
| General Administrative Services                 | 456,093                     | 374,440      | 481,293      | 332,965      | 293,894       | 322,056       | 303,730       | 257,025      | 249,855      | 239,535       |
| School Administrative Services                  | 318,968                     | 257,812      | 290,230      | 171,763      | 340,487       | 257,618       | 268,513       | 263,149      | 263,897      | 244,412       |
| Central Services                                |                             |              |              | 173,029      | 152,852       | 156,935       | 152,736       | 160,405      | 140,130      | 127,924       |
| Administrative Information Technology           |                             |              |              |              |               |               |               |              | 21,118       | 26,699        |
| Plant Operations and Maintenance                | 696,800                     | 638,963      | 783,523      | 782,789      | 853,821       | 1,206,857     | 1,034,767     | 757,473      | 1,043,166    | 899,716       |
| Pupil Transportation                            | 78,740                      | 100,735      | 107,887      | 97,142       | 77,383        | 76,905        | 93,251        | 62,733       | 14,175       | 18,740        |
| Transfer of Funds to Charter Schools            |                             |              |              |              |               |               |               | 4,412        |              |               |
| Capital Outlay                                  |                             |              |              | 36,119       | 46,124        |               |               |              |              |               |
| Interest on Long-Term Debt                      | 251,583                     | 236,416      | 224,232      | 211,703      | 196,835       | 203,268       | 163,592       | 123,125      | 129,917      | 109,833       |
| Unallocated depreciation                        | 29,699                      | 28,253       | 28,594       |              |               |               |               |              |              |               |
| Total Governmental Activities Expenses          | 7,990,142                   | 7,783,750    | 9,073,311    | 9,025,558    | 10,964,644    | 10,619,203    | 10,132,168    | 9,701,048    | 9,831,138    | 10,422,984    |
| Business-Type Activities:                       |                             |              |              |              |               |               |               |              |              |               |
| Food Service                                    | 85,920                      | 96,055       | 87,505       | 80,014       | 102,118       | 89,536        | 97,744        | 92,817       | 70,083       | 138,968       |
| Preschool Program                               |                             |              | 21,000       |              |               |               |               |              |              |               |
| Total Business-type Activities Expense          | 85,920                      | 96,055       | 108,505      | 80,014       | 102,118       | 89,536        | 97,744        | 92,817       | 70,083       | 138,968       |
| Total District Expenses                         | \$ 8,076,062                | \$ 7,879,805 | \$ 9,181,816 | \$ 9,105,572 | \$ 11,066,762 | \$ 10,708,739 | \$ 10,229,912 | \$ 9,793,865 | \$ 9,901,221 | \$ 10,561,952 |
| Program Revenues                                |                             |              |              |              |               |               |               |              |              |               |
| Governmental Activities:                        |                             |              |              |              |               |               |               |              |              |               |
| Charges for Services:                           |                             |              |              |              |               |               |               |              |              |               |
| Instruction - Regular                           | \$ 142,770                  | \$ 111,371   | \$ 125,491   | \$ 150,729   | \$ 96,990     | \$ 75,684     | \$ 166,837    | \$ 31,418    | \$ 33,996    | \$ 29,500     |
| Business and other support services             |                             |              |              | 3,661,977    | 4,607,591     | 4,415,054     | 4,009,638     | 4,099,414    | 4,214,965    | 4,968,289     |
| Operating Grants and Contributions              | 2,563,578                   | 2,470,246    | 3,362,228    | 3,812,706    | 4,704,581     | 4,490,738     | 4,176,475     | 4,130,832    | 4,248,961    | 4,997,789     |
| Total Governmental Activities Program Revenues  | 2,706,348                   | 2,581,617    | 3,487,719    | 3,812,706    | 4,704,581     | 4,490,738     | 4,176,475     | 4,130,832    | 4,248,961    | 4,997,789     |
| Business-Type Activities:                       |                             |              |              |              |               |               |               |              |              |               |
| Charges for Services:                           |                             |              |              |              |               |               |               |              |              |               |
| Food Service                                    | 52,426                      | 64,688       | 55,917       | 38,862       | 59,454        | 61,061        | 61,809        | 46,823       | 346          | 6,400         |
| Preschool Program                               |                             |              | 26,250       |              |               |               |               |              |              |               |
| Operating Grants and Contributions              | 27,616                      | 36,602       | 34,679       | 33,041       | 28,816        | 30,213        | 33,499        | 43,120       | 82,020       | 198,310       |
| Capital grants and contributions                |                             |              |              |              |               |               |               | 64,004       |              |               |
| Total Business-type Activities Program Revenues | 80,042                      | 101,290      | 116,846      | 71,903       | 88,270        | 91,274        | 95,308        | 153,947      | 82,366       | 204,710       |
| Total District Program Revenues                 | \$ 2,786,390                | \$ 2,682,907 | \$ 3,604,565 | \$ 3,884,609 | \$ 4,792,851  | \$ 4,582,012  | \$ 4,271,783  | \$ 4,284,779 | \$ 4,331,327 | \$ 5,202,499  |

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

|  | Fiscal Year Ending June 30, |                |                |                |                |                |                |                |                |                |
|--|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2013                        | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
| Net (Expense)/Revenue                              |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities                            | \$ (5,283,794)              | \$ (5,202,133) | \$ (5,585,592) | \$ (5,212,852) | \$ (6,260,063) | \$ (6,128,465) | \$ (5,955,693) | \$ (5,570,216) | \$ (5,582,177) | \$ (5,425,195) |
| Business-type Activities                           | (5,878)                     | 5,235          | 8,341          | (8,111)        | (13,848)       | 1,738          | (2,436)        | 61,130         | 12,283         | 65,742         |
| Total District-wide Net Expense                    | \$ (5,289,672)              | \$ (5,196,898) | \$ (5,577,251) | \$ (5,220,963) | \$ (6,273,911) | \$ (6,126,727) | \$ (5,958,129) | \$ (5,509,086) | \$ (5,569,894) | \$ (5,359,453) |
| General Revenues and Other Changes in Net Position |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities:                           |                             |                |                |                |                |                |                |                |                |                |
| Property Taxes Levied for General Purposes, Net    | \$ 4,851,221                | \$ 5,055,774   | \$ 5,281,889   | \$ 5,388,481   | \$ 5,496,652   | \$ 5,808,499   | \$ 6,116,349   | \$ 6,380,576   | \$ 6,567,650   | \$ 6,699,003   |
| Taxes Levied for Debt Service                      | 540,344                     | 412,224        | 454,250        | 440,891        | 441,165        | 445,729        | 449,357        | 452,184        | 453,251        | 453,463        |
| Federal and State Aid not Restricted               | 11,823                      |                |                |                |                |                |                | 78,066         | 78,249         | 78,287         |
| Investment Earnings                                | 1,351                       | 1,548          | 2,047          | 2,351          | 841            | 9,934          | 12,385         | 9,441          | 1,263          | 3,600          |
| Miscellaneous Income                               | 96,241                      | 39,525         | 14,665         | 135,673        | 91,840         | 79,132         | 180,375        | 7,987          | 122,338        | 87,240         |
| Transfers  |                             |                |                |                | (50,000)       |                |                |                |                |                |
| Total Governmental Activities                      | \$ 5,500,980                | \$ 5,509,071   | \$ 5,752,851   | \$ 5,967,396   | \$ 5,980,498   | \$ 6,343,294   | \$ 6,758,466   | \$ 6,928,254   | \$ 7,222,751   | \$ 7,321,593   |
| Business-Type Activities:                          |                             |                |                |                |                |                |                |                |                |                |
| Investment Earnings                                | \$ 5,401                    | \$ 2,272       | \$ 1,375       | \$ 23          | \$ 11          | \$ 22          | \$ 92          | \$ 73          | \$ 9           | \$ 25          |
| Miscellaneous Income                               |                             |                |                | 14,046         |                |                |                |                |                |                |
| Total Business-Type Activities                     | \$ 5,401                    | \$ 2,272       | \$ 1,375       | \$ 14,069      | \$ 11          | \$ 22          | \$ 92          | \$ 73          | \$ 9           | \$ 25          |
| Total District-Wide General Revenue                | \$ 5,506,381                | \$ 5,511,343   | \$ 5,754,226   | \$ 5,981,465   | \$ 5,980,509   | \$ 6,343,316   | \$ 6,758,558   | \$ 6,928,327   | \$ 7,222,760   | \$ 7,321,618   |
| Change in Net Position:                            |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities                            | 217,186                     | 306,938        | 167,259        | 754,544        | (279,565)      | 214,829        | 802,773        | 1,358,038      | 1,640,574      | 1,896,398      |
| Business-type Activities                           | (477)                       | 7,507          | 9,716          | 5,958          | (13,837)       | 1,760          | (2,344)        | 61,203         | 12,292         | 65,767         |
| Total District                                     | \$ 216,709                  | \$ 314,445     | \$ 176,975     | \$ 760,502     | \$ (293,402)   | \$ 216,589     | \$ 800,429     | \$ 1,419,241   | \$ 1,652,866   | \$ 1,962,165   |

Source: High Bridge School District Financial Reports

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

|   | June 30,          |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2013              | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021*               | 2022                |
| <b>General Fund:</b>                      |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Restricted                                | \$ 852,399        | \$ 1,113,880        | \$ 1,446,063        | \$ 1,002,111        | \$ 1,228,281        | \$ 1,207,031        | \$ 1,141,136        | \$ 2,338,556        | \$ 3,208,665        | \$ 3,845,353        |
| Assigned                                  |                   |                     |                     | 649,349             | 50,000              | 149,914             | 333,939             | 105,717             | 105,851             | 506,198             |
| Unassigned                                | 129,959           | 135,390             | 84,384              | 157,348             | 264,895             | 310,598             | 251,227             | 121,996             | 425,364             | 569,493             |
| <b>Total General Fund</b>                 | <b>\$ 982,358</b> | <b>\$ 1,249,270</b> | <b>\$ 1,530,447</b> | <b>\$ 1,808,808</b> | <b>\$ 1,543,176</b> | <b>\$ 1,667,543</b> | <b>\$ 1,726,302</b> | <b>\$ 2,566,269</b> | <b>\$ 3,739,880</b> | <b>\$ 4,921,044</b> |
| <b>All Other Governmental Funds:</b>      |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Unassigned/(Deficit), Reported in:        |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special Revenue Fund                      | \$ (660)          | \$ (660)            | \$ (660)            | \$ (660)            | \$ (660)            | \$ (660)            | \$ (660)            | \$ (19,646)         | \$ (33,565)         | \$ (74,366)         |
| Capital Projects Fund                     | 1,245             | 1,245               | 1,245               |                     |                     |                     |                     |                     |                     |                     |
| Debt Service Fund                         |                   | (15,342)            |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Total All Other Governmental Funds</b> | <b>\$ 585</b>     | <b>\$ (14,757)</b>  | <b>\$ 585</b>       | <b>\$ 585</b>       | <b>\$ (660)</b>     | <b>\$ (660)</b>     | <b>\$ (660)</b>     | <b>\$ (19,646)</b>  | <b>\$ (33,565)</b>  | <b>\$ (74,366)</b>  |
| <b>Governmental Funds:</b>                |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Restricted                                | \$ 852,399        | \$ 1,113,880        | \$ 1,446,063        | \$ 1,002,111        | \$ 1,228,281        | \$ 1,207,031        | \$ 1,141,136        | \$ 2,338,556        | \$ 3,208,665        | \$ 3,845,353        |
| Assigned                                  |                   |                     |                     | 649,349             | 50,000              | 149,914             | 333,939             | 105,717             | 105,851             | 506,198             |
| Unassigned                                | 130,544           | (14,757)            | 84,969              | 157,933             | 264,235             | 309,938             | 250,567             | 102,350             | 391,799             | 495,127             |
| <b>Total Governmental Funds</b>           | <b>\$ 982,943</b> | <b>\$ 1,099,123</b> | <b>\$ 1,531,032</b> | <b>\$ 1,809,393</b> | <b>\$ 1,542,516</b> | <b>\$ 1,666,883</b> | <b>\$ 1,725,642</b> | <b>\$ 2,546,623</b> | <b>\$ 3,706,315</b> | <b>\$ 4,846,678</b> |

\* - Restated

Source: High Bridge School District Financial Reports

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

|  | Fiscal Year Ending June 30, |                   |                   |                   |                     |                   |                   |                   |                     |                     |
|--|-----------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|  | 2013                        | 2014              | 2015              | 2016              | 2017                | 2018              | 2019              | 2020              | 2021                | 2022                |
| <b>Revenues:</b>   |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Tax Levy   | \$ 5,391,565                | \$ 5,467,998      | \$ 5,736,139      | \$ 5,829,372      | \$ 5,937,817        | \$ 6,254,228      | \$ 6,565,706      | \$ 6,832,760      | \$ 7,020,901        | \$ 7,152,466        |
| Tuition Charges  | 142,770                     | 111,371           | 125,491           | 150,729           | 96,990              | 75,684            | 166,837           | 31,418            | 33,996              | 29,500              |
| Interest Earnings  |                             |                   |                   | 2,351             | 841                 | 9,934             | 12,385            | 9,441             | 1,263               | 3,600               |
| Miscellaneous  | 97,592                      | 41,073            | 16,712            | 135,673           | 91,840              | 79,132            | 180,375           | 7,987             | 164,413             | 89,240              |
| State Sources  | 2,449,089                   | 2,342,436         | 2,409,014         | 2,465,912         | 2,741,897           | 2,887,527         | 2,976,255         | 3,173,514         | 3,854,853           | 4,157,682           |
| Federal Sources  | 126,312                     | 127,810           | 121,133           | 146,546           | 130,553             | 122,477           | 155,478           | 121,329           | 178,627             | 314,480             |
| <b>Total Revenue</b>   | <b>8,207,328</b>            | <b>8,090,688</b>  | <b>8,408,489</b>  | <b>8,730,583</b>  | <b>8,999,938</b>    | <b>9,428,982</b>  | <b>10,057,036</b> | <b>10,176,449</b> | <b>11,254,053</b>   | <b>11,746,968</b>   |
| <b>Expenditures:</b>   |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| <b>Instruction</b>   |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Regular Instruction  | 2,444,147                   | 2,982,108         | 2,632,722         | 2,216,279         | 2,376,065           | 2,285,413         | 2,176,419         | 2,429,632         | 2,656,605           | 3,047,700           |
| Special Education Instruction                                    | 998,682                     | 883,640           | 886,081           | 938,450           | 1,264,243           | 940,389           | 1,170,134         | 1,028,246         | 1,087,455           | 1,092,736           |
| Other Special Instruction  | 251,349                     | 176,927           | 163,377           | 187,850           | 151,743             | 210,722           | 210,428           | 168,011           | 111,162             | 137,047             |
| School-Sponsored/Other Instruction                               | 45,577                      | 40,838            | 40,860            |                   |                     |                   |                   |                   |                     |                     |
| <b>Support Services:</b>   |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Tuition  | 79,600                      | 62,163            | 110,371           | 14,833            | 42,148              | 57,241            |                   |                   | 41,007              | 18,442              |
| Student & Instruction Related Services                           | 1,283,495                   | 1,054,071         | 1,456,557         | 1,109,566         | 1,128,662           | 1,340,175         | 1,340,802         | 1,202,198         | 1,258,466           | 1,229,601           |
| General Administrative Services                                  | 390,770                     | 327,266           | 380,280           | 278,400           | 226,986             | 241,429           | 210,175           | 202,760           | 186,042             | 188,316             |
| School Administrative Services                                   | 279,745                     | 225,331           | 229,317           | 116,444           | 163,342             | 163,442           | 159,076           | 169,718           | 172,078             | 170,347             |
| Central Services   |                             |                   |                   | 154,422           | 127,629             | 132,161           | 126,507           | 138,998           | 120,805             | 113,922             |
| Administrative Information Technology                            |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Pupil Transportation   | 78,740                      | 100,735           | 107,887           | 97,142            | 76,143              | 76,905            | 93,251            | 62,733            | 14,175              | 18,740              |
| Plant Operations and Maintenance                                 | 611,115                     | 558,463           | 619,079           | 677,398           | 722,007             | 906,502           | 698,225           | 723,384           | 742,277             | 727,634             |
| Allocated and Unallocated Benefits                               | 928,482                     | 926,773           | 926,628           | 2,108,441         | 2,296,936           | 2,371,705         | 2,694,937         | 2,681,984         | 3,023,236           | 3,135,137           |
| Transfer of Funds to Charter Schools                             |                             |                   |                   |                   |                     |                   |                   | 4,412             |                     |                     |
| Capital Outlay   | 105,252                     | 8                 | 44,716            | 36,119            | 65,020              | 71,831            | 591,388           | 138,646           | 128,435             | 141,620             |
| <b>Debt Service:</b>   |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Principal  | 375,000                     | 260,000           | 285,000           | 300,000           | 315,000             | 335,000           | 355,000           | 375,000           | 395,000             | 415,000             |
| Interest and Other Charges                                       | 258,043                     | 240,795           | 229,095           | 216,878           | 202,328             | 187,680           | 171,935           | 155,250           | 136,500             | 116,750             |
| <b>Total Expenditures</b>  | <b>8,129,997</b>            | <b>7,839,118</b>  | <b>8,111,970</b>  | <b>8,452,222</b>  | <b>9,216,815</b>    | <b>9,320,495</b>  | <b>9,998,277</b>  | <b>9,480,972</b>  | <b>10,094,361</b>   | <b>10,579,691</b>   |
| <b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b> | <b>77,331</b>               | <b>251,570</b>    | <b>296,519</b>    | <b>278,361</b>    | <b>(216,877)</b>    | <b>108,487</b>    | <b>58,759</b>     | <b>695,477</b>    | <b>1,159,692</b>    | <b>1,167,277</b>    |
| <b>Other Financing Sources/(Uses):</b>                           |                             |                   |                   |                   |                     |                   |                   |                   |                     |                     |
| Transfers Out  |                             |                   |                   |                   | (50,000)            |                   |                   |                   |                     |                     |
| <b>Total Other Financing Sources/(Uses)</b>                      |                             |                   |                   |                   | <b>(50,000)</b>     |                   |                   |                   |                     |                     |
| <b>Net Change in Fund Balances</b>                               | <b>\$ 77,331</b>            | <b>\$ 251,570</b> | <b>\$ 296,519</b> | <b>\$ 278,361</b> | <b>\$ (266,877)</b> | <b>\$ 108,487</b> | <b>\$ 58,759</b>  | <b>\$ 695,477</b> | <b>\$ 1,159,692</b> | <b>\$ 1,167,277</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b>   | <b>7.9%</b>                 | <b>6.4%</b>       | <b>6.4%</b>       | <b>6.1%</b>       | <b>5.7%</b>         | <b>5.7%</b>       | <b>5.6%</b>       | <b>5.7%</b>       | <b>5.3%</b>         | <b>5.1%</b>         |

Source: High Bridge School District Financial Reports

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

| <u>Fiscal Year</u><br><u>Ending June 30,</u> | <u>Interest on</u><br><u>Investments</u> | <u>Refund Prior</u><br><u>Year</u><br><u>Expenditures</u> | <u>Tuition</u> | <u>Miscellaneous</u> | <u>Total</u> |
|--|--|---|----------------|----------------------|--------------|
| 2013   | \$ 1,351                                 | \$ 11,505   | \$ 142,770     | \$ 84,736            | \$ 240,362   |
| 2014   | 1,548                                    | 19,683  | 142,770        | 19,842               | 183,843      |
| 2015   | 2,047                                    |   | 125,491        | 14,665               | 142,203      |
| 2016   | 2,351                                    |   | 150,729        | 57,571               | 210,651      |
| 2017   | 2,372                                    |   | 96,990         | 9,722                | 109,084      |
| 2018   | 9,934                                    |   | 75,684         | 1,150                | 86,768       |
| 2019   | 12,385                                   |   | 166,837        | 84,654               | 263,876      |
| 2020   | 9,441                                    |   | 31,418         | 3,162                | 44,021       |
| 2021   | 1,263                                    |   | 33,996         | 109,758              | 145,017      |
| 2022   | 3,600                                    |   | 29,500         | 89,240               | 122,340      |

Source: High Bridge School District Financial Reports

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

| Year Ended<br>December 31, | Vacant Land  | Residential    | Farm Reg.    | Farm<br>Qualified | Commercial    | Industrial   | Apartment  | Total Assessed<br>Value | Tax-Exempt<br>Property | Public Utilities <sup>a</sup> | Net Valuation<br>Taxable | Total Direct<br>School Tax<br>Rate <sup>b</sup> | Estimated Actual<br>(County<br>Equalized Value) |
|----------------------------|--------------|----------------|--------------|-------------------|---------------|--------------|------------|-------------------------|------------------------|-------------------------------|--------------------------|---|---|
| 2012                       | \$ 1,961,400 | \$ 348,613,800 | \$ 1,478,600 | \$ 9,254          | \$ 11,964,200 | \$ 7,338,600 | \$ 509,600 | \$ 371,875,454          | \$ 34,119,500          | \$ 921,445                    | \$ 372,796,899           | 1.45  | \$ 387,670,007                                  |
| 2013                       | 1,478,400    | 339,991,100    | 1,478,600    | 9,254             | 11,767,400    | 7,906,400    | 509,600    | 363,140,754             | 30,292,700             | 951,120                       | 364,091,874              | 1.51  | 359,381,771                                     |
| 2014                       | 1,635,700    | 337,046,400    | 1,478,600    | 9,254             | 11,767,400    | 7,221,000    | 509,600    | 359,667,954             | 30,292,700             |                               | 359,667,954              | 1.60  | 349,430,504                                     |
| 2015                       | 1,392,500    | 305,140,100    | 1,353,700    | 9,254             | 12,732,800    | 8,751,500    | 1,087,000  | 330,466,854             | 25,575,667             |                               | 330,466,854              | 1.76  | 360,146,317                                     |
| 2016                       | 1,396,400    | 304,820,800    | 1,353,700    | 8,554             | 12,862,200    | 8,751,500    | 1,087,000  | 330,280,154             | 25,575,667             |                               | 330,280,154              | 1.80  | 361,164,047                                     |
| 2017                       | 1,301,600    | 303,934,300    | 2,081,400    | 10,500            | 12,413,800    | 8,751,500    | 1,087,000  | 329,580,100             | 26,816,449             |                               | 329,580,100              | 2.03  | 358,839,392                                     |
| 2018                       | 1,148,300    | 302,871,800    | 2,083,300    | 10,200            | 12,330,300    | 9,769,200    | 1,067,900  | 329,281,000             | 26,817,949             |                               | 329,281,000              | 2.13  | 364,046,312                                     |
| 2019                       | 1,223,000    | 301,924,400    | 2,083,600    | 10,200            | 12,858,400    | 10,132,300   | 1,452,800  | 329,684,700             | 30,254,852             |                               | 329,684,700              | 2.21  | 378,167,392                                     |
| 2020                       | 1,353,000    | 303,117,800    | 2,077,800    | 10,200            | 14,329,300    | 10,867,500   | 1,541,900  | 333,297,500             | 29,302,452             |                               | 333,297,500              | 2.24  | 356,609,251                                     |
| 2021                       | 1,326,900    | 305,144,400    | 2,073,600    | 10,200            | 14,483,300    | 11,239,900   | 1,687,800  | 335,966,100             | 31,444,952             |                               | 335,966,100              | 2.26  | 358,776,738                                     |

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

| Year Ended<br>December 31, | High Bridge Borough School District<br>Direct Rate |   |              | Overlapping Rates              |                        |         |                     | Total Direct<br>and<br>Overlapping<br>Tax Rate |
|----------------------------|--|---|--------------|--------------------------------|------------------------|---------|---------------------|--|
|                            | Basic Rate <sup>a</sup>                            | General<br>Obligation<br>Debt<br>Service <sup>b</sup> | Total Direct | Regional<br>School<br>District | High Bridge<br>Borough | Library | Hunterdon<br>County |  |
| 2012                       | \$ 1.30  | \$ 0.15   | \$ 1.45      | \$ 0.54                        | \$ 0.82                | \$ 0.03 | \$ 0.34             | \$ 3.17  |
| 2013                       | 1.36   | 0.15  | 1.51         | 0.62                           | 0.84                   | 0.03    | 0.33                | 3.33   |
| 2014                       | 1.47   | 0.13  | 1.60         | 0.60                           | 0.88                   | 0.03    | 0.33                | 3.43   |
| 2015                       | 1.63   | 0.13  | 1.76         | 0.58                           | 0.93                   | 0.03    | 0.40                | 3.71   |
| 2016                       | 1.66   | 0.13  | 1.80         | 0.60                           | 0.98                   | 0.03    | 0.40                | 3.81   |
| 2017                       | 1.90   | 0.14  | 2.03         | 0.38                           | 1.03                   |         | 0.40                | 3.85   |
| 2018                       | 1.99   | 0.14  | 2.13         | 0.39                           | 1.03                   |         | 0.42                | 3.96   |
| 2019                       | 2.07   | 0.14  | 2.21         | 0.44                           | 1.05                   |         | 0.43                | 4.13   |
| 2020                       | 2.11   | 0.14  | 2.24         | 0.44                           | 1.05                   |         | 0.40                | 4.13   |
| 2021                       | 2.13   | 0.13  | 2.26         | 0.47                           | 1.05                   |         | 0.40                | 4.18   |

Source: Municipal Tax Collector and School Business Administrator

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

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

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

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

| <u>Taxpayer</u>            | 2021                                  |   |
|----------------------------|---------------------------------------|---|
|                            | <u>Taxable<br/>Assessed<br/>Value</u> | <u>% of Total<br/>District Net<br/>Assessed Value</u> |
| 1742 Square Associates LTD | \$ 6,215,700                          | 1.89%   |
| XP Power LLC               | 2,973,200                             | 0.90%   |
| Bitow Enterprises LLC      | 1,745,700                             | 0.53%   |
| Sentinel Self Storage      | 1,690,100                             | 0.51%   |
| Perotti Farm LLC           | 1,187,100                             | 0.36%   |
| Luvavan LLC                | 1,078,000                             | 0.33%   |
| Individual Taxpayer #1     | 1,025,000                             | 0.31%   |
| Individual Taxpayer #2     | 909,900                               | 0.28%   |
| Individual Taxpayer #3     | 848,400                               | 0.26%   |
| Individual Taxpayer #4     | 838,700                               | 0.25%   |
| Total                      | <u>\$ 18,511,800</u>                  | <u>5.62%</u>  |

| <u>Taxpayer</u>                | 2012                                  |   |
|--------------------------------|---------------------------------------|---|
|                                | <u>Taxable<br/>Assessed<br/>Value</u> | <u>% of Total<br/>District Net<br/>Assessed Value</u> |
| 1742 Square Associates LTD     | \$ 2,695,100                          | 0.71%   |
| Glassman Family Realty LLC     | 2,400,000                             | 0.63%   |
| Bitnow Enterprises LLC         | 2,071,900                             | 0.55%   |
| Individual Taxpayer #1         | 1,751,400                             | 0.46%   |
| Country Club Self Storage, LLC | 1,706,000                             | 0.45%   |
| Individual Taxpayer #2         | 1,112,000                             | 0.29%   |
| Individual Taxpayer #3         | 887,100                               | 0.23%   |
| Individual Taxpayer #4         | 832,500                               | 0.22%   |
| Individual Taxpayer #5         | 846,000                               | 0.22%   |
| Individual Taxpayer #6         | 787,100                               | 0.21%   |
| Total                          | <u>\$ 15,089,100</u>                  | <u>3.99%</u>  |

Note: Individual taxpayers in 2021 and 2012 may be different.

Source: Municipal Tax Assessor



HIGH BRIDGE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal Year Ended<br>June 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal Year of the<br>Levy <sup>a</sup> |                    | Collections in<br>Subsequent Years |
|-------------------------------|-------------------------------------|--|--------------------|------------------------------------|
|                               |                                     | Amount   | Percentage of Levy |                                    |
| 2013                          | \$ 5,391,565                        | \$ 5,391,565   | 100.00%            | -0-                                |
| 2014                          | 5,467,998                           | 5,467,998  | 100.00%            | -0-                                |
| 2015                          | 5,736,139                           | 5,736,139  | 100.00%            | -0-                                |
| 2016                          | 5,829,372                           | 5,829,372  | 100.00%            | -0-                                |
| 2017                          | 5,937,817                           | 5,937,817  | 100.00%            | -0-                                |
| 2018                          | 5,808,499                           | 5,808,499  | 100.00%            | -0-                                |
| 2019                          | 6,565,706                           | 6,565,706  | 100.00%            | -0-                                |
| 2020                          | 6,832,760                           | 6,832,760  | 100.00%            | -0-                                |
| 2021                          | 7,020,901                           | 7,020,901  | 100.00%            | -0-                                |
| 2022                          | 7,152,466                           | 7,152,466  | 100.00%            | -0-                                |

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

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

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

| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>Governmental</u><br><u>Activities</u>            |                       | <u>Percentage of</u><br><u>Personal Income</u> | <u>Per Capita</u> <sup>a</sup> |
|---|---|-----------------------|--|--------------------------------|
|   | <u>General</u><br><u>Obligation</u><br><u>Bonds</u> | <u>Total District</u> | <sup>a</sup>                                   |                                |
| 2013  | \$ 4,955,000  | \$ 4,955,000          | 1.84%  | \$ 1,383                       |
| 2014  | 4,695,000   | 4,695,000             | 1.67%  | 1,315                          |
| 2015  | 4,410,000   | 4,410,000             | 1.53%  | 1,242                          |
| 2016  | 4,110,000   | 4,110,000             | 1.38%  | 1,159                          |
| 2017  | 3,795,000   | 3,795,000             | 1.26%  | 1,073                          |
| 2018  | 3,460,000   | 3,460,000             | 1.14%  | 999                            |
| 2019  | 3,105,000   | 3,105,000             | 0.99%  | 908                            |
| 2020  | 2,730,000   | 2,730,000             | 0.85%  | 806                            |
| 2021  | 2,335,000   | 2,335,000             | 0.69%  | 652                            |
| 2022  | 1,920,000   | 1,920,000             | 0.56%  | 536                            |

Source: School District Financial Reports

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

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

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

| <u>General Bonded Debt Outstanding</u>      |   |                   |  |   |                                |
|---|---|-------------------|--|---|--------------------------------|
| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>General</u><br><u>Obligation</u><br><u>Bonds</u> | <u>Deductions</u> | <u>Net General</u><br><u>Bonded Debt</u><br><u>Outstanding</u> | <u>Percentage of</u><br><u>Net Valuation</u><br><u>Taxable <sup>a</sup> of</u><br><u>Property</u> | <u>Per Capita <sup>b</sup></u> |
| 2013  | \$ 4,955,000  | -0-               | \$ 4,955,000   | 1.314%  | \$ 1,383                       |
| 2014  | 4,695,000   | -0-               | 4,695,000  | 1.259%  | 1,315                          |
| 2015  | 4,410,000   | -0-               | 4,410,000  | 1.211%  | 1,242                          |
| 2016  | 4,110,000   | -0-               | 4,110,000  | 1.143%  | 1,159                          |
| 2017  | 3,795,000   | -0-               | 3,795,000  | 1.148%  | 1,073                          |
| 2018  | 3,460,000   | -0-               | 3,460,000  | 1.050%  | 999                            |
| 2019  | 3,105,000   | -0-               | 3,105,000  | 0.943%  | 908                            |
| 2020  | 2,730,000   | -0-               | 2,730,000  | 0.828%  | 806                            |
| 2021  | 2,335,000   | -0-               | 2,335,000  | 0.701%  | 652                            |
| 2022  | 1,920,000   | -0-               | 1,920,000  | 0.571%  | 536                            |

Source: School District Financial Reports

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

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

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

HIGH BRIDGE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
UNAUDITED

| <u>Governmental Unit</u>                                    | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>a</sup></u> | <u>Estimated Share<br/>of Overlapping<br/>Debt</u> |
|---|-----------------------------|---|--|
| Debt Repaid with Property Taxes:                            |                             |   |  |
| High Bridge Borough   | \$ 9,088,653                | 100.00%   | \$ 9,088,653                                       |
| North Hunterdon-Voorhees Regional High School District Debt | 7,545,000                   | 1.63%   | 348,841  |
| Hunterdon County General Obligation Debt                    | 96,226,693                  | 1.66%   | <u>1,597,363</u>                                   |
| Subtotal, Overlapping Debt                                  |                             |   | 11,034,857   |
| High Bridge School District Direct Debt                     |                             |   | <u>1,920,000</u>                                   |
| Total Direct and Overlapping Debt                           |                             |   | <u><u>\$ 12,954,857</u></u>                        |

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

|   | Equalized Valuation Basis |             |             |
|---|---------------------------|-------------|-------------|
|   | 2019                      | 2020        | 2021        |
|   | \$ 350,467,418            | 349,771,749 | 373,129,831 |
|   | <u>\$ 1,073,368,998</u>   |             |             |
|   | <u>\$ 357,789,666</u>     |             |             |
| Average Equalized Valuation of Taxable Property   |                           |             |             |
| Debt Limit (a) (3% of Average Equalization Value) | \$ 10,733,690             |             |             |
| Net Bonded School Debt                            | 1,920,000                 |             |             |
| Legal Debt Margin                                 | <u>\$ 8,813,690</u>       |             |             |

|  | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                |
| Debt Limit                             | \$ 11,599,807       | \$ 11,027,429       | \$ 10,712,546       | \$ 10,657,631       | \$ 10,723,446       | \$ 10,451,820       | \$ 10,894,917       | \$ 10,832,724       | \$ 10,740,398       | \$ 10,733,690       |
| Total Net Debt Applicable to Limit     | 4,955,000           | 4,695,000           | 4,410,000           | 4,110,000           | 3,795,000           | 3,460,000           | 3,105,000           | 2,730,000           | 2,335,000           | 1,920,000           |
| Legal Debt Margin                      | <u>\$ 6,644,807</u> | <u>\$ 6,332,429</u> | <u>\$ 6,302,546</u> | <u>\$ 6,547,631</u> | <u>\$ 6,928,446</u> | <u>\$ 6,991,820</u> | <u>\$ 7,789,917</u> | <u>\$ 8,102,724</u> | <u>\$ 8,405,398</u> | <u>\$ 8,813,690</u> |
| Total Net Debt Applicable to the Limit | 42.72%              | 42.58%              | 41.17%              | 38.56%              | 35.39%              | 33.10%              | 28.50%              | 25.20%              | 21.74%              | 17.89%              |
| As a Percentage of Debt Limit          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |

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

a Limit set by NISA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

| <u>Year</u> | <u>Population<sup>a</sup></u> | <u>Hunterdon County<br/>Per Capita Personal<br/>Income<sup>b</sup></u> | <u>Total County<br/>Personal Income<sup>c</sup></u> | <u>Unemployment<br/>Rate<sup>d</sup></u> |
|-------------|-------------------------------|--|---|--|
| 2013        | 3,583                         | \$ 75,215  | 269,495,345   | 8.40%                                    |
| 2014        | 3,569                         | 78,862   | 281,458,478   | 5.50%                                    |
| 2015        | 3,551                         | 80,981   | 287,563,531   | 5.40%                                    |
| 2016        | 3,546                         | 83,763   | 297,023,598   | 4.70%                                    |
| 2017        | 3,536                         | 84,912   | 300,248,832   | 4.30%                                    |
| 2018        | 3,462                         | 87,934   | 304,427,508   | 3.80%                                    |
| 2019        | 3,418                         | 91,946   | 314,271,428   | 3.80%                                    |
| 2020        | 3,388                         | 95,088   | 322,158,144   | 9.40%                                    |
| 2021        | 3,584                         | 95,088 **  | 340,795,392   | 5.70%                                    |
| 2022        | 3,584 *                       | 95,088 **  | 340,795,392 ***                                     | N/A                                      |

\* - Latest Hunterdon County per capita personal income available (2021) was used for calculation purposes.

\*\* - Latest population data available (2020) was used for calculation purposes.

\*\*\* - Latest County Personal Income data available (2021) was used for calculation purposes.

N/A - Information unavailable.

Source:

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

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

| 2021                         |           | 2012                                 |          |           |                                      |
|------------------------------|-----------|--------------------------------------|----------|-----------|--------------------------------------|
| Employer                     | Employees | Percentage<br>of Total<br>Employment | Employer | Employees | Percentage<br>of Total<br>Employment |
| INFORMATION IS NOT AVAILABLE |           |                                      |          |           |                                      |

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

| <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                                      | 31.60        | 31.80        | 31.80        | 31.80        | 30.24        | 30.80        | 32.00        | 30.00        | 29.00        | 29.00        |
| Special Education                            | 33.00        | 34.70        | 34.70        | 34.70        | 42.74        | 20.27        | 20.60        | 24.00        | 21.00        | 21.00        |
| Support Services:                            |              |              |              |              |              |              |              |              |              |              |
| School Administrative Services               | 3.10         | 3.10         | 3.10         | 3.10         | 3.10         | 3.10         | 3.10         | 3.10         | 3.00         | 3.00         |
| General and Business Administrative Services | 4.70         | 4.70         | 4.70         | 4.70         | 4.70         | 4.70         | 4.70         | 4.70         | 5.00         | 5.00         |
| Plant Operations and Maintenance             | 5.30         | 5.30         | 5.30         | 5.30         | 6.00         | 6.00         | 6.00         | 6.00         | 7.00         | 7.00         |
| Pupil transportation                         | 0.10         | 0.10         | 0.10         | 0.10         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         |
| <b>Total</b>                                 | <b>77.80</b> | <b>79.70</b> | <b>79.70</b> | <b>79.70</b> | <b>86.78</b> | <b>64.87</b> | <b>66.40</b> | <b>67.80</b> | <b>65.00</b> | <b>65.00</b> |

Source: District Personnel Records



HIGH BRIDGE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil <sup>d</sup> | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>e</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|---------------------|---|---|--------------------------------------|-------------------------------|
| 2013        | 367        | \$ 7,391,702                        | \$ 20,141                   | 9.78%             | 47.0                        | 1:7.8               | 348   | 337   | -10.49%                              | 96.84%                        |
| 2014        | 375        | 7,338,315                           | 19,711                      | -2.13%            | 45.0                        | 1:8.3               | 368   | 353   | 5.75%                                | 95.92%                        |
| 2015        | 380        | 7,553,159                           | 19,877                      | 0.84%             | 45.0                        | 1:8.4               | 377   | 360   | 2.42%                                | 95.52%                        |
| 2016        | 380        | 7,899,225                           | 20,787                      | 4.58%             | 45.0                        | 1:8.4               | 378   | 361   | 0.29%                                | 95.50%                        |
| 2017        | 392        | 8,634,467                           | 22,027                      | 5.96%             | 50.0                        | 1:8.0               | 390   | 372   | 3.17%                                | 95.38%                        |
| 2018        | 370        | 8,725,984                           | 23,584                      | 7.07%             | 41.0                        | 1:9.0               | 370   | 349   | -5.13%                               | 94.32%                        |
| 2019        | 370        | 8,879,954                           | 24,000                      | 1.76%             | 41.0                        | 1:9.0               | 370   | 349   | 0.00%                                | 94.32%                        |
| 2020        | 363        | 8,812,076                           | 24,276                      | 1.15%             | 42.0                        | 1:8.6               | 364   | 353   | -1.62%                               | 96.98%                        |
| 2021        | 364        | 9,434,426                           | 25,919                      | 6.77%             | 42.0                        | 1:8.7               | 364   | 352   | -0.41%                               | 96.57%                        |
| 2022        | 348        | 9,906,321                           | 28,466                      | 9.83%             | 42.0                        | 1:8.7               | 348   | 337   | -4.40%                               | 96.84%                        |

Sources: High Bridge School District records

Note: Enrollment based on annual October district count.

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

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

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

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

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

| <u>District Building</u> | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Elementary               |        |        |        |        |        |        |        |        |        |        |
| Square Feet              | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 | 46,459 |
| Capacity (students)      | 349    | 349    | 349    | 349    | 349    | 349    | 349    | 349    | 349    | 349    |
| Enrollment               | 258    | 270    | 265    | 263    | 271    | 271    | 193    | 195    | 210    | 212    |
| Middle School            |        |        |        |        |        |        |        |        |        |        |
| Square Feet              | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 | 54,584 |
| Capacity (students)      | 126    | 126    | 126    | 126    | 126    | 126    | 126    | 126    | 126    | 126    |
| Enrollment               | 109    | 107    | 115    | 115    | 121    | 121    | 177    | 168    | 154    | 146    |

Number of Schools at June 30, 2022:

Elementary = 1

Middle School = 1

Source: High Bridge School District Facilities Office

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

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

| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>High Bridge Elementary</u><br><u>School</u> | <u>High Bridge Middle</u><br><u>School</u> | <u>Total</u> |
|---|--|--|--------------|
| 2013  | \$ 149,600                                     | \$ 168,698                                 | \$ 318,298   |
| 2014  | 60,045   | 67,710                                     | 127,755      |
| 2015  | 57,806   | 65,185                                     | 122,991      |
| 2016  | 143,593  | 168,705                                    | 312,298      |
| 2017  | 67,743   | 87,745                                     | 155,488      |
| 2018  | 234,456  | 131,831                                    | 366,287      |
| 2019  | 175,110  | 98,499                                     | 273,609      |
| 2020  | 111,380  | 216,208                                    | 327,588      |
| 2021  | 188,062  | 137,088                                    | 325,150      |
| 2022  | 126,915  | 149,111                                    | 276,026      |

Source: High Bridge School District records

HIGH BRIDGE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2022  
UNAUDITED

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

SINGLE AUDIT SECTION



Mount Arlington, NJ  
Newton, NJ  
Bridgewater, NJ  
  
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nisivoccia.com  
  
Independent Member  
BKR International

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the High Bridge School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 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 October 31, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

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

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

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

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

### **Report on Compliance and Other Matters**

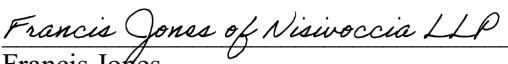
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

October 31, 2022  
Mount Arlington, New Jersey

NISIVOCCIA LLP

  
Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant



Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance Required by NJOMB 15-08  
Independent Auditors' Report

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

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

***Opinion on Each Major State Program***

We have audited the High Bridge School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2022. The District's major state programs is 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 state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major 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's 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's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.



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

### ***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's 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. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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's 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.

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.

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

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

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

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

October 31, 2022  
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

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

| Federal Grantor/Pass Through Grantor/<br>Program Title/Cluster Title:  | Assistance<br>Listing<br>Number | Grant or State<br>Project Number | Grant<br>Period | Award<br>Amount | Balance June 30, 2021                            |                   | Balance at June 30, 2022 |                          | Amount<br>Provided to<br>Subrecipients |
|--|---------------------------------|----------------------------------|-----------------|-----------------|--|-------------------|--------------------------|--------------------------|--|
|  |                                 |                                  |                 |                 | Unearned<br>Revenue/<br>(Accounts<br>Receivable) | Due to<br>Grantor | Unearned<br>Revenue      | (Accounts<br>Receivable) |  |
| U.S. Department of Agriculture<br>Passed-through State Department of Agriculture:<br>Child Nutrition Cluster:            |                                 |                                  |                 |                 |  |                   |                          |                          |  |
| Food Distribution Program  | 10.555                          | N/A                              | 7/1/21-6/30/22  | \$ 10,382       | \$   | 10,382            | \$ (8,062)               | \$ 2,320                 |  |
| Food Distribution Program  | 10.555                          | N/A                              | 7/1/20-6/30/21  | 7,999           | \$ 1,068   |                   | (1,068)                  |                          |  |
| COVID 19 - Seamless Summer Option  | 10.555                          | N/A                              | 7/1/21-6/30/22  | 184,652         |  | 169,868           | (184,652)                | \$ (14,784)              |  |
| COVID 19 - Seamless Summer Option  | 10.555                          | N/A                              | 7/1/20-6/30/21  | 72,054          | (7,172)  | 7,172             |                          |                          |  |
| Total Child Nutrition Cluster  |                                 |                                  |                 | 1,242           | (6,104)  | 187,422           | (193,782)                | 2,320                    | (14,784)                               |
| COVID 19 - Pandemic Electronic Benefit Transfer - Administrative Costs   | 10.649                          | N/A                              | 7/1/21-6/30/22  | 1,242           |  | 1,242             | (1,242)                  |                          |  |
| Total U.S. Department of Agriculture   |                                 |                                  |                 | 1,242           | (6,104)  | 188,664           | (195,024)                | 2,320                    | (14,784)                               |
| U.S. Department of Education<br>Passed-through State Department of Education:<br>Elementary and Secondary Education Act: |                                 |                                  |                 |                 |  |                   |                          |                          |  |
| Title II - Part A  | 84.367                          | ESEA-2140-22                     | 7/1/21-9/30/22  | 9,228           |  | 5,486             | (8,400)                  |                          | (2,914)                                |
| Title III  | 84.365                          | ESEA-2140-22                     | 7/1/21-9/30/22  | 1,200           |  | 1,200             | (1,200)                  |                          |  |
| Title IV   | 84.424                          | ESEA-2140-22                     | 7/1/21-9/30/22  | 13,112          |  | 9,429             | (9,894)                  |                          | (465)                                  |
| Title IV   | 84.424                          | ESEA-2140-21                     | 7/1/20-9/30/21  | 10,279          | (666)  | 666               |                          |                          |  |
| Title I  | 84.010A                         | ESEA-2140-22                     | 7/1/21-9/30/22  | 25,708          |  | 42,632            | (53,779)                 |                          | (11,147)                               |
| Title I  | 84.010A                         | ESEA-2140-21                     | 7/1/20-9/30/21  | 35,385          | (3,631)  | 3,631             |                          |                          |  |
| Total Elementary and Secondary Education Act   |                                 |                                  |                 | 129,590         | (4,297)  | 63,044            | (73,273)                 |                          | (14,526)                               |
| Special Education Cluster:   |                                 |                                  |                 |                 |  |                   |                          |                          |  |
| I.D.E.A. Part B, Basic   | 84.027                          | IDEA-2140-22                     | 7/1/21-9/30/22  | 129,590         |  | 41,404            | (68,863)                 |                          | (27,459)                               |
| I.D.E.A. Part B, Basic   | 84.027                          | IDEA-2140-21                     | 7/1/20-9/30/21  | 13,237          | (16,429)   | 16,429            |                          |                          |  |
| COVID 19 - A.R.P. I.D.E.A. Part B, Basic   | 84.027X                         | N/A                              | 7/1/21-9/30/22  | 16,701          |  | 16,701            | (16,701)                 |                          |  |
| I.D.E.A. Part B, Preschool   | 84.173                          | IDEA-2140-22                     | 7/1/21-9/30/22  | 7,467           |  | 3,626             | (5,509)                  |                          | (1,883)                                |
| I.D.E.A. Part B, Preschool   | 84.173                          | IDEA-2140-21                     | 7/1/20-9/30/21  | 5,225           | (1,142)  | 1,142             |                          |                          |  |
| Total Special Education Cluster  |                                 |                                  |                 | 111,976         | (17,571)   | 79,302            | (91,073)                 |                          | (29,342)                               |
| Education Stabilization Fund:  |                                 |                                  |                 |                 |  |                   |                          |                          |  |
| COVID-19 - CRRSA - ESSER II  | 84.425D                         | S425D3210027                     | 3/13/20-9/30/23 | 111,976         | (111,976)  | 111,976           | (76,733)                 |                          |  |
| COVID-19 - A.R.P. - ESSER III  | 84.425U                         | N/A                              | 3/13/20-9/30/24 | 251,658         |  |                   |                          |                          |  |
| COVID-19 - A.R.P. - Accelerated Learning<br>Coach and Educator Support   | 84.425U                         | N/A                              | 3/13/20-9/30/24 | 50,000          |  | 2,400             | (26,700)                 |                          | (24,300)                               |
| COVID-19 - A.R.P. - NJTSS Mental<br>Health Support Staffing  | 84.425U                         | N/A                              | 3/13/20-9/30/24 | 45,000          | (111,976)  | 11,152            | (12,280)                 |                          | (1,128)                                |
| Total Education Stabilization Fund   |                                 |                                  |                 | 450,000         | (113,844)  | 125,528           | (115,713)                |                          | (102,161)                              |
| Total U.S. Department of Education   |                                 |                                  |                 | 251,658         | (133,844)  | 267,874           | (280,059)                |                          | (146,029)                              |
| Total Federal Financial Awards   |                                 |                                  |                 | \$ (139,948)    | \$ -0-   | \$ 456,538        | \$ (475,083)             | \$ 2,320                 | \$ (160,813)                           |
|  |                                 |                                  |                 |                 |  |                   |                          |                          | \$ -0-                                 |

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

N/A - Not available/applicable.

**HIGH BRIDGE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| State Grantor/Program Title   | Grant or State Project Number | Grant Period   | Award Amount   | Balance June 30, 2021                   |                | Balance June 30, 2022                        |                            | Memo           |                                 |                               |
|---|-------------------------------|----------------|----------------|---|----------------|--|----------------------------|----------------|---------------------------------|-------------------------------|
|   |                               |                |                | Unearned Revenue/ (Accounts Receivable) | Due to Grantor | GAAP Unearned Revenue/ (Accounts Receivable) | Budgetary Unearned Revenue | Due to Grantor | Budgetary (Accounts Receivable) | Cumulative Total Expenditures |
| <b>General Fund:</b>  |                               |                |                |   |                |  |                            |                |                                 |                               |
| State Department of Education:  |                               |                |                |   |                |  |                            |                |                                 |                               |
| Equalization Aid  | 22-495-034-5120-078           | 7/1/21-6/30/22 | \$ 1,050,682   | \$                                      | \$             | \$ 945,614                                   | \$ (1,050,682)             | \$             | \$ (105,068)                    | \$ 1,050,682                  |
| School Choice Aid   | 22-495-034-5120-068           | 7/1/21-6/30/22 | 33,630         |   |                | 30,267                                       | (33,630)                   |                | (3,363)                         | 33,630                        |
| Transportation Aid  | 22-495-034-5120-014           | 7/1/21-6/30/22 | 14,338         |   |                | 12,904                                       | (14,338)                   |                | (1,434)                         | 14,338                        |
| Special Education Aid   | 22-495-034-5120-089           | 7/1/21-6/30/22 | 275,401        |   |                | 247,861                                      | (275,401)                  |                | (27,540)                        | 275,401                       |
| Security Aid  | 22-100-034-5120-084           | 7/1/21-6/30/22 | 34,384         |   |                | 30,946                                       | (34,384)                   |                | (3,438)                         | 34,384                        |
| Nonpublic Transportation Aid  | 20-495-034-5120-014           | 7/1/21-6/30/22 | 3,190          |   |                |  |                            | (3,190)        | (3,190)                         | 3,190                         |
| Extraordinary Aid   | 22-495-034-5120-044           | 7/1/21-6/30/22 | 410,148        |   |                |  | (410,148)                  |                | (410,148)                       | 410,148                       |
| Reimbursed TPAF Social Security Contributions                                     | 22-495-034-5095-002           | 7/1/21-6/30/22 | 282,650        |   |                | 255,114                                      | (282,650)                  |                | (27,536)                        | 282,650                       |
| Equalization Aid  | 21-495-034-5120-078           | 7/1/20-6/30/21 | 1,017,609      | \$ (101,761)                            | \$             | 101,761                                      |                            |                |                                 | 1,017,609                     |
| School Choice Aid   | 21-495-034-5120-068           | 7/1/20-6/30/21 | 32,703         | (3,270)                                 |                | 3,270  |                            |                |                                 | 32,703                        |
| Transportation Aid  | 21-495-034-5120-014           | 7/1/20-6/30/21 | 14,338         | (1,434)                                 |                | 1,434  |                            |                |                                 | 14,338                        |
| Special Education Aid   | 21-495-034-5120-089           | 7/1/20-6/30/21 | 275,011        | (27,501)                                |                | 27,501                                       |                            |                |                                 | 275,011                       |
| Security Aid  | 21-100-034-5120-084           | 7/1/20-6/30/21 | 34,384         | (3,438)                                 |                | 3,438  |                            |                |                                 | 34,384                        |
| Nonpublic Transportation Aid  | 21-495-034-5120-014           | 7/1/20-6/30/21 | 3,770          | (3,770)                                 |                | 3,770  |                            |                |                                 | 3,770                         |
| Extraordinary Aid   | 21-495-034-5120-044           | 7/1/20-6/30/21 | 270,014        | (270,014)                               |                | 270,014                                      |                            |                |                                 | 270,014                       |
| TPAF Pension Contributions (On-Behalf - Non-Budgeted)                             | 22-495-034-5094-002           | 7/1/21-6/30/22 | 1,009,332      |   |                | 1,009,332                                    | (1,009,332)                |                |                                 | 1,009,332                     |
| TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)                     | 22-495-034-5094-001           | 7/1/21-6/30/22 | 322,327        |   |                | 322,327                                      | (322,327)                  |                |                                 | 322,327                       |
| TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)                        | 22-495-034-5094-004           | 7/1/21-6/30/22 | 19,204         |   |                | 19,204                                       | (19,204)                   |                |                                 | 19,204                        |
| TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)                    | 22-495-034-5094-004           | 7/1/21-6/30/22 | 432            |   |                | 432  | (432)                      |                |                                 | 432                           |
| Reimbursed TPAF Social Security Contributions                                     | 21-495-034-5095-003           | 7/1/21-6/30/22 | 281,170        | \$ (13,675)                             | \$             | 13,675                                       |                            |                |                                 | 281,170                       |
| Total General Fund  |                               |                |                | (424,665)                               |                | 3,298,664                                    | (3,455,718)                |                | (581,717)                       | 5,382,717                     |
| <b>Special Revenue Fund:</b>  |                               |                |                |   |                |  |                            |                |                                 |                               |
| State Department of Education:  |                               |                |                |   |                |  |                            |                |                                 |                               |
| Preschool Education Aid   | 22-495-034-5120-086           | 7/1/21-6/30/22 | 909,216        |   |                | 818,294                                      | (902,409)                  | \$             | \$ 315,885                      | 909,216                       |
| Preschool Education Aid   | 21-495-034-5120-086           | 7/1/20-6/30/21 | 717,991        | 101,136                                 |                | 71,799                                       | (172,935)                  |                | (90,922)                        | 717,991                       |
| Subtotal State Department of Education  |                               |                |                | 101,136                                 |                | 890,093                                      | (675,344)                  |                | (90,922)                        | 1,627,207                     |
| <b>School Development Authority - Emergent Program</b>                            |                               |                |                |   |                |  |                            |                |                                 |                               |
| Total Special Revenue Fund  |                               |                | 8,202          |   |                | 8,202  | (8,202)                    |                |                                 | 8,202                         |
| <b>Debt Service Fund:</b>   |                               |                |                |   |                |  |                            |                |                                 |                               |
| Debt Service Type II Aid  |                               |                |                |   |                |  |                            |                |                                 |                               |
| Total Debt Service Fund   |                               |                | 78,287         |   |                | 78,287                                       | (78,287)                   |                |                                 | 78,287                        |
| <b>Enterprise Fund:</b>   |                               |                |                |   |                |  |                            |                |                                 |                               |
| State Department of Agriculture:  |                               |                |                |   |                |  |                            |                |                                 |                               |
| State School Lunch Program  | 22-100-010-3350-023           | 7/1/21-6/30/22 | 3,286          |   |                | 3,031  | (3,286)                    |                | (255)                           | 3,286                         |
| COVID 19 - Supplemental Summer Option   | 21-100-010-3350-023           | 7/1/20-6/30/21 | 1,693          | (249)                                   |                | 249  |                            |                |                                 | 1,693                         |
| Total Enterprise Fund   |                               |                |                | (249)                                   |                | 3,280  | (3,286)                    |                | (255)                           | 3,286                         |
| Total State Financial Awards  |                               |                |                | (323,776)                               | \$ -0-         | 4,278,526                                    | (4,220,837)                | \$             | \$ -0-                          | 7,099,699                     |
| <b>Less: State Awards Not Subject to Single Audit Major Program Determination</b> |                               |                |                |   |                |  |                            |                |                                 |                               |
| On-Behalf TPAF Pension System Contributions:                                      |                               |                |                |   |                |  |                            |                |                                 |                               |
| On-Behalf TPAF Post Retirement Contributions                                      | 22-495-034-5094-002           | 7/1/21-6/30/22 | \$ (1,009,332) |   |                |  |                            |                |                                 | \$ 1,009,332                  |
| On-Behalf TPAF Pension Contributions  | 22-495-034-5094-001           | 7/1/21-6/30/22 | (322,327)      |   |                |  |                            |                |                                 | 322,327                       |
| On-Behalf TPAF Non-Contributory Insurance   | 22-495-034-5094-004           | 7/1/21-6/30/22 | (19,204)       |   |                |  |                            |                |                                 | 19,204                        |
| On-Behalf TPAF Long-Term Disability Insurance                                     | 22-495-034-5094-004           | 7/1/21-6/30/22 | (432)          |   |                |  |                            |                |                                 | 432                           |
| Subtotal - On-Behalf TPAF Pension System Contributions                            |                               |                |                |   |                |  |                            |                |                                 | 1,351,295                     |
| Total State Awards Subject to Single Audit Major Program Determination            |                               |                |                |   |                |  |                            |                |                                 | (2,869,542)                   |

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

N/A - Not available/applicable.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, High Bridge School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,639) for the general fund and (\$21,809) for the special revenue fund of which (\$2,000) was for local grants. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

HIGH BRIDGE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

|                      | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|----------------------|-------------------|---------------------|---------------------|
| General Fund         |                   | \$ 3,452,079        | \$ 3,452,079        |
| Special Revenue Fund | \$ 314,480        | 627,316             | 941,796             |
| Debt Service Fund    |                   | 78,287              | 78,287              |
| Enterprise Fund      | <u>195,024</u>    | <u>3,286</u>        | <u>198,310</u>      |
| Total                | <u>\$ 509,504</u> | <u>\$ 4,160,968</u> | <u>\$ 4,670,472</u> |

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance* required by NJOMB-15-08.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2022 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's state programs tested as major programs for the current fiscal year were the following:

| <u>State Programs:</u> | <u>Assistance Listing/<br/>Grant Number</u> | <u>Grant Period</u> | <u>Award<br/>Amount</u> | <u>Budgetary<br/>Expenditures</u> |
|------------------------|---|---------------------|-------------------------|-----------------------------------|
| Equalization Aid       | 22-495-034-5120-078                         | 7/1/21-6/30/22      | \$ 1,050,682            | \$ 1,050,682                      |
| School Choice Aid      | 22-495-034-5120-068                         | 7/1/21-6/30/22      | 33,630                  | 33,630                            |
| Special Education Aid  | 22-495-034-5120-089                         | 7/1/21-6/30/22      | 275,401                 | 275,401                           |
| Security Aid           | 22-495-034-5094-084                         | 7/1/21-6/30/22      | 34,384                  | 34,384                            |

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

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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



HIGH BRIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior period audit findings.