

Board of Education
of the
Haddon Heights School District



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

**HADDON HEIGHTS SCHOOL DISTRICT
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INTRODUCTORY SECTION



Haddon Heights School District

Administrative Offices

316-A Seventh Avenue, Haddon Heights, NJ 08035 (856) 547-1412 gogarnets.com

Carla E. Bittner
Superintendent

Cande Kristoff
Business Administrator/Board Secretary

Ronald F. Corn
Director of Curriculum & Instruction

Jocqueline J. Renner
Director of Special Education

Honorable President and
Members of the Board of Education
Haddon Heights School District
Camden County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Haddon Heights School District for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This 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 general purpose financial statements and schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The School District is required to undergo an annual single audit, if applicable, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Haddon Heights School District is an independent reporting entity within the criteria adopted by the GASB as established NCGA Statement #3. All funds of the District are included in this report. The Haddon Heights Board of Education and all of its schools constitute the District's reporting entity.

The District provides a full range of educational services to grade levels K-12. These include regular and vocational as well as special education for educationally disabled students. The District completed the 2022/2023 school year with an enrollment of 1474 which is 21 students less than the previous year's enrollment. The following details the changes in student enrollment over the past five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018/19	1455	+3.63%
2019/20	1495	+2.70%
2020/21	1516	+1.40%

The Haddon Heights Public Schools, in collaboration with our students, families, and communities, will provide diverse and challenging learning experiences in a safe and nurturing environment with the goal of developing creative, successful lifelong learners. We strive to cultivate learning communities that promote the building of character which will enable our students to contribute to their communities in meaningful and positive ways.

2021/22	1495	-1.38%
2022/23	1474	-1.40%

The District consists of four schools. They are Atlantic Avenue School, Seventh Avenue School, Glenview Avenue School and Haddon Heights Junior-Senior High School. The three elementary schools serve grades K-6 with the high school offering a comprehensive program in grades 7-12. Haddon Heights is a receiving district for students from Barrington, Lawnside and Merchantville in grades 9-12. These students are received on a tuition basis with the tuition rate to be charged being determined by state formula.

2. MAJOR INITIATIVES:

During the 2022-2023 school year, Haddon Heights School District focused on reinstating positions previously eliminated due to budget cuts. The increase in staff members enabled us to provide more individualized learning opportunities and additional course offerings. Teacher leader teams focused on meeting the goals of the Strategic Plan, putting programs, processes and procedures in place to enhance student learning opportunities. The staff was provided with professional development opportunities tailored to their needs, and staff meetings were utilized to analyze data in order to monitor and improve student growth. The staff continued work on curriculum development, data analysis, professional development, and integration of technology to ensure maximized learning opportunities.

3. ECONOMIC CONDITION AND OUTLOOK:

Haddon Heights is an established, suburban environment. There is virtually no room for expansion or development. Changes in school population are caused mostly by demographics affecting movement of families into town replacing residents whose children are grown. The sending districts of Lawnside, Barrington and Merchantville are similar in terms of population demographics. The tax base of Haddon Heights is predominantly residential.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from theft, loss or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurances 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 (2) the valuation and costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by District management.

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

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. Annual appropriate budgets are adopted for the general fund, the special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or reclassified as accounts payable. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORT:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds. These funds are explained in "Notes to Financial Statements," Note 1.

7. 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.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements". The District has adopted a cash management plan which required 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 Act.

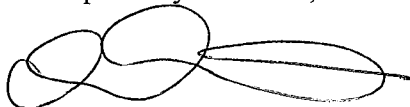
9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the general purpose financial statements and combining the individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

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

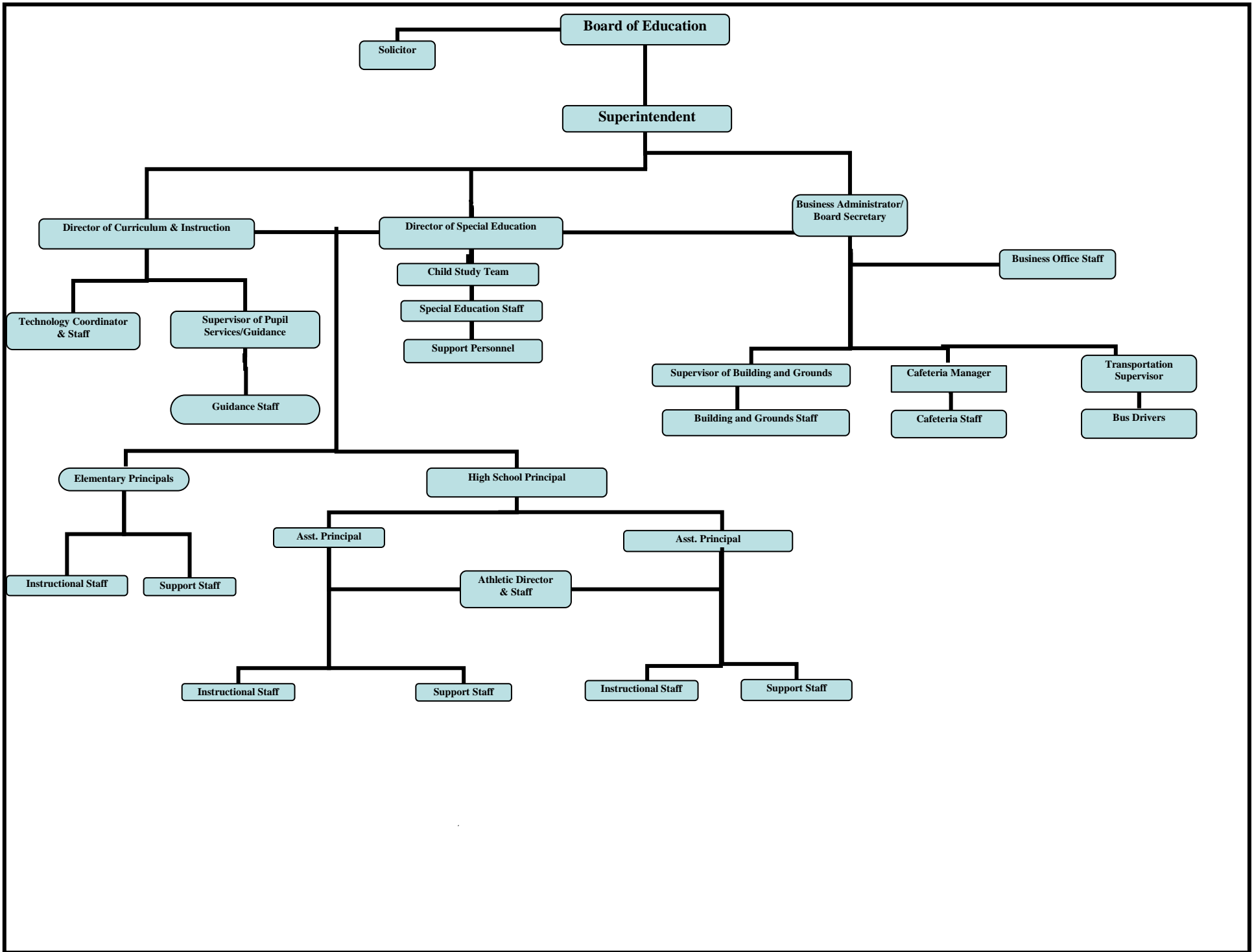
Respectfully submitted,



Carla Bittner, Superintendent



Cande Kristoff, Business Administrator/Board Secretary



**HADDON HEIGHTS SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

MEMBERS OF THE BOARD OF EDUCATION

David Raetsch	President
Lisa Long	Vice-President
Stacey Augustine	
Mary Stewart Vena	
Erin Miller	
Bryan Schroeder	
Monica Shrank	
Trish Sheilds	
Andrea Pagan	
Mark Correa	Barrington Representative
Fatimah Hayes	Lawnside Representative
Antisha Meisner	Merchantville Representative

OTHER OFFICIALS

Carla C. Bittner, Superintendent

Michael M. Sloan, Board Secretary/Business Administrator

Darren Harris, Treasurer

Joseph F. Betley, Esq., Solicitor

**HADDON HEIGHTS SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Capehart and Scatchard
Laurel Corporate Center
8000 Midlantic Drive
Mount Laurel, NJ 08045

Official Depository

TRUIST Bank
305 South White Horse Pike
Lawnside, NJ 08045

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Haddon Heights School District
Haddon Heights, New Jersey 08035

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Haddon Heights School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Haddon Heights School District, in the County of Camden, State of New Jersey, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 School 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haddon Heights School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also 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 combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 April 8, 2024 on our consideration of the Haddon Heights School 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 Haddon Heights School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Haddon Heights School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
April 8, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**Haddon Heights School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

As management of the Borough of Haddon Heights School District (hereafter referred to as the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. As required, certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A.

Financial Highlights

- The total assets and deferred outflows of resources of the School District's governmental activities were over its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,731,440.53 (net position).
- Governmental activities have an unrestricted net position deficit of (\$2,874,590.37). The accounting treatments in the governmental funds for the net pension liability, compensated absences payable, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District's governmental activities increased by \$1,456,655.33 from July 1, 2022 to June 30, 2023.
- Fund balance of the School District's governmental funds increased by \$1,155,734.99 resulting in an ending fund balance of \$6,476,425.85.
- Business-type activities have unrestricted net position of \$497,845.89, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Government-Wide Financial Statements (Cont'd)

The *statement of net position* presents information about all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund and the Before and After Care Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provide the same information as the district-wide financial statements, only in more detail.

**Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

Government-Wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2024. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2024.

The assets and deferred outflows of resources of the governmental activities exceeded liabilities and deferred inflows of resources by \$13,731,440.53 with an unrestricted deficit balance of (\$2,874,590.37). The deficit in unrestricted net position is primarily due to the implementation of GASB 68 for pensions and the accounting treatment for compensated absences payable, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The net position of the government does not include internal balances.

A net investment of \$11,540,055.17 in land, improvements, buildings and equipment which provide the services to the School District's public-school students. Net position of the School District has been restricted as follows:

Restricted For Future Debt Service Costs	\$	1.04
Restricted for Future Capital Projects		2,306,421.45
Restricted for Other Purposes		<u>2,759,553.24</u>
Total	\$	<u>5,065,975.73</u>

**Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Government-Wide Financial Analysis (Cont'd)

Governmental Activities

Governmental activities increased the net position of the School District by \$1,456,655.33 during the current fiscal year.

Business-type Activities

Business-type activities increased the School District's net position by \$11,740.41. The increase in net position was primarily due to the impact of the federal and state reimbursements received related to the COVID19 pandemic on the operations of the business-type activities.

**Haddon Heights School District
Comparative Summary of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Government-Wide	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current Assets	\$ 7,336,701.07	\$ 5,913,893.31	\$ 514,673.46	\$ 499,337.15	\$ 7,851,374.53	\$ 6,413,230.46
Capital Assets	17,375,074.77	17,999,219.85	45,648.79	42,206.23	17,420,723.56	18,041,426.08
Total assets	24,711,775.84	23,913,113.16	560,322.25	541,543.38	25,272,098.09	24,454,656.54
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Loss on						
Defeasance of Debt	476,023.60	551,185.22			476,023.60	551,185.22
Related to Pensions	602,402.00	818,040.00			602,402.00	818,040.00
Total Deferred Outflow s	1,078,425.60	1,369,225.22			1,078,425.60	1,369,225.22
LIABILITIES:						
Current Liabilities	1,253,882.21	1,195,036.70	16,827.57	9,789.11	1,270,709.78	1,204,825.81
Noncurrent Liabilities	9,956,140.70	9,826,556.48			9,956,140.70	9,826,556.48
Total liabilities	11,210,022.91	11,021,593.18	16,827.57	9,789.11	11,226,850.48	11,031,382.29
DEFERRED INFLOWS OF RESOURCES:						
Related to Pensions	848,738.00	1,985,960.00			848,738.00	1,985,960.00
NET POSITION	\$ 13,731,440.53	\$ 12,274,785.20	\$ 543,494.68	\$ 531,754.27	\$ 14,274,935.21	\$ 12,806,539.47
Net Position Consists of:						
Net Investment in						
Capital Assets	\$ 11,540,055.17	\$ 11,408,670.81	\$ 45,648.79	\$ 42,206.23	\$ 11,585,703.96	\$ 11,450,877.04
Restricted	5,065,975.73	3,971,492.36			5,065,975.73	3,971,492.36
Unrestricted (Deficit)	(2,874,590.37)	(3,105,377.97)	497,845.89	489,548.04	(2,376,744.48)	(2,615,829.93)
Net Position	\$ 13,731,440.53	\$ 12,274,785.20	\$ 543,494.68	\$ 531,754.27	\$ 14,274,935.21	\$ 12,806,539.47

**Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Government-Wide Financial Analysis (Cont'd)

Haddon Heights School District
Comparative Schedule of Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Government-Wide	
	2023	2022	2023	2022	2023	2022
REVENUES						
Charges for services	\$ 9,457,194.12	\$ 8,881,102.87	\$ 347,905.17	\$ 67,420.69	\$ 9,805,099.29	\$ 8,948,523.56
Operating/Capital grants and contributions	5,411,792.25	6,571,628.68	266,451.51	856,937.86	5,678,243.76	7,428,566.54
Property taxes	15,440,316.00	15,157,241.00			15,440,316.00	15,157,241.00
Federal and State aid	2,099,104.83	2,232,635.65			2,099,104.83	2,232,635.65
Other revenues	277,394.69	179,601.45	1,973.65	66.85	279,368.34	179,668.30
Total Revenues	32,685,801.89	33,022,209.65	616,330.33	924,425.40	33,302,132.22	33,946,635.05
EXPENSES						
Governmental Activities:						
Instruction	13,654,555.63	12,898,098.53			13,654,555.63	12,898,098.53
Tuition	56,221.88	98,818.96			56,221.88	98,818.96
Related services	3,613,546.40	3,856,523.29			3,613,546.40	3,856,523.29
Administrative services	2,174,768.05	2,119,031.34			2,174,768.05	2,119,031.34
Operations and maint.	2,560,221.70	2,331,267.33			2,560,221.70	2,331,267.33
Transportation	462,481.46	406,602.47			462,481.46	406,602.47
Unallocated benefits	7,784,197.14	8,849,476.77			7,784,197.14	8,849,476.77
Transfer to Charter Schools	10,000.00				10,000.00	
Interest on debt	307,623.83	328,481.09			307,623.83	328,481.09
Unallocated Depreciation	605,530.47	614,498.14			605,530.47	614,498.14
Business-Type Activities:						
Before and After Care				4,932.53		4,932.53
Food Service			604,589.92	580,460.52	604,589.92	580,460.52
Total Expenses	31,229,146.56	31,502,797.92	604,589.92	585,393.05	31,833,736.48	32,088,190.97
Increase (Decrease) in Net Position	1,456,655.33	1,519,411.73	11,740.41	339,032.35	1,468,395.74	1,858,444.08
Net Position, 7/1	12,274,785.20	10,755,373.47	531,754.27	192,721.92	12,806,539.47	10,948,095.39
Net Position, 6/30	\$ 13,731,440.53	\$ 12,274,785.20	\$ 543,494.68	\$ 531,754.27	\$ 14,274,935.21	\$ 12,806,539.47

**Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Financial Analysis of the Governmental Funds

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

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$6,476,425.85, an increase of \$1,155,734.99 in comparison with the prior year.

The unassigned fund balance for the School District at the end of the fiscal year represents the unassigned fund balance for the General Fund of \$371,599.34. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed, as follows: 1) restricted for future capital outlay expenditures \$2,306,421.45, 2) restricted for maintenance reserves \$476,979.03, 3) excess surplus restricted for utilization in the 2024-2025 budget \$1,000,000.00, 4) appropriated as a revenue source in the 2023-2024 budget \$1,229,834.00, 5) restricted for grants, scholarships, and student activities \$462,422.97, 6) restricted for unemployment compensation \$120,151.24, 7) restricted for future debt service expenditures \$1.04, and 8) assigned for open encumbrances \$509,016.78.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

During the course of fiscal year 2023 the School District modified the General Fund Budget as need to ensure no line item was projected to be over-expended.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$559,339.34, while total fund balance (budgetary basis) was \$6,201,741.84. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund amounted to \$30,935,396.89. Unassigned fund balance (budgetary basis) represents 1.81% of expenditures while total fund balance (budgetary basis) represents 20.05% of that same amount.

**Haddon Heights School District
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$17,420,723.56 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense of \$631,165.28 was charged to governmental activities.
- Depreciation expense of \$9,655.44 was charged to business-type activities.

Haddon Heights School District
Capital Asset (net of accumulated depreciation)
June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Government-Wide	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,162.00	\$ 4,162.00			\$ 4,162.00	\$ 4,162.00
Buildings & Improvements	16,875,493.51	17,410,458.74			16,875,493.51	17,410,458.74
Equipment	495,419.26	584,599.11	\$ 45,648.79	\$ 42,206.23	541,068.05	626,805.34
Net Capital Assets	<u>\$ 17,375,074.77</u>	<u>\$ 17,999,219.85</u>	<u>\$ 45,648.79</u>	<u>\$ 42,206.23</u>	<u>\$ 17,420,723.56</u>	<u>\$ 18,041,426.08</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report.

Long-Term Debt – For the fiscal year ended June 30, 2023, the School District had total bonded debt outstanding of \$5,990,000.00 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for compensated absences liability of \$198,360.22 and a financed purchases liability of \$428,110.28.

The general obligation bonds of the School District decreased during the current fiscal year according to the normal schedule of payments.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Haddon Heights School District Business Administrator, 316-A Seventh Avenue, Haddon Heights, New Jersey, 08035, telephone number (856) 547-1412.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

HADDON HEIGHTS SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 5,665,294.88	\$ 424,175.54	\$ 6,089,470.42
Receivables	1,013,466.14	24,790.23	1,038,256.37
Internal Balances	(48,375.26)	48,375.26	
Inventory (Note 5)		17,332.43	17,332.43
Restricted Assets:			
Restricted Cash and Cash Equivalents	706,315.31		706,315.31
Capital Assets, net (Note 6)	<u>17,375,074.77</u>	<u>45,648.79</u>	<u>17,420,723.56</u>
Total Assets	<u>24,711,775.84</u>	<u>560,322.25</u>	<u>25,272,098.09</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Loss on Defeasance of Debt Related to Pensions (Note 8)	476,023.60		476,023.60
	<u>602,402.00</u>		<u>602,402.00</u>
Total Deferred Outflows of Resources	<u>1,078,425.60</u>		<u>1,078,425.60</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	287,708.00		287,708.00
Other	287,375.46	2,317.04	289,692.50
Accrued Interest	105,898.99		105,898.99
Payable to State Government	147,926.00		147,926.00
Payable to Local Government	148,147.04		148,147.04
Unearned Revenue	276,826.72	14,510.53	291,337.25
Noncurrent Liabilities (Note 7):			
Due within One Year	964,988.32		964,988.32
Due beyond One Year	<u>8,991,152.38</u>		<u>8,991,152.38</u>
Total Liabilities	<u>11,210,022.91</u>	<u>16,827.57</u>	<u>11,226,850.48</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>848,738.00</u>		<u>848,738.00</u>
NET POSITION:			
Net Investment in Capital Assets	11,540,055.17	45,648.79	11,585,703.96
Restricted for:			
Debt Service	1.04		1.04
Capital Projects	2,306,421.45		2,306,421.45
Maintenance	476,979.03		476,979.03
Excess Surplus	1,700,000.00		1,700,000.00
Unemployment	120,151.24		120,151.24
Scholarships	51,393.42		51,393.42
Student Activities	395,564.55		395,564.55
Other Purposes	15,465.00		15,465.00
Unrestricted (Deficit)	<u>(2,874,590.37)</u>	<u>497,845.89</u>	<u>(2,376,744.48)</u>
Total Net Position	<u>\$ 13,731,440.53</u>	<u>\$ 543,494.68</u>	<u>\$ 14,274,935.21</u>

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

HADDON HEIGHTS SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 9,824,648.20	\$ 8,904,148.85	\$ 1,124,131.25		\$ 203,631.90		\$ 203,631.90
Special Education	2,720,744.24				(2,720,744.24)		(2,720,744.24)
Other Special Instruction	330,724.52				(330,724.52)		(330,724.52)
Other Instruction	778,438.67				(778,438.67)		(778,438.67)
Support Services:							
Tuition	56,221.88				(56,221.88)		(56,221.88)
Student and Instruction Related Services	3,613,546.40	553,045.27	516,821.99		(2,543,679.14)		(2,543,679.14)
School Administrative Services	1,065,353.99				(1,065,353.99)		(1,065,353.99)
General and Business Administrative Services	1,109,414.06				(1,109,414.06)		(1,109,414.06)
Plant Operations and Maintenance	2,560,221.70				(2,560,221.70)		(2,560,221.70)
Pupil Transportation	462,481.46				(462,481.46)		(462,481.46)
Unallocated Benefits	7,784,197.14		3,770,839.01		(4,013,358.13)		(4,013,358.13)
Transfer to Charter Schools	10,000.00				(10,000.00)		(10,000.00)
Interest on Long-Term Debt	307,623.83				(307,623.83)		(307,623.83)
Unallocated Depreciation	605,530.47				(605,530.47)		(605,530.47)
Total Governmental Activities	31,229,146.56	9,457,194.12	5,411,792.25		(16,360,160.19)		(16,360,160.19)
Business-Type Activities:							
Before and After Care Program		21,119.32				\$ 21,119.32	21,119.32
Food Service	604,589.92	326,785.85	266,451.51			(11,352.56)	(11,352.56)
Total Business-Type Activities	604,589.92	347,905.17	266,451.51			9,766.76	9,766.76
Total Government	\$ 31,833,736.48	\$ 9,805,099.29	\$ 5,678,243.76	\$ -	(16,360,160.19)	9,766.76	(16,350,393.43)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					14,436,804.00		14,436,804.00
Property Taxes Levied for Debt Service					1,003,512.00		1,003,512.00
Federal and State Aid not Restricted					2,057,100.09		2,057,100.09
Federal and State Aid Restricted					42,004.74		42,004.74
Miscellaneous Income					277,394.69	1,973.65	279,368.34
Total General Revenues					17,816,815.52	1,973.65	17,818,789.17
Change in Net Position					1,456,655.33	11,740.41	1,468,395.74
Net Position -- July 1					12,274,785.20	531,754.27	12,806,539.47
Net Position -- June 30					\$ 13,731,440.53	\$ 543,494.68	\$ 14,274,935.21

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

FUND FINANCIAL STATEMENTS

HADDON HEIGHTS SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 5,665,294.88	\$ 706,314.27		\$ 1.04	\$ 6,371,610.19
Receivables:					
Interfunds Receivable:					
Special Revenue Fund	513,514.99				513,514.99
Receivables from Other Governments:					
Federal Government		534,082.41			534,082.41
State of New Jersey	109,669.73	85,294.00			194,963.73
Other LEAs	284,420.00				284,420.00
Total Assets	\$ 6,572,899.60	\$ 1,325,690.68	\$ -	\$ 1.04	\$ 7,898,591.32
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 164,440.00				\$ 164,440.00
Payroll Deductions and Withholdings Payable	80,716.86				80,716.86
Interfunds Payable:					
General Fund		\$ 513,514.99			513,514.99
Enterprise Fund	48,375.26				48,375.26
Payable to State Government	75,000.00	72,926.00			147,926.00
Payable to Local Governments - Tax Levy	148,147.04				148,147.04
Unemployment Compensation Claims Payable	42,218.60				42,218.60
Unearned Revenue		276,826.72			276,826.72
Total Liabilities	558,897.76	863,267.71			1,422,165.47
Fund Balances:					
Restricted:					
Scholarships		51,393.42			51,393.42
Student Activities		395,564.55			395,564.55
Unemployment Compensation	120,151.24				120,151.24
Debt Service			\$ 1.04		1.04
Special Revenue Fund		15,465.00			15,465.00
Capital Reserve	2,306,421.45				2,306,421.45
Maintenance Reserve	476,979.03				476,979.03
Excess Surplus	1,000,000.00				1,000,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	700,000.00				700,000.00
Assigned:					
Other Purposes	509,016.78				509,016.78
Subsequent Year's Expenditure	529,834.00				529,834.00
Unassigned	371,599.34				371,599.34
Total Fund Balances	6,014,001.84	462,422.97		1.04	6,476,425.85
Total Liabilities and Fund Balances	\$ 6,572,899.60	\$ 1,325,690.68	\$ -	\$ 1.04	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,603,584.74 and the accumulated depreciation is \$13,228,509.97.					17,375,074.77
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(6,937,513.70)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.					476,023.60
Interest on long term debt is accrued on the Statement of Net Position regardless when due.					(105,898.99)
Net Pension Liability					(3,018,627.00)
Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources.					(287,708.00)
Deferred Outflows of Resources - Related to Pensions					602,402.00
Deferred Inflows of Resources - Related to Pensions					(848,738.00)
Net Position of Governmental Activities					\$ 13,731,440.53

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

HADDON HEIGHTS SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 14,436,804.00			\$ 1,003,512.00	\$ 15,440,316.00
Tuition Charges	8,904,148.85				8,904,148.85
Miscellaneous	277,394.69				277,394.69
Local Sources		\$ 604,159.01			604,159.01
State Sources	7,831,907.01	524,457.75			8,356,364.76
Federal Sources	23,094.09	1,107,386.49			1,130,480.58
Total Revenues	31,473,348.64	2,236,003.25		1,003,512.00	34,712,863.89
EXPENDITURES:					
Current:					
Regular Instruction	8,822,550.86	1,124,131.25			9,946,682.11
Special Education Instruction	2,720,744.24				2,720,744.24
Other Special Instruction	330,724.52				330,724.52
Other Instruction	778,438.67				778,438.67
Support Services and Undistributed Costs:					
Tuition	56,221.88				56,221.88
Student and Instruction Related Services	2,543,679.14	1,069,867.26			3,613,546.40
School Administrative Services	1,065,353.99				1,065,353.99
Other Administrative Services	1,109,414.06				1,109,414.06
Plant Operations and Maintenance	2,560,221.70				2,560,221.70
Pupil Transportation	462,481.46				462,481.46
Unallocated Benefits	4,605,147.16				4,605,147.16
TPAF Pension and Social Security	5,797,901.01				5,797,901.01
Transfer to Charter School	10,000.00				10,000.00
Debt Service:					
Principal				780,000.00	780,000.00
Interest and Other Charges	65,498.00			223,512.50	289,010.50
Capital Outlay	7,020.20				7,020.20
Total Expenditures	30,935,396.89	2,193,998.51		1,003,512.50	34,132,907.90
Excess (Deficiency) of Revenues					
Net Change in Fund Balances	537,951.75	42,004.74		(0.50)	579,955.99
OTHER FINANCING SOURCES (USES):					
Financed Purchases (Non-Budgeted)	575,779.00				575,779.00
Total Other Financing Sources and Uses	575,779.00				575,779.00
Net Change in Fund Balances	1,113,730.75	42,004.74		(0.50)	1,155,734.99
Fund Balance -- July 1	4,900,271.09	420,418.23		1.54	5,320,690.86
Fund Balance -- June 30	<u>\$ 6,014,001.84</u>	<u>\$ 462,422.97</u>	<u>\$ -</u>	<u>\$ 1.04</u>	<u>\$ 6,476,425.85</u>

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

HADDON HEIGHTS SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	1,155,734.99
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(631,165.28)
Capital Outlays		<u>7,020.20</u>
		(624,145.08)
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.		780,000.00
Repayment of Financed Purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		147,668.72
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Financed Purchases Proceeds		(575,779.00)
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(24,470.59)
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. The decrease in accrued interest is an addition in the reconciliation. (+)		5,857.26
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 (+).		55,096.00
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>536,693.03</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,456,655.33</u></u>

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

HADDON HEIGHTS SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 345,376.59	\$ 78,798.95	\$ 424,175.54
Interfund Accounts Receivable:			
Due General Fund	51,718.71		51,718.71
Accounts Receivable:			
State	426.69		426.69
Federal	10,161.34		10,161.34
Other	14,202.20		14,202.20
Inventories	17,332.43		17,332.43
Total Current Assets	<u>439,217.96</u>	<u>78,798.95</u>	<u>518,016.91</u>
Noncurrent Assets:			
Equipment	174,899.19		174,899.19
Less Accumulated Depreciation	<u>(129,250.40)</u>		<u>(129,250.40)</u>
Total Noncurrent Assets	<u>45,648.79</u>		<u>45,648.79</u>
Total Assets	<u>484,866.75</u>	<u>78,798.95</u>	<u>563,665.70</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund		3,343.45	3,343.45
Accounts Payable	2,317.04		2,317.04
Unearned Revenue	14,510.53		14,510.53
Total Current Liabilities	<u>16,827.57</u>	<u>3,343.45</u>	<u>20,171.02</u>
NET POSITION:			
Net Investment in Capital Assets	45,648.79		45,648.79
Unrestricted	<u>422,390.39</u>	<u>75,455.50</u>	<u>497,845.89</u>
Total Net Position	<u>\$ 468,039.18</u>	<u>\$ 75,455.50</u>	<u>\$ 543,494.68</u>

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

HADDON HEIGHTS SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 164,568.19		\$ 164,568.19
Daily Sales - Non-Reimbursable Programs	149,114.75		149,114.75
Special Functions	6,211.00		6,211.00
Rebates	6,891.91		6,891.91
Miscellaneous		\$ 21,119.32	21,119.32
Total Operating Revenues	326,785.85	21,119.32	347,905.17
OPERATING EXPENSES:			
Salaries	266,304.29		266,304.29
General Supplies	24,952.39		24,952.39
Depreciation	9,655.44		9,655.44
Miscellaneous	23,823.53		23,823.53
Repairs	22,423.55		22,423.55
Management Fee	35,360.00		35,360.00
Cost of Sales - Reimbursable Programs	161,547.99		161,547.99
Cost of Sales - Non-Reimbursable Programs	60,522.73		60,522.73
Total Operating Expenses	604,589.92		604,589.92
Operating Income (Loss)	(277,804.07)	21,119.32	(256,684.75)
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	5,834.16		5,834.16
State School Breakfast Program	492.00		492.00
Federal Sources:			
National School Lunch Program	127,147.22		127,147.22
School Breakfast Program	22,107.35		22,107.35
Food Distribution Program	61,220.15		61,220.15
COVID Supply Chain Assistance Grant	49,650.63		49,650.63
Interest and Investment Revenue	1,973.65		1,973.65
Total Nonoperating Revenues	268,425.16		268,425.16
Change in Net Position	(9,378.91)	21,119.32	11,740.41
Net Position -- July 1	477,418.09	54,336.18	531,754.27
Net Position -- June 30	\$ 468,039.18	\$ 75,455.50	\$ 543,494.68

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

HADDON HEIGHTS SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 317,305.07	\$ 21,119.32	\$ 338,424.39
Payments to Employees	(252,833.08)		(252,833.08)
Payments to Vendors	(271,024.13)		(271,024.13)
Net Cash Provided by (used for) Operating Activities	<u>(206,552.14)</u>	<u>21,119.32</u>	<u>(185,432.82)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	8,223.12		8,223.12
Federal Sources	371,436.11		371,436.11
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>379,659.23</u>		<u>379,659.23</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	(13,098.00)		(13,098.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(13,098.00)</u>		<u>(13,098.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Investment Revenue	1,973.65		1,973.65
Net Cash Provided by (used for) Investing Activities	<u>1,973.65</u>		<u>1,973.65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	161,982.74	21,119.32	183,102.06
Cash and Cash Equivalents, July 1	183,393.85	57,679.63	241,073.48
Cash and Cash Equivalents, June 30	<u>\$ 345,376.59</u>	<u>\$ 78,798.95</u>	<u>\$ 424,175.54</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (277,804.07)	\$ 21,119.32	\$ (256,684.75)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation	9,655.44		9,655.44
Food Distribution Program	61,220.15		61,220.15
Increase (Decrease) in Unearned Revenue	4,721.42		4,721.42
(Increase) Decrease in Inventories	(5,931.13)		(5,931.13)
(Increase) Decrease in Interfund Receivable	13,471.21		13,471.21
Increase (Decrease) in Accounts Payable	2,317.04		2,317.04
(Increase) Decrease in Accounts Receivable - Other	(14,202.20)		(14,202.20)
Total Adjustments	<u>71,251.93</u>		<u>71,251.93</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (206,552.14)</u>	<u>\$ 21,119.32</u>	<u>\$ (185,432.82)</u>

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

HADDON HEIGHTS SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Haddon Heights School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12 at its four schools. The School District has an approximate enrollment at June 30, 2023 of 1,474.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state 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 revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

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 expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Before and After Care Fund - This fund accounts for the financial activity related to providing daycare services for the School District students before and after school.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'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 legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues 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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	10 - 20 Years
Buildings and Improvements	10 - 50 Years
Equipment	5 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: loss on refunding of debt and defined benefit pension plans.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. 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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2023, the School District's bank balances of \$7,256,709.51 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,925,418.58
Uninsured and Uncollateralized	<u>331,290.93</u>
Total	<u>\$ 7,256,709.51</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,546,461.17
Increased by:	
Deposits:	
Board Resolution (June 13, 2023)	<u>1,254,960.28</u>
	2,801,421.45
Decreased by:	
Withdrawals:	
2022-2023 Budget	<u>495,000.00</u>
Ending Balance, June 30, 2023	<u>\$ 2,306,421.45</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted projects at June 30, 2023 does not exceed the capital reserve balance. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 619,376.41	\$ 619,376.41	\$ 10,161.34	\$ 10,161.34	\$ 629,537.75
State Awards	\$ 109,669.73		109,669.73	426.69	426.69	110,096.42
Other - Student Accounts				14,202.20	14,202.20	14,202.20
Other LEAs - Tuition	284,420.00		284,420.00			284,420.00
Total	\$ 394,089.73	\$ 619,376.41	\$ 1,013,466.14	\$ 24,790.23	\$ 24,790.23	\$ 1,038,256.37

Note 5: INVENTORY

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 13,618.64
Supplies	<u>3,713.79</u>
	<u>\$ 17,332.43</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 4,162.00			\$ 4,162.00
Total Capital Assets, not being Depreciated	4,162.00			4,162.00
Capital Assets, being Depreciated:				
Buildings and Improvements	28,161,478.75			28,161,478.75
Equipment	2,430,923.79	\$ 7,020.20		2,437,943.99
Total Capital Assets, being Depreciated	30,592,402.54	7,020.20		30,599,422.74
Total Capital Assets, Cost	30,596,564.54	7,020.20		30,603,584.74
Less Accumulated Depreciation for:				
Buildings and Improvements	(10,751,020.01)	(534,965.23)		(11,285,985.24)
Equipment	(1,846,324.68)	(96,200.05)		(1,942,524.73)
Total Accumulated Depreciation	(12,597,344.69)	(631,165.28)		(13,228,509.97)
Total Capital Assets, being Depreciated	17,995,057.85	(624,145.08)		17,370,912.77
Governmental Activities Capital Assets, Net	<u>\$ 17,999,219.85</u>	<u>\$ (624,145.08)</u>	<u>\$ -</u>	<u>\$ 17,375,074.77</u>
	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 161,801.19	\$ 13,098.00		\$ 174,899.19
Less Accumulated Depreciation for:				
Equipment	(119,594.96)	(9,655.44)		(129,250.40)
Total Capital Assets, being Depreciated	(119,594.96)	(9,655.44)		45,648.79
Business-Type Activities Capital Assets, Net	<u>\$ (119,594.96)</u>	<u>\$ (9,655.44)</u>	<u>\$ -</u>	<u>\$ 45,648.79</u>

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

Governmental Activities:	
Instruction	\$ 25,634.81
Unallocated	605,530.47
Total Depreciation Expense - Governmental Activities	<u>\$ 631,165.28</u>
Business-Type Activities:	
Food Service	<u>\$ 9,655.44</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 6,770,000.00		\$ (780,000.00)	\$ 5,990,000.00	\$ 815,000.00
Plus Amounts:					
Premiums	371,734.24		(50,691.04)	321,043.20	
Total Bonds Payable	<u>7,141,734.24</u>		<u>(830,691.04)</u>	<u>6,311,043.20</u>	<u>815,000.00</u>
Other Liabilities:					
Financed Purchases		\$ 575,779.00	(147,668.72)	428,110.28	138,534.73
Compensated Absences	253,456.22	52,669.59	(107,765.59)	198,360.22	11,453.59
Net Pension Liability	2,431,366.00	2,016,200.00	(1,428,939.00)	3,018,627.00	
Total Other Liabilities	<u>2,684,822.22</u>	<u>2,644,648.59</u>	<u>(1,684,373.31)</u>	<u>3,645,097.50</u>	<u>149,988.32</u>
Governmental Activities Long-Term Liabilities	<u>\$ 9,826,556.46</u>	<u>\$ 2,644,648.59</u>	<u>\$ (2,515,064.35)</u>	<u>\$ 9,956,140.70</u>	<u>\$ 964,988.32</u>

The bonds payable are generally liquidated by the debt service fund, while financed purchases, compensated absences, and net pension liability are liquidated by the general fund.

Bonds Payable - Bonds and loans 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 School District are general obligation bonds.

On November 9, 2012, the School District issued \$11,820,000.00 general obligation bonds at interest rates varying from 2.0% to 4.0% for various construction and renovation projects. The final maturity of these bonds is January 1, 2030. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 815,000.00	\$ 188,412.50	\$ 1,003,412.50
2025	835,000.00	163,962.50	998,962.50
2026	855,000.00	138,912.50	993,912.50
2027	865,000.00	113,262.50	978,262.50
2028	865,000.00	85,150.00	950,150.00
2029-2030	1,755,000.00	85,475.00	1,840,475.00
Total	<u>\$ 5,990,000.00</u>	<u>\$ 775,175.00</u>	<u>\$ 6,765,175.00</u>

Bonds Authorized but not Issued - As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2023, the School District is financing 1,350 Lenovo Chrome Books with a total cost of \$575,779.00. The agreement is for a term of four (4) years with an interest rate of 2.979%. The final maturity of the financed purchase is July 1, 2025.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Financed Purchases (Cont'd) - The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 138,534.73	\$ 12,755.72	\$ 151,290.45
2025	142,662.43	8,628.02	151,290.45
2026	146,913.12	4,377.33	151,290.45
Total	<u>\$ 428,110.28</u>	<u>\$ 25,761.07</u>	<u>\$ 453,871.35</u>

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - 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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) – Service retirement benefits of 1/55th 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 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member 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.

Public Employees' Retirement System - 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 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) – The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 34.19% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$3,982,092.00 and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$885,274.39.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 17.18% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$287,708.00 and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$128,238.67.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was .38% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$6,351.00.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2023, employee contributions totaled \$61,569.70, and the School District recognized pension expense, which equaled the required contributions, of \$71,557.94. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	49,089,935.00
	<u>\$ 49,089,935.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0951458305%, which was an increase of .0004874571% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$1,321,147.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$3,018,627.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the School District's proportion was .0200023310%, which was a decrease of .0005215927% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of (\$287,404.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$6,351.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 21,787.00	\$ 19,213.00
Changes of Assumptions	9,353.00	452,008.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	124,938.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	158,616.00	377,517.00
Contributions Subsequent to the Measurement Date	287,708.00	-
	<u>\$ 602,402.00</u>	<u>\$ 848,738.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$287,708.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2024	\$ (363,997.00)
2025	(153,871.00)
2026	(128,448.00)
2027	113,366.00
2028	(1,094.00)
	<u>\$ (534,044.00)</u>

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred</u>	<u>Deferred</u>		<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>		<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>		<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2022 measurement date) 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.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2022 measurement date 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	57,558,992.00	49,089,935.00	41,955,819.00
	<u>\$ 57,558,992.00</u>	<u>\$ 49,089,935.00</u>	<u>\$ 41,955,819.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 3,878,052.00	\$ 3,018,627.00	\$ 2,287,222.00

Pension Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,817</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Total Non-Employer OPEB Liability (Cont'd)

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$50,473,345.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .0996581835%, which was an increase of .0038778387% from its proportion measured as of June 30, 2021.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Mortality Rates - Preretirement 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-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2022		\$ 57,475,535.00
Changes for the Year:		
Service Cost	\$ 2,559,937.00	
Interest Cost	1,337,599.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	3,922,630.00	
Changes in Assumptions	(13,539,928.00)	
Member Contributions	42,504.00	
Gross Benefit Payments	<u>(1,324,932.00)</u>	
Net Changes		<u>(7,002,190.00)</u>
Balance at June 30, 2023		<u>\$ 50,473,345.00</u>

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 59,326,108.00</u>	<u>\$ 50,473,345.00</u>	<u>\$ 43,378,298.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 41,719,305.00</u>	<u>\$ 50,473,345.00</u>	<u>\$ 61,972,309.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

OPEB Expense - For the fiscal year ended June 30, 2023, the School District recognized \$1,594,329.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 9,011,494.00	\$ 15,410,096.00
Changes of Assumptions	8,735,658.00	17,178,369.00
Changes in Proportion	<u>3,141,539.00</u>	<u>988,454.00</u>
	<u>\$ 20,888,691.00</u>	<u>\$ 33,576,919.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (2,302,126.00)
2025	(2,302,126.00)
2026	(2,302,126.00)
2027	(1,948,139.00)
2028	(946,658.00)
Thereafter	<u>(2,887,053.00)</u>
	<u>\$ (12,688,228.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$3,860,706.00, \$53,563.00, \$1,028,269.00, and \$1,710.00, respectively.

Note 11: RISK MANAGEMENT

The School 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Interest Income	Claims Incurred	Claims Payable	Restricted Fund Balance
2023	\$ -	\$ 42,218.60	\$ 774.59	-	\$ 42,218.60	\$ 120,151.24
2022	-	42,736.98		\$ 16,675.27	-	119,376.65
2021	-	38,378.70		40,942.87	-	93,314.94

Joint Insurance Fund - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Property, Inland Marine and Automobile Physical Damages
Boiler and Machinery
Workers' Compensation including Employer's Liability
Crime
General and Automobile Liability
Pollution Legal Liability
Educator's Legal Liability
Property Including Boiler and Machinery
Crisis Protection & Disaster Management Services
Cyber Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of eight deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans 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:

Lincoln Investment Planning, Inc.
Fidelity Investments
First Investors
Midland National Life Insurance Company
Waddell & Reed Financial, Inc.
Syracusa Benefits
AXA Equitable
Vanguard

Note 13: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position was \$198,360.22.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 513,514.99	\$ 48,375.26
Special Revenue		513,514.99
Enterprise	<u>48,375.26</u>	
Totals	<u>\$ 561,890.25</u>	<u>\$ 561,890.25</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

There were no interfund transfers during the fiscal year ended June 30, 2023.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$120,151.24 for future unemployment claims.

Note 17: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

For Capital Reserve Account - As of June 30, 2023, the balance in the capital reserve account is \$2,306,421.45. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2023, the balance in the maintenance reserve account is \$476,979.03. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,000,000.00. Additionally, \$700,000.00 of excess fund balance generated during 2021-2022 has been restricted and designated for utilization in the 2023-2024 budget.

Special Revenue Fund

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2023 is \$51,393.42.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$395,564.55.

Special Revenue Fund - The \$15,465.00 Special Revenue Fund Balance at June 30, 2023 represents unexpended State and Local grant funds.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$1.04 of debt service fund balance at June 30, 2023.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2023, the School District had \$509,016.78 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$529,834.00 of general fund balance at June 30, 2023.

Note 17: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2023, \$371,599.34 of general fund balance was unassigned.

Note 18: TAX ABATEMENTS

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

The Borough of Haddon Heights has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$12,723,500.00. Based on the School District's 2023 certified tax rate of \$1.848, abated taxes totaled \$235,130.28.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,436,804.00		\$ 14,436,804.00	\$ 14,436,804.00	
Tuition	8,524,832.00		8,524,832.00	8,904,148.85	\$ 379,316.85
Interest Earned on Maintenance Reserve Funds	31.00		31.00		(31.00)
Interest Earned on Capital Reserve Funds	31.00		31.00		(31.00)
Unrestricted Miscellaneous Revenues	75,000.00		75,000.00	277,394.69	202,394.69
Total - Local Sources	23,036,698.00		23,036,698.00	23,618,347.54	581,649.54
State Sources:					
Extraordinary Aid				55,313.00	55,313.00
Special Education Aid	501,850.00		501,850.00	501,850.00	
Equalization Aid	446,874.00		446,874.00	446,874.00	
Security Aid	81,344.00		81,344.00	81,344.00	
Transportation Aid	118,664.00		118,664.00	118,664.00	
School Choice Aid	788,176.00		788,176.00	788,176.00	
Adjustment Aid	27,564.00		27,564.00	27,564.00	
Other State Aid - Nonpublic Transportation Aid				12,792.00	12,792.00
On-Behalf Contributions-					
T.P.A.F. Post-Retirement Medical				1,028,269.00	1,028,269.00
Teacher's Pension and Annuity Fund				3,860,706.00	3,860,706.00
T.P.A.F. LTDI				1,710.00	1,710.00
T.P.A.F. Non-contributory Insurance				53,563.00	53,563.00
Reimbursed T.P.A.F. Social Security Contributions				853,653.01	853,653.01
Total - State Sources	1,964,472.00		1,964,472.00	7,830,478.01	5,866,006.01
Federal Sources:					
SEMI -- Medicaid Initiative	29,430.00		29,430.00	23,094.09	(6,335.91)
Total - Federal Sources	29,430.00		29,430.00	23,094.09	(6,335.91)
Total Revenues	25,030,600.00		25,030,600.00	31,471,919.64	6,441,319.64

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 348,716.00	\$ (22,937.50)	\$ 325,778.50	\$ 293,935.40	\$ 31,843.10
Grades 1-5	1,961,672.00		1,961,672.00	1,917,770.00	43,902.00
Grades 6-8	1,089,818.00	10,524.27	1,100,342.27	1,098,852.27	1,490.00
Grades 9-12	4,320,204.00	(48,729.73)	4,271,474.27	4,220,172.60	51,301.67
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000.00	2,744.54	17,744.54	17,744.54	
Other Purchased Services	15,000.00		15,000.00	14,951.38	48.62
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	42,807.00	21,405.00	64,212.00	62,866.00	1,346.00
Purchased Technical Services	61,000.00	(3,692.00)	57,308.00	53,544.18	3,763.82
Other Purchased Services	309,013.00	(4,270.55)	304,742.45	288,124.04	16,618.41
Miscellaneous Purchased Services					
General Supplies	313,049.00	32,211.30	345,260.30	264,561.00	80,699.30
Textbooks	31,857.00	(15,819.32)	16,037.68	12,977.45	3,060.23
Other Objects		2,500.00	2,500.00	1,273.00	1,227.00
Total Regular Programs	8,508,136.00	(26,063.99)	8,482,072.01	8,246,771.86	235,300.15
Multiple Disabilities:					
Salaries of Teachers	314,653.00	(24,893.68)	289,759.32	289,759.32	
Other Salaries for Instruction	353,550.00	45,594.45	399,144.45	383,202.93	15,941.52
Purchased Professional - Educational Services		18,571.75	18,571.75	16,385.50	2,186.25
General Supplies	14,000.00	(3,125.74)	10,874.26	8,627.71	2,246.55
Total Multiple Disabilities	682,203.00	36,146.78	718,349.78	697,975.46	20,374.32

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 1,591,158.00	\$ 99,036.02	\$ 1,690,194.02	\$ 1,616,754.32	\$ 73,439.70
Other Salaries for Instruction	300,107.00	41,929.00	342,036.00	274,465.74	67,570.26
General Supplies	13,500.00		13,500.00	10,188.75	3,311.25
Total Resource Room / Resource Center	<u>1,904,765.00</u>	<u>140,965.02</u>	<u>2,045,730.02</u>	<u>1,901,408.81</u>	<u>144,321.21</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	153,932.00	(89,584.50)	64,347.50	61,945.14	2,402.36
Other Salaries for Instruction	116,065.00	(53,988.00)	62,077.00	58,854.33	3,222.67
General Supplies	1,000.00		1,000.00	560.50	439.50
Total Preschool Disabilities - Part Time	<u>270,997.00</u>	<u>(143,572.50)</u>	<u>127,424.50</u>	<u>121,359.97</u>	<u>6,064.53</u>
Total Special Education - Instruction	<u>2,857,965.00</u>	<u>33,539.30</u>	<u>2,891,504.30</u>	<u>2,720,744.24</u>	<u>170,760.06</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	<u>331,356.00</u>	<u>15,316.00</u>	<u>346,672.00</u>	<u>330,724.52</u>	<u>15,947.48</u>
Total Basic Skills / Remedial - Instruction	<u>331,356.00</u>	<u>15,316.00</u>	<u>346,672.00</u>	<u>330,724.52</u>	<u>15,947.48</u>
Bilingual Education - Instruction:					
Salaries of Teachers	<u>58,317.00</u>	<u>(7,740.09)</u>	<u>50,576.91</u>		<u>50,576.91</u>
Total Bilingual Education - Instruction	<u>58,317.00</u>	<u>(7,740.09)</u>	<u>50,576.91</u>		<u>50,576.91</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	115,760.00	12,585.00	128,345.00	128,345.00	
General Supplies	6,000.00	15.42	6,015.42	6,015.42	
Transfers to cover deficit (custodial funds)	8,470.00	(8,470.00)			
Total School Sponsored Cocurricular Activities - Instruction	<u>130,230.00</u>	<u>4,130.42</u>	<u>134,360.42</u>	<u>134,360.42</u>	

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 407,966.00	\$ (2,274.18)	\$ 405,691.82	\$ 405,414.32	\$ 277.50
Supplies and Materials	80,000.00	1,464.14	81,464.14	81,230.45	233.69
Other Objects	154,345.00	(159.47)	154,185.53	151,565.30	2,620.23
Total School Sponsored Athletics - Instruction	<u>642,311.00</u>	<u>(969.51)</u>	<u>641,341.49</u>	<u>638,210.07</u>	<u>3,131.42</u>
Other Instructional Programs - Instruction:					
Salaries	<u>5,750.00</u>	<u>118.18</u>	<u>5,868.18</u>	<u>5,868.18</u>	
Total Other Instructional Programs - Instruction	<u>5,750.00</u>	<u>118.18</u>	<u>5,868.18</u>	<u>5,868.18</u>	
Total Instruction	<u>12,534,065.00</u>	<u>18,330.31</u>	<u>12,552,395.31</u>	<u>12,076,679.29</u>	<u>475,716.02</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	60,000.00	(10,000.00)	50,000.00	1,050.00	48,950.00
Tuition to Other LEA's Within State - Special		32,888.00	32,888.00	367.00	32,521.00
Tuition to County Voc. School District - Regular	16,727.00	15,176.00	31,903.00	31,903.00	
Tuition to CSSD and Regional Day Schools	40,000.00		40,000.00		40,000.00
Tuition to Private Schools for the Disabled - Within State	147,469.00	(48,064.00)	99,405.00	22,901.88	76,503.12
Total Undistributed Expenditures - Instruction	<u>264,196.00</u>	<u>(10,000.00)</u>	<u>254,196.00</u>	<u>56,221.88</u>	<u>197,974.12</u>

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 83,110.00	\$ (100.00)	\$ 83,010.00	\$ 81,860.00	\$ 1,150.00
Supplies and Materials	4,250.00	(1,500.00)	2,750.00	2,182.60	567.40
Total Undistributed Expenditures - Attendance and Social Work	<u>87,360.00</u>	<u>(1,600.00)</u>	<u>85,760.00</u>	<u>84,042.60</u>	<u>1,717.40</u>
Undistributed Expenditures - Health Services:					
Salaries	391,797.00	10,085.79	401,882.79	394,147.53	7,735.26
Purchased Professional and Technical Services	10,000.00	(5,175.00)	4,825.00	2,305.50	2,519.50
Supplies and Materials	11,725.00	247.44	11,972.44	8,408.29	3,564.15
Other Objects	1,000.00	(51.64)	948.36		948.36
Total Undistributed Expenditures - Health Services	<u>414,522.00</u>	<u>5,106.59</u>	<u>419,628.59</u>	<u>404,861.32</u>	<u>14,767.27</u>
Undistributed Expenditures - Speech, OT, PT, & Related Services:					
Salaries	189,362.00	19,915.56	209,277.56	209,277.56	
Supplies and Materials	3,000.00		3,000.00	2,989.07	10.93
Total Undistributed Expenditures - Speech, OT, PT, & Related Services	<u>192,362.00</u>	<u>19,915.56</u>	<u>212,277.56</u>	<u>212,266.63</u>	<u>10.93</u>
Undistributed Expenditures - Other Support Services - Students-Extraordinary Services					
		6,360.00	6,360.00	4,205.00	2,155.00
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	<u></u>	<u>6,360.00</u>	<u>6,360.00</u>	<u>4,205.00</u>	<u>2,155.00</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	608,211.00	(21,146.16)	587,064.84	587,063.96	0.88
Salaries of Secretarial and Clerical Assistants	37,792.00		37,792.00	34,365.41	3,426.59
Other Salaries	10,000.00	10,195.60	20,195.60	3,879.20	16,316.40
Purchased Professional and Educational Services	14,000.00		14,000.00	13,605.75	394.25
Other Purchased Services	6,350.00		6,350.00	5,644.13	705.87
Supplies and Materials	9,000.00		9,000.00	5,032.65	3,967.35
Total Undistributed Expenditures - Guidance	<u>685,353.00</u>	<u>(10,950.56)</u>	<u>674,402.44</u>	<u>649,591.10</u>	<u>24,811.34</u>

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	\$ 500,479.00	\$ 13,524.79	\$ 514,003.79	\$ 514,003.79	
Salaries of Secretarial and Clerical Assistants	43,497.00	0.12	43,497.12	43,497.12	
Purchased Professional - Educational Services	410,000.00	(36,250.00)	373,750.00	353,906.70	\$ 19,843.30
Miscellaneous Purchased Services	3,500.00		3,500.00	3,198.44	301.56
Supplies and Materials	5,000.00	27,455.74	32,455.74	17,766.11	14,689.63
Other Objects		2,770.00	2,770.00	2,770.00	
Total Undistributed Expenditures - Child Study Teams	<u>962,476.00</u>	<u>7,500.65</u>	<u>969,976.65</u>	<u>935,142.16</u>	<u>34,834.49</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	140,371.00	3,509.44	143,880.44	143,880.44	
Salaries of Other Professional Staff	7,500.00		7,500.00	2,296.14	5,203.86
Salaries of Secretarial and Clerical Assistants	24,156.00	4,832.00	28,988.00	28,384.02	603.98
Total Undistributed Expenditures - Improvement of Instruction Services	<u>172,027.00</u>	<u>8,341.44</u>	<u>180,368.44</u>	<u>174,560.60</u>	<u>5,807.84</u>
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	151,429.00	(60,505.60)	90,923.40	4,601.23	86,322.17
Purchased Professional and Technical Services	3,000.00	(2,019.90)	980.10	980.10	
Supplies and Materials	17,288.00	(2,379.55)	14,908.45	11,174.21	3,734.24
Total Undistributed Expenditures - Educational Media Services / School Library	<u>171,717.00</u>	<u>(64,905.05)</u>	<u>106,811.95</u>	<u>16,755.54</u>	<u>90,056.41</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	15,597.00	557.80	16,154.80	16,154.80	
Other Salaries	23,680.00	(4,067.24)	19,612.76	18,750.00	862.76
Purchased Professional - Educational Services	30,000.00	(25,585.00)	4,415.00	3,440.00	975.00
Travel	23,500.00	(2,500.00)	21,000.00	299.89	20,700.11
Supplies and Materials		23,610.00	23,610.00	23,609.50	0.50
Total Undistributed Expenditures - Instructional Staff Training Services	<u>92,777.00</u>	<u>(7,984.44)</u>	<u>84,792.56</u>	<u>62,254.19</u>	<u>22,538.37</u>

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 228,258.00	\$ 0.24	\$ 228,258.24	\$ 228,258.24	
Legal Services	95,000.00		95,000.00	26,136.00	\$ 68,864.00
Audit Fees	37,500.00		37,500.00	37,500.00	
Architectural/Engineering Services	30,000.00	626.40	30,626.40	6,858.00	23,768.40
Other Purchased Professional Services	72,000.00	(676.01)	71,323.99	56,062.24	15,261.75
Communications/Telephone	68,000.00	9,572.58	77,572.58	68,440.88	9,131.70
Other Purchased Services	90,000.00		90,000.00	75,127.44	14,872.56
Travel	2,000.00		2,000.00	62.55	1,937.45
Supplies and Materials	6,500.00	(3,500.00)	3,000.00	1,618.52	1,381.48
Miscellaneous Expenditures	12,500.00	5,500.00	18,000.00	17,257.68	742.32
BOE Membership Dues and Fees	15,000.00		15,000.00	10,578.20	4,421.80
Total Undistributed Expenditures - Support Services - General Administration	<u>656,758.00</u>	<u>11,523.21</u>	<u>668,281.21</u>	<u>527,899.75</u>	<u>140,381.46</u>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	650,232.00	22,965.46	673,197.46	673,197.46	
Salaries of Secretarial and Clerical Assistants	235,641.00	63,065.51	298,706.51	298,706.51	
Purchased Professional & Technical Services	40,000.00	(13,040.14)	26,959.86	26,458.61	501.25
Travel	5,650.00	(5,650.00)			
Other Purchased Services	33,500.00	(1,917.13)	31,582.87	31,582.87	
Supplies and Materials	36,422.00	20,113.52	56,535.52	23,207.10	33,328.42
Other Objects	13,400.00	(800.56)	12,599.44	12,201.44	398.00
Total Undistributed Expenditures - Support Services - School Administration	<u>1,014,845.00</u>	<u>84,736.66</u>	<u>1,099,581.66</u>	<u>1,065,353.99</u>	<u>34,227.67</u>

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - Central Services:					
Salaries	\$ 353,963.00	\$ (9,614.58)	\$ 344,348.42	\$ 332,605.72	\$ 11,742.70
Purchased Technical Services	55,000.00	(21,465.00)	33,535.00	32,585.00	950.00
Miscellaneous Purchased Services	15,000.00	1,543.47	16,543.47	14,767.10	1,776.37
Travel	2,000.00		2,000.00		2,000.00
Supplies and Materials	10,000.00	15,965.00	25,965.00	13,436.26	12,528.74
Other Objects	3,000.00	1,499.60	4,499.60	3,798.42	701.18
	<u>438,963.00</u>	<u>(12,071.51)</u>	<u>426,891.49</u>	<u>397,192.50</u>	<u>29,698.99</u>
Total Undistributed Expenditures - Support Services - Central Services					
Undistributed Expenditures - Support Services - Administrative Information Technology:					
Salaries	181,269.00	1,922.93	183,191.93	183,191.93	
Travel	1,000.00	534.00	1,534.00	1,129.88	404.12
	<u>182,269.00</u>	<u>2,456.93</u>	<u>184,725.93</u>	<u>184,321.81</u>	<u>404.12</u>
Total Undistributed Expenditures - Support Services - Administrative Information Technology					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	154,280.00	(14,117.25)	140,162.75	140,162.75	
Cleaning, Repair and Maintenance Services	331,434.00	363,254.46	694,688.46	386,026.28	308,662.18
Lead Testing of Drinking Water	6,500.00	(4,705.00)	1,795.00		1,795.00
General Supplies	51,000.00	3,402.00	54,402.00	39,449.42	14,952.58
	<u>543,214.00</u>	<u>347,834.21</u>	<u>891,048.21</u>	<u>565,638.45</u>	<u>325,409.76</u>
Total Undistributed Expenditures - Required Maintenance for School Facilities					

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Operation and Maintenance					
Salaries	\$ 743,626.00	\$ (10,244.49)	\$ 733,381.51	\$ 624,622.77	\$ 108,758.74
Purchased Professional and Technical Services	2,500.00		2,500.00	1,953.00	547.00
Cleaning, Repair and Maintenance Services	30,000.00	11,626.67	41,626.67	25,221.29	16,405.38
Other Purchased Property Services	65,000.00	10,141.20	75,141.20	72,316.92	2,824.28
Insurance	63,000.00		63,000.00	28,623.26	34,376.74
Miscellaneous Purchased Services	20,000.00	2,590.26	22,590.26	21,634.82	955.44
General Supplies	79,500.00	(2,571.24)	76,928.76	32,359.31	44,569.45
Energy (Natural Gas)	120,000.00	374.84	120,374.84	108,426.21	11,948.63
Energy (Electricity)	387,000.00	(60,758.31)	326,241.69	323,171.95	3,069.74
Other Objects	5,000.00		5,000.00	2,556.87	2,443.13
Total Undistributed Expenditures - Custodial Services	1,515,626.00	(48,841.07)	1,466,784.93	1,240,886.40	225,898.53
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	81,808.00	(17,966.00)	63,842.00	37,575.40	26,266.60
Cleaning, Repair and Maintenance Services	34,000.00	16,384.76	50,384.76	37,605.76	12,779.00
General Supplies	20,000.00	4,337.17	24,337.17	16,634.62	7,702.55
Total Undistributed Expenditures - Care & Upkeep of Grounds	135,808.00	2,755.93	138,563.93	91,815.78	46,748.15
Undistributed Expenditures - Security:					
Salaries	29,882.00	(4,652.93)	25,229.07		25,229.07
Purchased Professional and Technical Services	120,000.00	64,000.00	184,000.00	139,627.47	44,372.53
Total Undistributed Expenditures - Security	149,882.00	59,347.07	209,229.07	139,627.47	69,601.60

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Spec. Ed.	\$ 88,352.00	\$ (12,159.58)	\$ 76,192.42	\$ 76,192.42	
Salaries for Pupil Transportation (Other than Bet. Home & Sch)	80,000.00	28,111.31	108,111.31	108,111.31	
Management Fee - ESC & CTSA Trans. Program	7,000.00	5,915.40	12,915.40	12,915.40	
Cleaning, Repair, & Maintenance Services	25,000.00	(6,229.22)	18,770.78	15,874.91	\$ 2,895.87
Lease Purchase - School Bus	15,000.00	(741.15)	14,258.85	14,258.85	
Contracted Services - Aid in Lieu of Payments Nonpublic	35,000.00	7,707.82	42,707.82	42,707.82	
Contracted Services - (Other than Between Home and School) - Vendors	5,000.00	(1,666.04)	3,333.96	3,333.96	
Contracted Services (Special Education Students) - ESCs & CTSA	115,000.00	54,231.98	169,231.98	169,231.98	
Miscellaneous Purchased Services - Transportation	30,000.00	(28,772.50)	1,227.50	1,227.50	
General Supplies	17,500.00	6,631.92	24,131.92	17,826.75	6,305.17
Other Objects	1,500.00	(699.44)	800.56	800.56	
Total Undistributed Expenditures - Student Transportation Services	419,352.00	52,330.50	471,682.50	462,481.46	9,201.04
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	400,000.00		400,000.00	381,682.56	18,317.44
Other Retirement Contributions - PERS	325,000.00		325,000.00	323,796.94	1,203.06
Unemployment Compensation	10,000.00	19,753.02	29,753.02	29,753.02	
Workers Compensation	150,000.00	(20,532.50)	129,467.50	123,699.26	5,768.24
Health Benefits	4,115,711.00	(220,475.60)	3,895,235.40	3,721,348.38	173,887.02
Tuition Reimbursement	25,000.00		25,000.00	13,800.00	11,200.00
Other Employee Benefits	10,000.00	(7,783.00)	2,217.00	567.00	1,650.00
Unused Sick Payment to Terminated/Retired Staff	15,000.00		15,000.00	10,500.00	4,500.00
Total Unallocated Benefits	5,050,711.00	(229,038.08)	4,821,672.92	4,605,147.16	216,525.76

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				\$ 1,028,269.00	\$ (1,028,269.00)
Teacher's Pension and Annuity Fund				3,860,706.00	(3,860,706.00)
T.P.A.F. LTDI				1,710.00	(1,710.00)
T.P.A.F. Non-contributory Insurance				53,563.00	(53,563.00)
Reimbursed T.P.A.F. Social Security Contributions				853,653.01	(853,653.01)
Total On-behalf Contributions				5,797,901.01	(5,797,901.01)
Total Undistributed Expenditures	\$ 13,150,218.00	\$ 222,818.04	\$ 13,373,036.04	17,678,166.80	(4,305,130.76)
Total Current Expense	25,684,283.00	241,148.35	25,925,431.35	29,754,846.09	(3,829,414.74)
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Architectural/ Engineering Services	45,000.00		45,000.00	23,657.00	21,343.00
Construction Services	450,000.00	221,427.00	671,427.00	505,616.80	165,810.20
Assessment for Debt Service on SDA Funding	65,498.00		65,498.00	65,498.00	
Total Facilities Acquisition and Construction Services	560,498.00	221,427.00	781,925.00	594,771.80	187,153.20
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Instructional Equipment				575,779.00	(575,779.00)
Total Assets Acquired Under Capital Leases (non-budgeted)				575,779.00	(575,779.00)
Total Capital Outlay	560,498.00	221,427.00	781,925.00	1,170,550.80	(388,625.80)
Transfer of Funds to Charter Schools		10,000.00	10,000.00	10,000.00	
Total Expenditures	26,244,781.00	472,575.35	26,717,356.35	30,935,396.89	(4,218,040.54)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,214,181.00)	(472,575.35)	(1,686,756.35)	536,522.75	2,223,279.10

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources (Uses):					
Operating Transfers In:					
Withdraw from Capital Reserve	\$ 495,000.00		\$ 495,000.00		\$ (495,000.00)
Capital Leases (non-budgeted)				\$ 575,779.00	575,779.00
Total Other Financing Sources (Uses)	<u>495,000.00</u>		<u>495,000.00</u>	<u>575,779.00</u>	<u>80,779.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(719,181.00)	\$ (472,575.35)	(1,191,756.35)	1,112,301.75	2,304,058.10
Fund Balances, July 1	<u>5,089,440.10</u>		<u>5,089,440.09</u>	<u>5,089,440.09</u>	
Fund Balances, June 30	<u>\$ 3,875,259.10</u>	<u>\$ (472,575.35)</u>	<u>\$ 3,402,683.74</u>	<u>\$ 6,201,741.84</u>	<u>\$ 2,304,058.10</u>
Recapitulation:					
Restricted Fund Balances:					
Capital Reserve				\$ 2,306,421.45	
Maintenance Reserve				476,979.03	
Excess Surplus - Current Year				1,000,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				700,000.00	
Unemployment Compensation				120,151.24	
Assigned Fund Balance:					
Year-End Encumbrances				509,016.78	
Designated for Subsequent Year's Expenditures				529,834.00	
Unassigned Fund Balance				<u>559,339.34</u>	
				6,201,741.84	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid PaymentS not Recognized on GAAP Basis				<u>(187,740.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,014,001.84</u>	

HADDON HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources		\$ 585,125.39	\$ 585,125.39	\$ 592,254.01	\$ 7,128.62
Total - Local Sources		585,125.39	585,125.39	592,254.01	7,128.62
State Sources:					
Nonpublic Aid	\$ 278,302.00	234,492.00	512,794.00	439,163.75	(73,630.25)
School Security Grant (Alyssa's Law)		85,294.00	85,294.00	85,294.00	
Total - State Sources	278,302.00	319,786.00	598,088.00	524,457.75	(73,630.25)
Federal Sources:					
ESEA Consolidated					
Title I	68,886.00	88,683.00	157,569.00	61,647.00	(95,922.00)
Title II - Part A	16,007.00	17,725.00	33,732.00	6,227.00	(27,505.00)
Title IV	8,500.00	4,090.00	12,590.00	9,624.44	(2,965.56)
I.D.E.A., Part B	320,365.00	152,390.00	472,755.00	426,983.01	(45,771.99)
I.D.E.A., Part B - Preschool		19,285.00	19,285.00	19,228.83	(56.17)
American Rescue Plan:					
Summer Learning		40,000.00	40,000.00	23,190.00	(16,810.00)
ESSER		703,974.00	703,974.00	199,908.52	(504,065.48)
Accelerated Learning		81,390.00	81,390.00	13,576.74	(67,813.26)
Beyond the School Day		40,000.00	40,000.00		(40,000.00)
Mental Health		45,000.00	45,000.00	46,815.80	1,815.80
Coronavirus Response & Relief Act:					
Elementary and Secondary School Emergency Relief Fund		44,764.36	44,764.36	23,358.43	(21,405.93)
Total - Federal Sources	413,758.00	1,237,301.36	1,651,059.36	830,559.77	(820,499.59)
Total Revenues	692,060.00	2,142,212.75	2,834,272.75	1,947,271.53	(887,001.22)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	7,812.00	58,007.00	65,819.00	35,014.16	30,804.84
Purchased Professional -Educational Services		117,255.00	117,255.00	5,850.00	111,405.00
Other Purchased Services		704,985.00	704,985.00	698,714.12	6,270.88
General Supplies		153,441.00	153,441.00	73,294.49	80,146.51
Textbooks		25,000.00	25,000.00	24,807.32	192.68
Other Objects		10,000.00	10,000.00	9,624.44	375.56
Total Instruction	7,812.00	1,068,688.00	1,076,500.00	847,304.53	229,195.47
EXPENDITURES:					
Support Services:					
Salaries of Other Professional Staff	942.80	99,677.00	100,619.80	98,576.00	2,043.80
Personal Services - Employee Benefits	12,553.00	(12,553.00)			
Purchased Professional - Educational Services	15,270.00	71,782.13	87,052.13	76,681.81	10,370.32
Purchased Professional Educ/Technical Services		143,248.00	143,248.00	140,952.13	2,295.87
Scholarships Awarded		10,000.00	10,000.00	9,109.00	891.00
Travel		8,000.00	8,000.00	7,975.16	24.84
Student Activities		560,000.00	560,000.00	553,045.27	6,954.73
Supplies and Materials	8,186.43	178,004.00	186,190.43	183,527.89	2,662.54
Total Support Services	36,952.23	1,058,158.13	1,095,110.36	1,069,867.26	25,243.10
Facilities Acquisition and Construction Services:					
Noninstructional Equipment		85,294.00	85,294.00		85,294.00
Total Facilities Acquisition and Construction Services		85,294.00	85,294.00		85,294.00
Total Expenditures	44,764.23	2,212,140.13	2,256,904.36	1,917,171.79	339,732.57
Excess (Deficiency) of Revenues Over (Under) Expenditures	647,295.77	(69,927.38)	577,368.39	30,099.74	547,268.65
Fund Balance, July 1				416,858.23	(416,858.23)
Fund Balance, June 30	\$ 647,295.77	\$ (69,927.38)	\$ 577,368.39	\$ 446,957.97	\$ 130,410.42
Recapitulation:					
Restricted:					
Scholarships				\$ 51,393.42	
Student Activities				395,564.55	
				446,957.97	
Reconciliation to Governmental Funds Statements (GAAP):					
Local Grant Awards not Realized on Budgetary Basis				15,465.00	
Fund Balance per Governmental Funds (GAAP)				\$ 462,422.97	

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 31,471,919.64	\$ 1,947,271.53
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		11,905.00
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		276,826.72
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	189,169.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(187,740.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 31,473,348.64</u>	<u>\$ 2,236,003.25</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 30,935,396.89	\$ 1,917,171.79
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>276,826.72</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 30,935,396.89</u>	<u>\$ 2,193,998.51</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Measurement Date Ending June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0200023310%	0.0205239237%	0.0218453399%	0.0201623218%	0.0223004069%	0.0226837805%	0.0203322720%	0.0219353290%	0.0248757385%	0.0263448415%
School District's Proportionate Share of the Net Pension Liability	\$ 3,018,627.00	\$ 2,431,366.00	\$ 3,562,404.00	\$ 3,632,945.00	\$ 4,390,839.00	\$ 5,280,422.00	\$ 6,021,836.00	\$ 4,924,042.00	\$ 4,657,419.00	\$ 5,035,023.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,580,572.00	\$ 1,640,784.00	\$ 1,646,564.00	\$ 1,532,908.00	\$ 1,607,788.00	\$ 1,646,540.00	\$ 1,457,844.00	\$ 1,592,488.00	\$ 1,804,976.00	\$ 1,898,340.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	190.98%	148.18%	216.35%	237.00%	273.10%	320.70%	413.06%	309.20%	258.03%	265.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 287,708.00	\$ 252,239.00	\$ 240,359.00	\$ 238,977.00	\$ 196,121.00	\$ 221,817.00	\$ 210,141.00	\$ 180,629.00	\$ 188,585.00	\$ 205,072.00
Contributions in Relation to the Contractually Required Contribution	<u>(287,708.00)</u>	<u>(252,239.00)</u>	<u>(240,359.00)</u>	<u>(238,977.00)</u>	<u>(196,121.00)</u>	<u>(221,817.00)</u>	<u>(210,141.00)</u>	<u>(180,629.00)</u>	<u>(188,585.00)</u>	<u>(205,072.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,675,054.00	\$ 1,549,691.00	\$ 1,547,898.00	\$ 1,577,445.00	\$ 1,541,888.00	\$ 1,429,807.00	\$ 1,510,516.00	\$ 1,464,978.00	\$ 1,348,517.00	\$ 1,540,898.00
Contributions as a Percentage of School District's Covered Payroll	17.18%	16.28%	15.53%	15.15%	12.72%	15.51%	13.91%	12.33%	13.98%	13.31%

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Ten Plan Years

	Measurement Date Ending June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>48,089,935.00</u>	<u>45,507,192.00</u>	<u>60,821,478.00</u>	<u>54,186,521.00</u>	<u>56,515,124.00</u>	<u>59,531,152.00</u>	<u>70,562,250.00</u>	<u>58,629,858.00</u>	<u>51,999,863.00</u>	<u>50,735,812.00</u>
	<u>\$ 48,089,935.00</u>	<u>\$ 45,507,192.00</u>	<u>\$ 60,821,478.00</u>	<u>\$ 54,186,521.00</u>	<u>\$ 56,515,124.00</u>	<u>\$ 59,531,152.00</u>	<u>\$ 70,562,250.00</u>	<u>\$ 58,629,858.00</u>	<u>\$ 51,999,863.00</u>	<u>\$ 50,735,812.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 12,500,836.00	\$ 12,469,008.00	\$ 12,186,740.00	\$ 11,488,640.00	\$ 11,062,028.00	\$ 10,779,784.00	\$ 10,635,848.00	\$ 10,707,756.00	\$ 11,028,244.00	\$ 11,179,716.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	392.69%	364.96%	499.08%	471.65%	510.89%	552.25%	663.44%	547.55%	471.52%	453.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

HADDON HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

HADDON HEIGHTS SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Six Plan Years

	Measurement Date Ending June 30,					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District						
Changes for the Year:						
Service Cost	\$ 2,559,937.00	\$ 2,999,375.00	\$ 1,609,096.00	\$ 1,511,205.00	\$ 1,684,114.00	\$ 2,027,082.00
Interest Cost	1,337,599.00	1,490,976.00	1,405,006.00	1,724,895.00	1,893,201.00	1,640,790.00
Changes in Benefit Terms		(61,176.00)				
Difference Between Expected and Actual Experience	3,922,630.00	(10,842,341.00)	12,105,922.00	(7,213,335.00)	(5,564,033.00)	
Changes in Assumptions	(13,539,928.00)	56,704.00	11,867,485.00	582,650.00	(5,007,472.00)	(6,874,121.00)
Gross Benefit Payments	(1,324,932.00)	(1,174,471.00)	(1,131,045.00)	(1,199,566.00)	(1,166,816.00)	(1,198,799.00)
Member Contributions	42,504.00	38,117.00	34,282.00	35,558.00	40,327.00	44,143.00
Net Change in Total Non-Employer OPEB Liability	(7,002,190.00)	(7,492,816.00)	25,890,746.00	(4,558,593.00)	(8,120,679.00)	(4,360,905.00)
Total Non-Employer OPEB Liability - July 1	57,475,535.00	64,968,351.00	39,077,605.00	43,636,198.00	51,756,877.00	56,117,782.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 50,473,345.00</u>	<u>\$ 57,475,535.00</u>	<u>\$ 64,968,351.00</u>	<u>\$ 39,077,605.00</u>	<u>\$ 43,636,198.00</u>	<u>\$ 51,756,877.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 12,648,576.00</u>	<u>\$ 12,372,938.00</u>	<u>\$ 11,855,954.00</u>	<u>\$ 11,665,083.00</u>	<u>\$ 11,080,532.00</u>	<u>\$ 10,939,344.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	399.04%	464.53%	547.98%	335.00%	393.81%	473.13%

HADDON HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

HADDON HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Total	ESEA Consolidated			ARP- Accelerated Learning	Elementary and Secondary School Emergency Relief Fund	ARP- Mental Health	ARP- Summer Learning	ARP- ESSER	IDEA Part B Basic	IDEA Part B Preschool	School Security Grant	Nonpublic Textbooks	Total Brought Forward
		Title I Part A	Title II Part A	Title IV										
REVENUES:														
Federal Sources	\$ 830,559.77	\$ 61,647.00	\$ 6,227.00	\$ 9,624.44	\$ 13,576.74	\$ 23,358.43	\$ 46,815.80	\$ 23,190.00	\$ 199,908.52	\$ 426,983.01	\$ 19,228.83			
State Sources	524,457.75											\$ 85,294.00	\$ 24,807.32	\$ 414,356.43
Local Sources	592,254.01													592,254.01
Total Revenues	1,947,271.53	61,647.00	6,227.00	9,624.44	13,576.74	23,358.43	46,815.80	23,190.00	199,908.52	426,983.01	19,228.83	85,294.00	24,807.32	1,006,610.44
EXPENDITURES:														
Instruction:														
Salaries of Teachers	35,014.16	33,544.16			1,470.00									
Purchased Professional - Educational Services	5,850.00									3,900.00	1,950.00			
Other Purchased Services	698,714.12								99,103.88	306,767.84				292,842.40
General Supplies	73,294.49	12,221.40							37,839.64		17,278.83			5,954.62
Textbooks	24,807.32												24,807.32	
Other Objects	9,624.44			9,624.44										
Total Instruction	847,304.53	45,765.56		9,624.44	1,470.00				136,943.52	310,667.84	19,228.83		24,807.32	298,797.02
Support Services:														
Salaries of Other Professional Staff	98,576.00	3,500.00	1,512.00				46,815.80			46,748.20				
Purchased Professional - Educational Services	76,681.81		4,715.00		3,500.00					68,466.81				
Purchased Professional Educ/Technical Services	140,952.13					15,270.13		23,190.00	62,965.00					39,527.00
Scholarships Awarded	9,109.00													9,109.00
Travel	7,975.16	6,875.00								1,100.16				
Student Activities	553,045.27													553,045.27
Supplies and Materials	183,527.89	5,506.44			8,606.74	8,088.30						85,294.00		76,032.41
Total Support Services	1,069,867.26	15,881.44	6,227.00		12,106.74	23,358.43	46,815.80	23,190.00	62,965.00	116,315.17		85,294.00		677,713.68
Total Expenditures	1,917,171.79	61,647.00	6,227.00	9,624.44	13,576.74	23,358.43	46,815.80	23,190.00	199,908.52	426,983.01	19,228.83	85,294.00	24,807.32	976,510.70
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,099.74													30,099.74
Fund Balance, July 1	416,858.23													416,858.23
Fund Balance, June 30	\$ 446,957.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,957.97

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Total Carried Forward	Student Activity Fund	Scholarship Fund	SDA-Emergent Needs	Climate Education	Nonpublic Compensatory	Nonpublic Technology	Nonpublic Handicapped Transportation	Nonpublic Supplemental Instruction	Nonpublic Exam/Classification	Nonpublic Speech	Nonpublic Nursing	Nonpublic Security
REVENUES:													
State Sources	\$ 414,356.43			\$ 39,527.00	\$ 5,954.62	\$ 129,270.00	\$ 15,783.26	\$ 9,993.00	\$ 33,949.00	\$ 45,128.08	\$ 16,554.00	\$ 42,165.06	\$ 76,032.41
Local Sources	592,254.01	\$ 587,131.79	\$ 5,122.22										
Total Revenues	1,006,610.44	587,131.79	5,122.22	39,527.00	5,954.62	129,270.00	15,783.26	9,993.00	33,949.00	45,128.08	16,554.00	42,165.06	76,032.41
EXPENDITURES:													
Instruction:													
Other Purchased Services	292,842.40					129,270.00	15,783.26	9,993.00	33,949.00	45,128.08	16,554.00	42,165.06	
General Supplies	5,954.62				5,954.62								
Total Instruction	298,797.02				5,954.62	129,270.00	15,783.26	9,993.00	33,949.00	45,128.08	16,554.00	42,165.06	
Support Services:													
Purchased Professional Educational/Techni	39,527.00			39,527.00									
Scholarships Awarded	9,109.00		9,109.00										
Student Activities	553,045.27	553,045.27											
Supplies and Materials	76,032.41												76,032.41
Total Support Services	677,713.68	553,045.27	9,109.00	39,527.00									76,032.41
Total Expenditures	976,510.70	553,045.27	9,109.00	39,527.00	5,954.62	129,270.00	15,783.26	9,993.00	33,949.00	45,128.08	16,554.00	42,165.06	76,032.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,099.74	34,086.52	(3,986.78)										
Fund Balance, July 1	416,858.23	361,478.03	55,380.20										
Fund Balance, June 30	\$ 446,957.97	\$ 395,564.55	\$ 51,393.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROPRIETARY FUNDS

HADDON HEIGHTS SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 345,376.59	\$ 78,798.95	\$ 424,175.54
Interfund Accounts Receivable:			
Due General Fund	51,718.71		51,718.71
Accounts Receivable:			
State	426.69		426.69
Federal	10,161.34		10,161.34
Other	14,202.20		14,202.20
Inventories	17,332.43		17,332.43
Total Current Assets	<u>439,217.96</u>	<u>78,798.95</u>	<u>518,016.91</u>
Noncurrent Assets:			
Equipment	174,899.19		174,899.19
Less Accumulated Depreciation	(129,250.40)		(129,250.40)
Total Noncurrent Assets	<u>45,648.79</u>		<u>45,648.79</u>
Total Assets	<u>484,866.75</u>	<u>78,798.95</u>	<u>563,665.70</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund		3,343.45	3,343.45
Accounts Payable	2,317.04		2,317.04
Unearned Revenue	14,510.53		14,510.53
Total Current Liabilities	<u>16,827.57</u>	<u>3,343.45</u>	<u>20,171.02</u>
NET POSITION:			
Net Investment in Capital Assets	45,648.79		45,648.79
Unrestricted	422,390.39	75,455.50	497,845.89
Total Net Position	<u>\$ 468,039.18</u>	<u>\$ 75,455.50</u>	<u>\$ 543,494.68</u>

HADDON HEIGHTS SCHOOL DISTRICT

Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 164,568.19		\$ 164,568.19
Daily Sales - Non-Reimbursable Programs	149,114.75		149,114.75
Special Functions	6,211.00		6,211.00
Rebates	6,891.91		6,891.91
Miscellaneous		\$ 21,119.32	21,119.32
Total Operating Revenues	<u>326,785.85</u>	<u>21,119.32</u>	<u>347,905.17</u>
OPERATING EXPENSES:			
Salaries	266,304.29		266,304.29
General Supplies	24,952.39		24,952.39
Depreciation	9,655.44		9,655.44
Miscellaneous	23,823.53		23,823.53
Repairs	22,423.55		22,423.55
Management Fee	35,360.00		35,360.00
Cost of Sales - Reimbursable Programs	161,547.99		161,547.99
Cost of Sales - Non-Reimbursable Programs	60,522.73		60,522.73
Total Operating Expenses	<u>604,589.92</u>		<u>604,589.92</u>
Operating Income (Loss)	<u>(277,804.07)</u>	<u>21,119.32</u>	<u>(256,684.75)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	5,834.16		5,834.16
State School Breakfast Program	492.00		492.00
Federal Sources:			
National School Lunch Program	127,147.22		127,147.22
School Breakfast Program	22,107.35		22,107.35
Food Distribution Program	61,220.15		61,220.15
COVID Supply Chain Assistance Grant	49,650.63		49,650.63
Interest and Investment Revenue	1,973.65		1,973.65
Total Nonoperating Revenues	<u>268,425.16</u>		<u>268,425.16</u>
Change in Net Position	(9,378.91)	21,119.32	11,740.41
Net Position -- July 1	<u>477,418.09</u>	<u>54,336.18</u>	<u>531,754.27</u>
Net Position -- June 30	<u>\$ 468,039.18</u>	<u>\$ 75,455.50</u>	<u>\$ 543,494.68</u>

HADDON HEIGHTS SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 317,305.07	\$ 21,119.32	\$ 338,424.39
Payments to Employees	(252,833.08)		(252,833.08)
Payments to Vendors	(271,024.13)		(271,024.13)
Net Cash Provided by (used for) Operating Activities	<u>(206,552.14)</u>	<u>21,119.32</u>	<u>(185,432.82)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	8,223.12		8,223.12
Federal Sources	371,436.11		371,436.11
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>379,659.23</u>		<u>379,659.23</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(13,098.00)		(13,098.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(13,098.00)</u>		<u>(13,098.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Investment Revenue	1,973.65		1,973.65
Net Cash Provided by (used for) Investing Activities	<u>1,973.65</u>		<u>1,973.65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	161,982.74	21,119.32	183,102.06
Cash and Cash Equivalents, July 1	183,393.85	57,679.63	241,073.48
Cash and Cash Equivalents, June 30	<u>\$ 345,376.59</u>	<u>\$ 78,798.95</u>	<u>\$ 424,175.54</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (277,804.07)	\$ 21,119.32	\$ (256,684.75)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	9,655.44		9,655.44
Food Distribution Program	61,220.15		61,220.15
Increase (Decrease) in Unearned Revenue	4,721.42		4,721.42
(Increase) Decrease in Inventories	(5,931.13)		(5,931.13)
(Increase) Decrease in Interfund Receivable	13,471.21		13,471.21
Increase (Decrease) in Accounts Payable	2,317.04		2,317.04
(Increase) Decrease in Accounts Receivable - Other	(14,202.20)		(14,202.20)
Total Adjustments	<u>71,251.93</u>		<u>71,251.93</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (206,552.14)</u>	<u>\$ 21,119.32</u>	<u>\$ (185,432.82)</u>

LONG-TERM DEBT

HADDON HEIGHTS SCHOOL DISTRICT
 Statement of Serial Bonds
 For the Fiscal Year Ended June 30, 2023

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds, Series 2012	11/09/12	\$ 11,820,000.00	01/01/24	\$ 815,000.00	3.00%				
			01/01/25	835,000.00	3.00%				
			01/01/26	855,000.00	3.00%				
			01/01/27	865,000.00	3.25%				
			01/01/28	865,000.00	3.25%				
			01/01/29	880,000.00	3.25%				
			01/01/30	875,000.00	3.25%				
						<u>\$ 6,770,000.00</u>		<u>\$ 780,000.00</u>	<u>\$ 5,990,000.00</u>
						<u>\$ 6,770,000.00</u>	<u>\$ -</u>	<u>\$ 780,000.00</u>	<u>\$ 5,990,000.00</u>

HADDON HEIGHTS SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,003,512.00	_____	\$ 1,003,512.00	\$ 1,003,512.00	_____
Total Revenues	<u>1,003,512.00</u>	_____	<u>1,003,512.00</u>	<u>1,003,512.00</u>	_____
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	750,000.00	\$ 30,000.00	780,000.00	780,000.00	
Interest on Bonds	<u>253,513.00</u>	<u>(30,000.00)</u>	<u>223,513.00</u>	<u>223,512.50</u>	\$ 0.50
Total Regular Debt Service	<u>1,003,513.00</u>	_____	<u>1,003,513.00</u>	<u>1,003,512.50</u>	0.50
Total Expenditures	<u>1,003,513.00</u>	_____	<u>1,003,513.00</u>	<u>1,003,512.50</u>	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)		(1.00)	(0.50)	0.50
Fund Balance, July 1	<u>1.54</u>		<u>1.54</u>	<u>1.54</u>	
Fund Balance, June 30	<u>\$ 0.54</u>	<u>\$ -</u>	<u>\$ 0.54</u>	<u>\$ 1.04</u>	<u>\$ 0.50</u>

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

HADDON HEIGHTS SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 11,540,055.17	\$ 11,408,670.81	\$ 11,297,177.65	\$ 11,054,323.16	\$ 10,763,878.78	\$ 10,443,813.67	\$ 10,278,820.51	\$ 10,259,088.89	\$ 10,424,882.09	\$ 9,598,334.16
Restricted	5,065,975.73	3,971,492.36	3,570,629.07	2,440,902.43	1,993,776.91	1,332,799.42	1,126,348.43	937,804.77	733,372.02	779,945.01
Unrestricted (Deficit)	<u>(2,874,590.37)</u>	<u>(3,105,377.97)</u>	<u>(4,112,433.25)</u>	<u>(4,558,327.29)</u>	<u>(5,296,428.41)</u>	<u>(5,513,430.71)</u>	<u>(5,415,405.28)</u>	<u>(5,252,660.78)</u>	<u>(5,337,414.59)</u>	<u>(25,927.65)</u>
Total Governmental Activities Net Assets	\$ 13,731,440.53	\$ 12,274,785.20	\$ 10,755,373.47	\$ 8,936,898.30	\$ 7,461,227.28	\$ 6,263,182.38	\$ 5,989,763.66	\$ 5,944,232.88	\$ 5,820,839.52	\$ 10,352,351.52
Business-type Activities:										
Net Investment in Capital Assets	\$ 45,648.79	\$ 42,206.23	\$ 29,640.14	\$ 38,175.57	\$ 47,267.95	\$ 56,689.53	\$ 57,518.05	66525.24		\$ 1,348.35
Unrestricted	497,845.89	489,548.01	163,081.78	88,736.72	119,119.67	123,066.09	118,734.12	\$ 76,726.52	84,557.84	77,411.05
Total Business-type Activities Net Assets	\$ 543,494.68	\$ 531,754.24	\$ 192,721.92	\$ 126,912.29	\$ 166,387.62	\$ 179,755.62	\$ 176,252.17	\$ 143,251.76	\$ 84,557.84	\$ 78,759.40
Government-wide:										
Net Investment in Capital Assets	\$ 11,585,703.96	\$ 11,450,877.04	\$ 11,326,817.79	\$ 11,092,498.73	\$ 10,811,146.73	\$ 10,500,503.20	\$ 10,336,338.56	\$ 10,325,614.13	\$ 10,424,882.09	\$ 9,599,682.51
Restricted	5,065,975.73	3,971,492.36	3,570,629.07	2,440,902.43	1,993,776.91	1,332,799.42	1,126,348.43	937,804.77	733,372.02	779,945.01
Unrestricted (Deficit)	<u>(2,376,744.48)</u>	<u>(2,615,829.96)</u>	<u>(3,949,351.47)</u>	<u>(4,469,590.57)</u>	<u>(5,177,308.74)</u>	<u>(5,390,364.62)</u>	<u>(5,296,671.16)</u>	<u>(5,175,934.26)</u>	<u>(5,252,856.75)</u>	<u>51,483.40</u>
Total Government-wide Net Position	\$ 14,274,935.21	\$ 12,806,539.44	\$ 10,948,095.39	\$ 9,063,810.59	\$ 7,627,614.90	\$ 6,442,938.00	\$ 6,166,015.83	\$ 6,087,484.64	\$ 5,905,397.36	\$ 10,431,110.92

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

**Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-1

HADDON HEIGHTS SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 9,824,648.20	\$ 8,908,026.20	\$ 8,741,793.04	\$ 8,321,456.07	\$ 8,112,822.64	\$ 7,790,235.63	\$ 7,535,772.54	\$ 7,393,334.32	\$ 7,226,470.67	\$ 7,174,997.68
Special Education	2,720,744.24	2,610,419.32	2,321,929.89	2,400,700.14	2,315,282.64	2,103,503.43	1,871,236.86	1,856,596.31	1,751,182.31	1,772,468.98
Other Special Instruction	330,724.52	620,608.38	565,356.77	517,092.56	520,568.41	497,807.04	473,482.66	491,975.58	438,634.55	494,377.64
Other Instruction	778,438.67	759,044.63	704,601.25	741,659.31	735,822.19	731,714.95	686,959.46	663,970.05	650,963.50	613,960.00
Support Services:										
Tuition	56,221.88	98,818.96	211,302.50	259,878.91	311,154.49	352,976.66	418,713.66	453,570.24	508,925.13	396,738.93
Student and Instruction Related Services	3,613,546.40	3,856,523.29	3,093,558.15	2,417,336.81	2,378,344.08	2,110,443.28	2,110,911.26	2,021,616.93	1,998,425.74	1,906,214.60
School Administrative Services	1,065,353.99	965,252.32	917,645.94	916,440.71	888,740.61	784,267.74	802,844.15	780,990.74	724,186.19	734,213.27
General and Business Administrative Services	1,109,414.06	1,153,779.02	1,057,612.72	1,000,379.87	1,063,161.67	910,028.61	846,602.66	779,845.36	747,271.87	779,237.12
Plant Operations and Maintenance	2,560,221.70	2,331,267.33	2,551,485.11	1,765,805.22	1,760,755.37	1,594,297.90	1,528,409.33	1,493,621.48	1,413,739.77	1,601,364.47
Pupil Transportation	462,481.46	406,602.47	187,415.59	319,361.46	318,093.20	331,620.27	358,857.28	291,293.36	385,957.93	313,191.30
Unallocated Benefits	7,784,197.14	8,849,476.77	11,699,457.00	8,558,748.89	9,565,307.73	11,571,274.51	10,364,626.05	8,449,120.17	8,044,491.58	4,866,149.57
Transfer to Charter Schools	10,000.00			4,186.00						
Interest on Long-term Debt	307,623.83	328,481.09	357,983.09	386,581.09	414,381.09	438,131.09	457,931.09	477,281.09	499,443.59	524,093.59
Unallocated Depreciation	605,530.47	614,498.14	619,002.57	601,229.14	580,885.20	612,790.28	598,189.58	738,266.02	590,058.00	518,782.41
Total Governmental Activities Expenses	31,229,146.56	31,502,797.92	33,029,143.62	28,210,856.18	28,965,319.32	29,829,091.39	28,054,536.58	25,891,481.65	24,979,750.83	21,695,789.56
Business-type Activities:										
Before and After Care Program		4,932.53	1,467.54	58,805.81	81,832.95	88,156.75	69,154.91	99,576.36	83,191.53	59,824.92
Food Service	604,589.92	580,460.52	213,443.46	358,549.15	472,501.50	419,755.67	380,546.37	347,396.39	329,853.97	340,395.49
Total Business-type Activities Expense	604,589.92	585,393.05	214,911.00	417,354.96	554,334.45	507,912.42	449,701.28	446,972.75	413,045.50	400,220.41
Total Government Expenses	\$ 31,833,736.48	\$ 32,088,190.97	\$ 33,244,054.62	\$ 28,628,211.14	\$ 29,519,653.77	\$ 30,337,003.81	\$ 28,504,237.86	\$ 26,338,454.40	\$ 25,392,796.33	\$ 22,096,009.97

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 9,457,194.12	\$ 8,881,102.87	\$ 8,794,699.23	\$ 8,028,080.10	\$ 7,540,679.47	\$ 6,260,408.73	\$ 5,663,140.10	\$ 5,614,675.80	\$ 5,170,339.20	\$ 5,648,498.30
Operating Grants and Contributions	5,411,792.25	6,527,378.68	8,619,791.79	5,229,047.40	6,527,273.05	8,533,665.47	7,556,496.07	5,888,756.50	5,551,409.56	2,489,456.68
Capital Grants and Contributions		44,250.00								
Total Governmental Activities Program Revenues	14,868,986.37	15,452,731.55	17,414,491.02	13,257,127.50	14,067,952.52	14,794,074.20	13,219,636.17	11,503,432.30	10,721,748.76	8,137,954.98
Business-type activities:										
Charges for services										
Before and After Care Program	21,119.32	21,187.68	34.32	39,631.37	69,096.88	95,163.18	89,039.91	84,364.90	87,062.90	73,231.20
Food service	326,785.85	46,233.01	3,679.29	207,762.08	304,822.02	266,598.53	260,755.35	236,287.07	218,100.02	224,429.48
Operating Grants and Contributions	266,451.51	856,937.86	276,979.02	130,115.34	167,025.02	149,638.03	132,889.38	109,470.75	113,669.51	107,945.14
Total Business-type Activities Program Revenues	614,356.68	924,358.55	280,692.63	377,508.79	540,943.92	511,399.74	482,684.64	430,122.72	418,832.43	405,605.82
Total Government Program Revenues	\$ 15,483,343.05	\$ 16,377,090.10	\$ 17,695,183.65	\$ 13,634,636.29	\$ 14,608,896.44	\$ 15,305,473.94	\$ 13,702,320.81	\$ 11,933,555.02	\$ 11,140,581.19	\$ 8,543,560.80
Net (Expense)/Revenue:										
Governmental Activities	\$ (16,360,160.19)	\$ (16,050,066.37)	\$ (15,614,652.60)	\$ (14,953,728.68)	\$ (14,897,366.80)	\$ (15,035,017.19)	\$ (14,834,900.41)	\$ (14,388,049.35)	\$ (14,258,002.07)	\$ (13,557,834.58)
Business-type Activities	9,766.76	338,965.50	65,781.63	(39,846.17)	(13,390.53)	3,487.32	32,983.36	(16,850.03)	5,786.93	5,385.41
Total District-wide Net Expense	\$ (16,350,393.43)	\$ (15,711,100.87)	\$ (15,548,870.97)	\$ (14,993,574.85)	\$ (14,910,757.33)	\$ (15,031,529.87)	\$ (14,801,917.05)	\$ (14,404,899.38)	\$ (14,252,215.14)	\$ (13,552,449.17)

(Continued)

HADDON HEIGHTS SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,436,804.00	\$ 14,153,729.00	\$ 13,822,989.00	\$ 13,525,584.00	\$ 13,075,595.00	\$ 12,358,625.00	\$ 11,924,533.00	\$ 11,690,719.00	\$ 11,413,282.00	\$ 10,919,705.00
Taxes Levied for Debt Service	1,003,512.00	1,003,512.00	1,007,513.00	1,015,713.00	1,023,112.00	1,028,213.00	1,027,712.00	1,036,913.00	891,922.00	949,244.00
Federal and State Aid not Restricted	2,057,100.09	2,095,328.73	2,018,684.81	1,743,470.52	1,828,020.21	1,802,777.66	1,750,276.24	1,736,355.22	1,657,602.98	1,362,983.98
Federal and State Aid Restricted	42,004.74	137,306.92	6,693.80	500.00						
Miscellaneous Income	277,394.69	179,601.45	161,200.54	144,132.18	168,684.49	118,820.25	177,909.95	102,894.88	114,944.90	92,305.09
Transfers								(75,532.43)		
Total Governmental Activities	17,816,815.52	17,569,478.10	17,017,081.15	16,429,399.70	16,095,411.70	15,308,435.91	14,880,431.19	14,491,349.67	14,077,751.88	13,324,238.07
Business-type Activities:										
Miscellaneous Income	1,973.65	66.85	28.00	370.84	22.53	16.13	17.05	11.52	11.51	13.04
Transfers								75,532.43		42,467.14
Total Business-type Activities	1,973.65	66.85	28.00	370.84	22.53	16.13	17.05	75,543.95	11.51	42,480.18
Total Government-wide	\$ 17,818,789.17	\$ 17,569,544.95	\$ 17,017,109.15	\$ 16,429,770.54	\$ 16,095,434.23	\$ 15,308,452.04	\$ 14,880,448.24	\$ 14,566,893.62	\$ 14,077,763.39	\$ 13,366,718.25
Change in Net Position:										
Governmental Activities	\$ 1,456,655.33	\$ 1,519,411.73	\$ 1,402,428.55	\$ 1,475,671.02	\$ 1,198,044.90	\$ 273,418.72	\$ 45,530.78	\$ 103,300.32	\$ (180,250.19)	\$ (233,596.51)
Business-type Activities	11,740.41	339,032.35	65,809.63	(39,475.33)	(13,368.00)	3,503.45	33,000.41	58,693.92	5,798.44	47,865.59
Total Government	\$ 1,468,395.74	\$ 1,858,444.08	\$ 1,468,238.18	\$ 1,436,195.69	\$ 1,184,676.90	\$ 276,922.17	\$ 78,531.19	\$ 161,994.24	\$ (174,451.75)	\$ (185,730.92)

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

**Beginning in 2021 amounts included the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-2

HADDON HEIGHTS SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:										
Restricted	\$ 4,603,551.72	\$ 3,551,072.59	\$ 3,243,265.72	\$ 2,440,400.89	\$ 1,993,775.87	\$ 1,332,797.88	\$ 1,126,347.39	\$ 618,111.77	\$ 401,359.71	\$ 370,847.22
Assigned	1,038,850.78	483,500.61	248,522.57	605,091.26	20,428.43	9,961.53	62,678.25	353,253.14	334,325.92	486,023.35
Unassigned	<u>371,599.34</u>	<u>865,697.89</u>	<u>855,397.49</u>	<u>301,194.48</u>	<u>358,389.36</u>	<u>294,672.89</u>	<u>260,469.67</u>	<u>255,704.46</u>	<u>256,761.83</u>	<u>299,399.47</u>
Total General Fund	<u>\$ 6,014,001.84</u>	<u>\$ 4,900,271.09</u>	<u>\$ 4,347,185.78</u>	<u>\$ 3,346,686.63</u>	<u>\$ 2,372,593.66</u>	<u>\$ 1,637,432.30</u>	<u>\$ 1,449,495.31</u>	<u>\$ 1,227,069.37</u>	<u>\$ 992,447.46</u>	<u>\$ 1,156,270.04</u>
All Other Governmental Funds:										
Restricted:										
Special Revenue Fund	\$ 462,422.97	\$ 420,418.23	\$ 327,361.31	\$ 500.00						
Capital Projects Fund										
Debt Service Fund	<u>1.04</u>	<u>1.54</u>	<u>2.04</u>	<u>1.54</u>	<u>\$ 1.04</u>	<u>\$ 1.54</u>	<u>\$ 1.04</u>	<u>\$ 1.54</u>	<u>\$ 1.04</u>	<u>\$ 145,116.54</u>
Total All Other Governmental Funds	<u>\$ 462,424.01</u>	<u>\$ 420,419.77</u>	<u>\$ 327,363.35</u>	<u>\$ 501.54</u>	<u>\$ 1.04</u>	<u>\$ 1.04</u>	<u>\$ 1.04</u>	<u>\$ 1.54</u>	<u>\$ 1.04</u>	<u>\$ 145,116.54</u>

*Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: District Records

HADDON HEIGHTS SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021*	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 15,440,316.00	\$ 15,157,241.00	\$ 14,830,502.00	\$ 14,541,297.00	\$ 14,098,707.00	\$ 13,386,838.00	\$ 12,952,245.00	\$ 12,727,632.00	\$ 12,305,204.00	\$ 11,868,949.00
Tuition Charges	8,904,148.85	8,406,948.28	8,453,482.88	8,028,080.10	7,540,679.47	6,260,408.73	5,663,140.10	5,614,675.80	5,170,339.20	5,648,498.30
Other Local Revenue	604,159.01	623,601.68	393,463.76							
Miscellaneous	277,394.69	179,601.45	161,200.54	145,395.95	168,684.49	118,820.25	177,909.95	102,894.88	114,944.90	92,305.09
State Sources	8,356,364.76	8,168,498.38	6,851,246.90	5,612,738.46	5,457,974.43	5,047,680.26	4,587,688.04	4,300,190.96	3,985,965.70	3,441,858.86
Federal Sources	1,130,480.58	1,029,279.86	620,884.09	363,190.69	504,709.83	449,322.87	410,449.27	463,197.76	424,965.84	410,581.80
Total Revenue	34,712,863.89	33,565,170.65	31,310,780.17	28,690,702.20	27,770,755.22	25,263,070.11	23,791,432.36	23,208,591.40	22,001,419.64	21,462,193.05
Expenditures:										
Instruction										
Regular Instruction	9,946,682.11	8,864,238.09	8,681,758.22	8,244,538.10	8,040,809.20	7,723,046.70	7,478,734.33	7,317,493.43	7,180,439.67	7,117,647.71
Special Education Instruction	2,720,744.24	2,610,419.32	2,321,929.89	2,400,700.14	2,315,282.64	2,103,503.43	1,871,236.86	1,856,596.31	1,751,182.31	1,772,468.98
Other Special Instruction	330,724.52	620,608.38	565,356.77	517,092.56	520,568.41	497,807.04	473,482.66	491,975.58	438,634.55	494,377.64
Other Instruction	778,438.67	759,044.63	704,601.25	741,659.31	735,822.19	731,714.95	686,959.46	663,970.05	650,963.50	613,960.00
Support Services:										
Tuition	56,221.88	98,818.96	211,302.50	259,878.91	311,154.49	352,976.66	418,713.66	453,570.24	508,925.13	396,738.93
Student and Instruction Related Services	3,613,546.40	3,856,523.29	3,093,558.15	2,417,336.81	2,378,344.08	2,110,443.28	2,110,911.26	2,021,616.93	1,998,425.74	1,906,214.60
School Administrative Services	1,065,353.99	965,252.32	917,645.94	916,440.71	888,740.61	784,267.74	802,844.15	780,990.74	724,186.19	734,213.27
Other Administrative Services	1,109,414.06	1,153,779.02	1,057,612.72	1,000,379.87	1,063,161.67	910,028.61	846,602.66	779,845.36	747,271.87	779,237.12
Plant Operations and Maintenance	2,560,221.70	2,331,267.33	2,551,485.11	1,765,805.22	1,760,755.37	1,594,297.90	1,528,409.33	1,493,621.48	1,413,739.77	1,601,364.47
Pupil Transportation	462,481.46	406,602.47	187,415.59	319,361.46	318,093.20	331,620.27	358,857.28	291,293.36	385,957.93	313,191.30
Transfer to Charter Schools	10,000.00			4,186.00						
Unallocated Benefits/On-Behalf Contributions	10,403,048.17	10,139,214.61	8,812,426.72	7,759,457.06	7,301,817.66	6,642,272.58	5,849,614.77	5,632,361.32	5,219,749.23	4,878,418.11
Capital Outlay	7,020.20	44,250.00	221,362.47	288,062.08	312,434.34	199,442.96	49,430.00	153,721.69	253,844.33	146,098.00
Debt Service:										
Principal	780,000.00	750,000.00	725,000.00	705,000.00	685,000.00	670,000.00	650,000.00	640,000.00	615,000.00	590,000.00
Interest and Other Charges	289,010.50	319,010.50	348,010.50	376,210.50	403,610.50	423,710.50	443,210.50	396,912.50	422,037.50	446,212.50
Total Expenditures	34,132,907.90	32,919,028.92	30,399,465.83	27,716,108.73	27,035,594.36	25,075,132.62	23,569,006.92	22,973,968.99	22,310,357.72	21,790,142.63
Net Change in Fund Balances	\$ 1,155,734.99	\$ 646,141.73	\$ 911,314.34	\$ 974,593.47	\$ 735,160.86	\$ 187,937.49	\$ 222,425.44	\$ 234,622.41	\$ (308,938.08)	\$ (327,949.58)
Debt Service as a Percentage of Noncapital Expenditures	3.13%	3.25%	3.56%	3.94%	4.07%	4.40%	4.65%	4.54%	4.70%	4.79%

*Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: District Records

HADDON HEIGHTS SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest	\$ 26,981.99	\$ 3,191.08	\$ 2,214.39	\$ 10,886.26	\$ 209.79	\$ 1,441.69	\$ 1,346.19	\$ 1,534.98	\$ 1,598.40	\$ 1,892.18
Refunds	22,102.31	44,823.88	8,597.08	20,851.00	64,188.76	32,182.84	65,322.19	29,836.18	23,360.35	17,366.52
Activity Fees			50,000.00	33,148.00	65,847.50	62,597.00	62,142.50	56,014.00	48,199.34	49,420.00
Insurance Reimbursements	128,793.59	56,227.33	38,646.96							
Miscellaneous	99,516.80	74,169.04	61,149.91	77,138.07	38,417.97	22,394.16	48,894.71	15,305.56	41,582.86	23,424.34
Total Miscellaneous Revenues	<u>\$ 277,394.69</u>	<u>\$ 178,411.33</u>	<u>\$ 160,608.34</u>	<u>\$ 142,023.33</u>	<u>\$ 168,664.02</u>	<u>\$ 118,615.69</u>	<u>\$ 177,705.59</u>	<u>\$ 102,690.72</u>	<u>\$ 114,740.95</u>	<u>\$ 92,103.04</u>

Source: District Records

REVENUE CAPACITY INFORMATION

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

HADDON HEIGHTS SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2023	\$ 236,400.00	\$ 763,400,100.00	None	\$ 80,812,800.00	\$ 385,300.00	\$ 6,784,100.00	\$ 851,618,700.00	\$ 100.00	\$ 851,618,800.00	\$ 92,485,100.00	\$ 920,388,382.00	\$ 1.848
2022	422,700.00	755,825,500.00	None	80,100,100.00	517,600.00	6,529,700.00	843,395,600.00	877,519.00	844,273,119.00	92,710,100.00	890,078,371.00	1.812
2021	580,600.00	750,305,700.00	None	80,252,600.00	517,600.00	6,529,700.00	838,186,200.00	889,106.00	839,075,306.00	92,848,900.00	857,904,878.00	1.787
2020	715,600.00	747,237,600.00	None	80,234,100.00	517,600.00	6,529,700.00	835,234,600.00	871,467.00	836,106,067.00	92,854,400.00	843,881,838.00	1.756
2019	467,300.00	744,211,600.00	None	80,455,600.00	517,600.00	6,529,700.00	832,181,800.00	862,242.00	833,044,042.00	92,377,500.00	829,652,735.00	1.719
2018	521,300.00	743,699,000.00	None	80,548,400.00	517,600.00	6,440,300.00	831,726,600.00	842,737.00	827,606,522.00	93,136,500.00	832,674,329.00	1.651
2017	1,257,500.00	738,047,400.00	None	80,496,000.00	517,600.00	6,440,300.00	826,758,800.00	847,722.00	827,606,522.00	93,003,600.00	820,881,797.00	1.591
2016	1,919,800.00	732,906,700.00	None	80,213,200.00	517,600.00	6,440,300.00	821,997,600.00	842,591.00	822,840,191.00	92,077,900.00	818,751,085.00	1.560
2015	1,994,700.00	729,880,000.00	None	80,770,500.00	517,600.00	6,459,300.00	819,622,100.00	836,245.00	820,458,345.00	92,077,900.00	800,496,688.00	1.537
2014	981,600.00	730,310,000.00	None	79,978,000.00	517,600.00	6,459,300.00	818,246,500.00	819,831.00	819,066,331.00	95,143,600.00	798,085,992.00	1.465

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) School Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

HADDON HEIGHTS SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	<u>Borough of Haddon Heights</u>	<u>Municipal Library</u>	<u>Camden County</u>	
2023	\$ 1.730	\$ 0.118	\$ 1.848	\$ 0.788	\$ 0.036	\$ 0.732	\$ 3.404
2022	1.693	0.119	1.812	0.771	0.035	0.777	3.395
2021	1.667	0.120	1.787	0.752	0.034	0.812	3.385
2020	1.634	0.122	1.756	0.734	0.033	0.806	3.329
2019	1.597	0.122	1.719	0.710	0.033	0.812	3.274
2018	1.527	0.123	1.651	0.696	0.033	0.841	3.221
2017	1.467	0.124	1.591	0.680	0.033	0.832	3.136
2016	1.435	0.125	1.560	0.665	0.033	0.829	3.088
2015	1.420	0.118	1.537	0.647	0.032	0.808	3.024
2014	1.353	0.113	1.465	0.647	0.032	0.784	2.928

Source: Municipal Tax Collector

HADDON HEIGHTS SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2023			2014		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
500 Grove Associates	\$ 3,250,000.00	1	0.38%	\$ 4,121,000.00	2	0.50%
515 Grove Street Associates	2,670,300.00	2	0.31%	3,216,000.00	3	0.39%
J B Investments	2,372,200.00	3	0.28%	2,372,200.00	4	0.29%
Cor V Properties	1,875,200.00	4	0.22%	1,875,000.00	5	0.23%
Haddon Savings Bank	1,687,500.00	5	0.20%	1,692,800.00	6	0.21%
Costel White Horse LLC	1,598,000.00	6	0.19%	1,598,000.00	7	0.20%
17 White Horse LLC	1,405,000.00	7	0.16%			N/A
Noodle Station LLC	1,320,000.00	8	0.15%			N/A
131 White Horse Pike, LLC	1,145,100.00	9	0.13%			N/A
Retner, Ron Cherry Hill Plazas	1,050,000.00	10	0.12%	1,250,000.00	9	0.15%
Haddon Heights Condo Association			N/A	4,244,100.00	1	0.52%
Medical Heights Associates			N/A	1,275,000.00	8	0.16%
Haddon Kings Manor			N/A	1,232,000.00	10	0.15%
Total	\$ 18,373,300.00		2.16%	\$ 22,876,100.00		2.79%

Source: Municipal Tax Assessor

HADDON HEIGHTS SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2023	\$ 15,440,316.00	\$ 15,440,316.00	100.00%	
2022	15,157,241.00	15,157,241.00	100.00%	
2021	14,830,502.00	14,830,502.00	100.00%	
2020	14,541,297.00	14,541,297.00	100.00%	
2019	14,098,707.00	14,098,707.00	100.00%	
2018	13,386,838.00	13,386,838.00	100.00%	
2017	12,952,245.00	12,952,245.00	100.00%	
2016	12,727,632.00	12,727,632.00	100.00%	
2015	12,305,204.00	12,305,204.00	100.00%	
2014	11,868,949.00	11,868,949.00	100.00%	

(1) 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.

Source: District Records

DEBT CAPACITY INFORMATION

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of its outstanding debt and its debt capacity.

HADDON HEIGHTS SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Business-Type <u>Activities</u>	<u>Total District</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Financed Purchases</u>	<u>Financed Purchases</u>			
2023	\$ 5,990,000.00	\$ 428,110.28		\$ 6,418,110.28	Unavailable	Unavailable
2022	6,770,000.00			6,770,000.00	1.47%	\$ 904.60
2021	7,520,000.00			7,520,000.00	1.71%	1,004.27
2020	8,245,000.00			8,245,000.00	1.96%	1,095.10
2019	8,950,000.00			8,950,000.00	2.19%	1,186.85
2018	9,635,000.00			9,635,000.00	2.45%	1,269.77
2017	10,305,000.00			10,305,000.00	2.75%	1,358.07
2016	10,955,000.00			10,955,000.00	3.02%	1,452.15
2015	11,595,000.00			11,595,000.00	3.29%	1,543.12
2014	12,210,000.00			12,210,000.00	3.64%	1,655.59

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Population data provided by the NJ Dept of Labor and Workforce Development

HADDON HEIGHTS SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2023	\$ 5,990,000.00	-	\$ 5,990,000.00	0.70%	Unavailable
2022	6,770,000.00	-	6,770,000.00	0.80%	\$ 904.60
2021	7,520,000.00	-	7,520,000.00	0.90%	1,004.27
2020	8,245,000.00	-	8,245,000.00	0.99%	1,095.10
2019	8,950,000.00	-	8,950,000.00	1.07%	1,186.85
2018	9,635,000.00	-	9,635,000.00	1.16%	1,269.77
2017	10,305,000.00	-	10,305,000.00	1.25%	1,358.07
2016	10,955,000.00	-	10,955,000.00	1.33%	1,452.15
2015	11,595,000.00	-	11,595,000.00	1.41%	1,543.12
2014	12,210,000.00	-	12,210,000.00	1.49%	1,655.59

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

HADDON HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Haddon Heights</u>
Municipal Debt: (1)				
Haddon Heights School District	\$ 6,770,000.00	\$ 6,770,000.00		
Borough of Haddon Heights	4,968,986.16	19,384.04	\$ 4,949,602.12	\$ 4,949,602.12
	<u>11,738,986.16</u>	<u>6,789,384.04</u>	<u>4,949,602.12</u>	<u>4,949,602.12</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	63,215,196.00	25,514,196.00 (3)	37,701,000.00	720,089.10 (5)
Notes	27,980,000.00		27,980,000.00	534,418.00 (5)
Loan Agreement	335,270,000.00		335,270,000.00	6,403,657.00 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>225,287,067.00</u>	<u>225,287,067.00 (4)</u>		
	s <u>651,752,263.00</u>	<u>250,801,263.00</u>	<u>400,951,000.00</u>	<u>7,658,164.10</u>
	<u>\$ 663,491,249.16</u>	<u>\$ 257,590,647.04</u>	<u>\$ 405,900,602.12</u>	<u>\$ 12,607,766.22</u>

Sources:

- (1) 2022 Annual Debt Statement
 - (2) County's 2022 Audit Report
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Borough's share of the total 2022 Equalized Value, which is 1.91%.
- The source for this computation was the 2022 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

HADDON HEIGHTS SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis (1)
	2022 \$ 910,106,399.00
	2021 882,301,263.00
	2020 <u>852,628,216.00</u>
	[A] <u>\$ 881,678,626.00</u>
Debt limit (4% of average equalization value) (2)	[B] \$ 35,267,145.04
Total Net Debt Applicable to Limit	[C] <u>5,990,000.00</u>
Legal Debt Margin	[B-C] <u>\$ 29,277,145.04</u>

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 35,267,145.04	\$ 34,313,123.95	\$ 33,574,845.83	\$ 33,212,310.93	\$ 32,883,033.51	\$ 32,711,778.96	\$ 32,330,100.97	\$ 32,104,755.32	\$ 31,812,627.72	\$ 31,825,459.20
Total net debt applicable to limit (3)	<u>5,990,000.00</u>	<u>6,770,000.00</u>	<u>7,520,000.00</u>	<u>8,245,000.00</u>	<u>8,950,000.00</u>	<u>9,635,000.00</u>	<u>10,305,000.00</u>	<u>10,955,000.00</u>	<u>11,595,000.00</u>	<u>12,210,000.00</u>
Legal debt margin	<u>\$ 29,277,145.04</u>	<u>\$ 27,543,123.95</u>	<u>\$ 26,054,845.83</u>	<u>\$ 24,967,310.93</u>	<u>\$ 23,076,778.96</u>	<u>\$ 22,025,100.97</u>	<u>\$ 21,149,755.32</u>	<u>\$ 20,217,627.72</u>	<u>\$ 19,615,459.20</u>	<u>\$ 19,056,802.20</u>
Total net debt applicable to the limit as a percentage of debt limit	16.98%	19.73%	22.40%	24.83%	27.22%	29.45%	31.87%	34.12%	36.45%	38.37%

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 12 District.
 (3) District Records

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

HADDON HEIGHTS SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	Unavailable	Unavailable	Unavailable	Unavailable
2022	7,484	Unavailable	Unavailable	2.50%
2021	7,488	\$ 461,575,296.00	\$ 61,642.00	4.20%
2020	7,509	441,754,470.00	58,830.00	6.80%
2019	7,529	419,967,620.00	55,780.00	2.50%
2018	7,541	407,990,723.00	54,103.00	2.80%
2017	7,588	393,650,264.00	51,878.00	2.90%
2016	7,544	372,613,248.00	49,392.00	3.30%
2015	7,514	361,303,176.00	48,084.00	4.00%
2014	7,375	345,784,250.00	46,886.00	4.60%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

OPERATING INFORMATION

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

HADDON HEIGHTS SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction										
Regular	120	110	110	110	107	107	106	102	103	104
Special education	52	53	53	52.5	51	40	39	41	34	18
Support Services:										
Student & instruction related services	12	18	18	18	18	18	16	17	17	17
General administrative services	3	4	2	2	2	2	2	2	2	2
School administrative services	7	10	12	12	12	12	12	12	11	11
Business administrative services	5	5	5	4.5	4	4	4	4	4	4
Plant operations and maintenance	17	19	19	19	18	19	19	19	21	22
Pupil transportation	2	2	4	4	4	4	4	4	4	4
Total	<u>218</u>	<u>221</u>	<u>223</u>	<u>222</u>	<u>216</u>	<u>206</u>	<u>202</u>	<u>201</u>	<u>195</u>	<u>196</u>

Source: District Records

HADDON HEIGHTS SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio District	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2023	1,474	\$ 33,056,877.20	\$ 22,426.65	5.41%	130	1:10.9	1,471.20	1,396.50	-1.77%	94.92%
2022	1,495	31,805,768.42	21,274.76	10.81%	130	1:10.9	1,557.30	1,478.00	3.12%	94.91%
2021	1,516	29,105,092.86	19,198.61	8.94%	130	1:10.9	1,497.68	1,460.41	-0.83%	97.51%
2020	1,495	26,346,836.15	17,623.30	0.03%	130	1:10.9	1,510.23	1,472.96	3.25%	97.53%
2019	1,455	25,634,549.52	17,618.25	4.01%	130	1:10.8	1,462.65	1,406.68	3.42%	96.17%
2018	1,404	23,781,979.16	16,938.73	-2.11%	130	1:10.8	1,414.27	1,358.91	5.25%	96.09%
2017	1,296	22,426,366.42	17,304.30	3.11%	128	1:10.5	1,343.77	1,293.33	3.68%	96.25%
2016	1,298	21,783,334.80	16,782.23	2.92%	129	1:10.0	1,296.09	1,245.52	0.55%	96.10%
2015	1,289	21,019,475.89	16,306.81	1.68%	124	1:10.4	1,288.99	1,229.14	1.77%	95.36%
2014	1,285	20,607,832.13	16,037.22	1.29%	126	1:10.2	1,266.51	1,195.21	-2.34%	94.37%

Source: District records

HADDON HEIGHTS SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>District Building</u>										
<u>High School</u>										
Junior/Senior High School (1923)										
Square Feet	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627
Capacity (students)	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Enrollment	968	986	956	944	873	848	800	740	755	739
<u>Elementary</u>										
Glenview Avenue Elementary (1964)										
Square Feet	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167
Capacity (students)	236	236	236	236	236	236	236	236	236	236
Enrollment	253	258	261	269	277	273	254	265	247	234
Atlantic Avenue Elementary (1964)										
Square Feet	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416
Capacity (students)	157	157	157	157	157	157	157	157	157	157
Enrollment	107	114	122	149	144	152	153	154	153	160
Seventh Avenue Elementary (1907)										
Square Feet	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225
Capacity (students)	138	138	138	138	138	138	138	138	138	138
Enrollment	144	137	124	133	130	131	138	137	133	128

Number of Schools at June 30, 2023

 High School = 1

 Elementary = 3

Source: District Records

HADDON HEIGHTS SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Junior/Senior High School		\$ 331,694.67	\$381,417.95	\$ 576,915.39	\$ 192,370.64	\$ 146,213.90	\$ 316,469.16	\$ 202,800.15	\$ 178,938.55	\$ 120,946.69	\$ 214,778.30
Glenview Avenue Elementary		99,127.32	51,333.47	196,907.48	37,839.00	35,199.50	10,591.55	14,496.66	9,198.15	8,657.11	25,167.42
Atlantic Avenue Elementary		61,578.49	84,958.27	90,896.73	38,510.00	25,458.14	6,876.35	10,806.70	5,774.59	6,019.66	10,961.35
Seventh Avenue Elementary		73,237.96	46,693.79	100,620.25	34,769.00	28,482.91	6,916.00	15,509.39	7,120.47	10,841.53	8,102.00
Total School Facilities		<u>565,638.45</u>	<u>564,403.48</u>	<u>965,339.86</u>	<u>303,488.64</u>	<u>235,354.45</u>	<u>340,853.06</u>	<u>243,612.90</u>	<u>201,031.76</u>	<u>146,464.99</u>	<u>259,009.07</u>
Other Facilities											
Grand Total		<u>\$ 565,638.45</u>	<u>\$564,403.48</u>	<u>\$ 965,339.86</u>	<u>\$ 303,488.64</u>	<u>\$ 235,354.45</u>	<u>\$ 340,853.06</u>	<u>\$ 243,612.90</u>	<u>\$ 201,031.76</u>	<u>\$ 146,464.99</u>	<u>\$ 259,009.07</u>

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

Source: District Records

HADDON HEIGHTS SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 175,000,000.00	\$ 500.00
General and automotive liability	20,000,000.00	
Boiler and machinery	125,000,000.00	1,000.00
Crime coverage	500,000.00	
Educator's Legal Liability	20,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Cyber Liability	2,000,000.00	
Terrorism (Property - Certified or Non-Certified Event)	75,000,000.00	10,000.00
Disaster Management Services	1,000,000.00	10,000.00
Umbrella Liability	50,000,000.00	
Workers Compensation Coverage	Statutory	
Bonds		
Board Secretary	220,000.00	
Treasurer of School Moneys	250,000.00	

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Haddon Heights School District
Haddon Heights, New Jersey 08035

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Haddon Heights School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated April 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Haddon Heights School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Haddon Heights School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Haddon Heights School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2023-001.

The Haddon Heights School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
April 8, 2024

Exhibit K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Haddon Heights School District
Haddon Heights, New Jersey 08035

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Haddon Heights School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Haddon Heights School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School 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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School 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 School 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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
April 8, 2024

HADDON HEIGHTS SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2023

Federal Grant / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Agriculture:							
Child Nutrition Cluster:							
National School Lunch Program:							
Non-Cash Assistance (Food Distribution):							
National School Lunch Program - Commodities (Noncash)	10.555	N/A	221NJ304N1099	N/A	\$ 40,143.12	7-1-21	6-30-22
National School Lunch Program - Commodities (Noncash)	10.555	N/A	231NJ304N1099	N/A	61,220.15	7-1-22	6-30-23
Cash Assistance:							
COVID Supply Chain Assistance Award	10.555	N/A	221NJ304N1099	N/A	35,154.52	7-1-21	6-30-22
COVID Supply Chain Assistance Award	10.555	N/A	231NJ304N1099	N/A	49,650.63	7-1-22	6-30-23
National School Lunch Program	10.555	N/A	221NJ304N1099	N/A	525,588.61	7-1-21	6-30-22
National School Lunch Program	10.555	N/A	231NJ304N1099	N/A	127,147.22	7-1-22	6-30-23
Total National School Lunch Program							
School Breakfast Program:							
School Breakfast Program	10.553	N/A	221NJ304N1099	N/A	214,597.66	7-1-21	6-30-22
School Breakfast Program	10.553	N/A	231NJ304N1099	N/A	22,107.35	7-1-22	6-30-23
Total School Breakfast Program							
Total Child Nutrition Cluster							
Total Enterprise Fund & Total U.S. Department of Agriculture							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
ESEA:							
Title I Grants to Local Education Agencies	84.010	N/A	S010A210030	ESEA188022	81,042.00	7-1-21	9-30-22
Title I Grants to Local Education Agencies	84.010	N/A	S010A220030	ESEA188023	16,342.00	7-1-22	9-30-23
Total Title I Grants to Local Education Agencies							
Supporting Effective Instruction State Grants (Title II)	84.367	84.367A	S367A200029	ESEA188022	18,832.00	7-1-21	9-30-22
Supporting Effective Instruction State Grants (Title II)	84.367	84.367A	S367A210029	ESEA188023	20,988.00	7-1-22	9-30-23
Total Supporting Effective Instruction State Grants (Title II)							
Student Support & Academic Achievement Grant (Title IV)	84.424	84.424A	S42A210031	ESEA188022	10,000.00	7-1-21	9-30-22
Student Support & Academic Achievement Grant (Title IV)	84.424	84.424A	S42A210031	ESEA188022	10,000.00	7-1-22	9-30-23
Total Student Support & Academic Achievement Grant (Title IV)							
Individuals with Disabilities Education Act (IDEA):							
Special Education Cluster (IDEA):							
Special Education Grants to States (IDEA Basic)	84.027	84.027A	H027A210100	IDEA188022	364,616.00	7-1-21	9-30-22
Special Education Grants to States (IDEA Basic)	84.027	84.027A	H027A210100	IDEA188023	391,868.00	7-1-22	9-30-23
ARP - Special Education Grants to States (IDEA Basic)	84.027	COVID-19, 84.027x	H027X210100	IDEA188022	83,728.00	7-1-21	9-30-22
Total Special Education Grants to States (IDEA Basic)							
ARP - Special Education Preschool Grants (IDEA Preschool)	84.173	COVID-19, 84.173x	H173X210114	IDEA188022	7,143.00	7-1-21	9-30-22
Special Education Preschool Grants (IDEA Preschool)	84.173	N/A	H173A210114	IDEA188022	12,284.00	7-1-21	9-30-22
Special Education Preschool Grants (IDEA Preschool)	84.173	N/A	H173A210114	IDEA188023	14,408.00	7-1-22	9-30-23
Total Special Education Grants to States (IDEA Preschool)							
Total Special Education Cluster (IDEA)							
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Consolidated:							
Elementary and Secondary School Emergency Relief Fund	84.425	COVID-19, 84.425D	S425D210027	N/A	313,234.00	3-13-20	9-30-23
CR Learning Acceleration	84.425	COVID-19, 84.425D	S425D210027	N/A	25,000.00	3-13-20	9-30-23
CR Mental Health	84.425	COVID-19, 84.425D	S425D210027	N/A	45,000.00	3-13-20	9-30-23
Total CRRSA Consolidated							
American Rescue Plan:							
Elementary and Secondary Schools Relief (ESSER)	84.425U		S425U210027	N/A	703,974.00	3-13-20	9-30-24
Accelerated Learning Coach and Educator Support	84.425U		S425U210027	N/A	81,390.00	3-13-20	9-30-24
Evidence Based Summer Learning and Enrichment	84.425U		S425U210027	N/A	40,000.00	3-13-20	9-30-24
NJTSS Mental Health Support	84.425U		S425U210027	N/A	45,000.00	3-13-20	9-30-24
Total American Rescue Plan:							
Total Special Revenue Fund							
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Medical Assistance Program (Medicaid)	93.778		2105NJMAP	N/A		7-1-21	6-30-22
Medical Assistance Program (SEMI) Cluster	93.778	N/A	2105NJMAP	N/A	23,094.09	7-1-22	6-30-23
Total Medical Assistance Program (SEMI) Cluster and Total General Fund							
Total Federal Financial Assistance							

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance June 30, 2022	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balance	Balance at June 30, 2023		
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 2,557.50		\$ 58,662.65	\$ (2,557.50) (58,662.65)		\$ (2,557.50) (58,662.65)						
(35,154.52)		35,154.52									
(100,968.13)		49,650.63	(49,650.63)		(49,650.63)						
		100,968.13									
		118,611.92	(127,147.22)		(127,147.22)				\$ (8,535.30)		
(133,565.15)		363,047.85	(238,018.00)		(238,018.00)				(8,535.30)		
(46,569.60)		46,569.60									
		20,481.31	(22,107.35)		(22,107.35)				(1,626.04)		
(46,569.60)		67,050.91	(22,107.35)		(22,107.35)				(1,626.04)		
(180,134.75)		430,098.76	(260,125.35)		(260,125.35)				(10,161.34)		
(180,134.75)		430,098.76	(260,125.35)		(260,125.35)				(10,161.34)		
(45,778.80)	\$ (45,305.00) 45,305.00	31,779.00 45,305.00	(61,647.00)		(61,647.00)		\$ 13,999.80		\$ (16,342.00)		
(45,778.80)		77,084.00	(61,647.00)		(61,647.00)		13,999.80		(16,342.00)		
(4,454.00)		4,454.00									
		2,712.00	(6,227.00)		(6,227.00)				(3,515.00)		
(4,454.00)		7,166.00	(6,227.00)		(6,227.00)				(3,515.00)		
(2,833.64)		2,834.00					(0.36)				
		690.00	(9,624.44)		(9,624.44)				(8,934.44)		
(2,833.64)		3,524.00	(9,624.44)		(9,624.44)		(0.36)		(8,934.44)		
(193,839.21)		235,734.00					(41,894.79)	12,230.75			
(83,650.40)		375,907.00	(426,983.01)		(426,983.01)		0.40		(51,176.01)		
		83,650.00									
(277,489.61)		695,191.00	(426,983.01)		(426,983.01)		(41,894.39)	12,230.75	(51,176.01)		
(7,143.00)		7,143.00									
(18,235.58)		16,199.00					2,036.58				
		12,107.00	(19,228.83)		(19,228.83)				(7,121.83)		
(25,378.58)		35,449.00	(19,228.83)		(19,228.83)		2,036.58		(7,121.83)		
(302,868.19)		730,640.00	(446,211.84)		(446,211.84)		(39,857.81)	12,230.75	(58,297.84)		
(289,777.44)			(23,358.43)		(23,358.43)				(313,135.87)		
(14,063.00)			(8,058.48)		(8,058.48)				(22,121.48)		
(34,629.20)		45,000.00	(10,370.80)		(10,370.80)						
(338,469.64)		45,000.00	(41,787.71)		(41,787.71)				(335,257.35)		
		94,663.00	(199,908.52)		(199,908.52)				(105,245.52)		
		5,518.00	(5,518.26)		(5,518.26)				(0.26)		
		23,190.00	(23,190.00)		(23,190.00)						
		29,955.00	(36,445.00)		(36,445.00)				(6,490.00)		
		153,326.00	(265,061.78)		(265,061.78)				(111,735.78)		
(694,404.27)		1,016,740.00	(830,559.77)		(830,559.77)		(25,858.37)	12,230.75	(534,082.41)		
(10,920.32)		10,920.32									
		23,094.09	(23,094.09)		(23,094.09)						
(10,920.32)		34,014.41	(23,094.09)		(23,094.09)						
\$ (885,459.34)	\$ -	\$ 1,480,853.17	\$ (1,113,779.21)	\$ -	\$ (1,113,779.21)	\$ -	\$ (25,858.37)	\$ 12,230.75	\$ (544,243.75)	\$ -	\$ -

HADDON HEIGHTS SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022			
			From	To	Unearned Revenues/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received
General Fund:								
New Jersey Department of Education:								
State Aid - Public:								
Equalization Aid	22-495-034-5120-078	446,874.00	7-1-21	6-30-22	\$ (42,243.00)			\$ 42,243.00
Equalization Aid	23-495-034-5120-078	446,874.00	7-1-22	6-30-23				404,167.00
Special Education Categorical Aid	22-495-034-5120-089	501,850.00	7-1-21	6-30-22	(47,439.00)			47,439.00
Special Education Categorical Aid	23-495-034-5120-089	501,850.00	7-1-22	6-30-23				453,889.00
Security Aid	22-495-034-5120-084	81,344.00	7-1-21	6-30-22	(7,689.00)			7,689.00
Security Aid	23-495-034-5120-084	81,344.00	7-1-22	6-30-23				73,570.00
School Choice Aid	22-495-034-5120-088	806,922.00	7-1-21	6-30-22	(76,277.00)			76,277.00
School Choice Aid	23-495-034-5120-088	788,176.00	7-1-22	6-30-23				712,852.00
Adjustment Aid	22-495-034-5120-085	45,529.00	7-1-21	6-30-22	(4,304.00)			4,304.00
Adjustment Aid	23-495-034-5120-085	27,564.00	7-1-22	6-30-23				24,930.00
Total State Aid - Public					(177,952.00)			1,847,360.00
Transportation Aid	22-495-034-5120-014	118,664.00	7-1-21	6-30-22	(11,217.00)			11,217.00
Transportation Aid	23-495-034-5120-014	118,664.00	7-1-22	6-30-23				107,324.00
Total Transportation Aid					(11,217.00)			118,541.00
Other State Aid - Extraordinary Aid	22-100-034-5120-044	70,516.00	7-1-21	6-30-22	(70,516.00)			70,516.00
Other State Aid - Extraordinary Aid	23-100-034-5120-044	55,313.00	7-1-22	6-30-23				
Total Other State Aid - Extraordinary Aid					(70,516.00)			70,516.00
Other State Aid - Lead Testing Reimbursement	22-100-034-5120-104	3,701.00	7-1-21	6-30-22	(3,701.00)			3,701.00
Other State Aid -								
Non-Public Transportation Aid	22-495-034-5120-014	13,050.00	7-1-21	6-30-22	(13,050.00)			13,050.00
Non-Public Transportation Aid	23-495-034-5120-014	12,792.00	7-1-22	6-30-23				
Total Non-Public Transportation Aid					(13,050.00)			13,050.00
Reimbursed T.P.A.F. Social Security	22-495-034-5095-003	825,040.11	7-1-21	6-30-22	(40,975.51)			40,975.51
Reimbursed T.P.A.F. Social Security	23-495-034-5095-003	853,653.01	7-1-22	6-30-23				812,088.28
Total Reimbursed T.P.A.F. Social Security					(40,975.51)			853,063.79
On-behalf TPAF Pension Contributions:								
T.P.A.F. Post-Retirement Medical	23-495-034-5094-001	1,028,269.00	7-1-22	6-30-23				1,028,269.00
T.P.A.F. Pension Contributions - Normal Cost	23-495-034-5094-002	3,860,706.00	7-1-22	6-30-23				3,860,706.00
T.P.A.F. Long-Term Disability Insurance	23-495-034-5094-004	1,710.00	7-1-22	6-30-23				1,710.00
T.P.A.F. Non-Contributory Insurance	23-495-034-5094-004	53,563.00	7-1-22	6-30-23				53,563.00
Total On-behalf TPAF Pension Contributions:								4,944,248.00
Total General Fund					(317,411.51)			7,850,479.79
Special Revenue Fund:								
New Jersey Department of Education:								
NJ Nonpublic Aid:								
Textbook Aid	22-100-034-5120-064	19,747.00	7-1-21	6-30-22	\$ 216.00			24,816.00
Textbook Aid	23-100-034-5120-064	24,816.00	7-1-22	6-30-23				
Nursing Aid	22-100-034-5120-070	36,848.00	7-1-21	6-30-22	75.00			42,224.00
Nursing Aid	23-100-034-5120-070	42,224.00	7-1-22	6-30-23				
Technology Initiative Aid	22-100-034-5120-373	13,818.00	7-1-21	6-30-22	247.00			15,792.00
Technology Initiative Aid	23-100-034-5120-373	15,792.00	7-1-22	6-30-23				
Security Aid	22-100-034-5120-509	57,575.00	7-1-21	6-30-22	19.00			77,285.00
Security Aid	23-100-034-5120-509	77,285.00	7-1-22	6-30-23				
Auxiliary Services:								
Compensatory Education	22-100-034-5120-067	145,119.00	7-1-21	6-30-22	11,466.00			151,212.00
Compensatory Education	23-100-034-5120-067	151,212.00	7-1-22	6-30-23				
Handicapped Transportation	22-100-034-5120-068	16,618.00	7-1-21	6-30-22	6,658.00			18,219.00
Handicapped Transportation	23-100-034-5120-068	18,219.00	7-1-22	6-30-23				
Handicapped Services:								
Supplemental Instruction	22-100-034-5120-066	42,126.00	7-1-21	6-30-22	9,499.00			40,969.00
Supplemental Instruction	23-100-034-5120-066	40,969.00	7-1-22	6-30-23				
Examination & Classification	22-100-034-5120-066	43,801.00	7-1-21	6-30-22	2,659.00			64,470.00
Examination & Classification	23-100-034-5120-066	64,470.00	7-1-22	6-30-23				
Corrective Speech	22-100-034-5120-066	39,060.00	7-1-21	6-30-22	18,321.00			31,620.00
Corrective Speech	23-100-034-5120-066	31,620.00	7-1-21	6-30-22				
Total NJ Nonpublic Aid						49,160.00		466,607.00
School Security Grant	22E00124	85,294.00	07/01/20	06/30/24				
Emergent and Capital Maintenance Needs Grant	EG-0143-D01	39,527.00	07/01/21	08/31/23				39,527.00
Climate Education Grant	23-WB01-G-02	6,660.00	04/01/23	06/30/23				5,955.00
Total Special Revenue Fund						49,160.00		512,089.00
Enterprise Fund:								
New Jersey Department of Agriculture:								
State School Lunch Program	22-100-010-3350-023	13,181.05	7-1-21	6-30-22	(2,323.65)			2,323.65
State School Lunch Program	23-100-010-3350-023	5,834.16	7-1-22	6-30-23				5,440.47
State School Breakfast Program	495-010-3350-002	492.00	7-1-22	6-30-23				459.00
Total Enterprise Fund					(2,323.65)			8,223.12
Total State Financial Assistance					\$ (319,735.16)	\$ 49,160.00	\$ -	\$ 8,325,309.91
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-behalf TPAF Pension Contribution:								
T.P.A.F. Post-Retirement Medical	23-495-034-5094-001	1,028,269.00	7-1-22	6-30-23				
T.P.A.F. Pension Contributions - Normal Cost	23-495-034-5094-002	3,860,706.00	7-1-22	6-30-23				
T.P.A.F. Long-Term Disability Insurance	23-495-034-5094-004	1,710.00	7-1-22	6-30-23				
T.P.A.F. Non-Contributory Insurance	23-495-034-5094-004	53,563.00	7-1-22	6-30-23				
Total General Fund (Non-Cash Assistance)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								
(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance								
The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.								

Adjustments (A)	Total Budgetary Expenditures	Passed- Through Subrecipients	Repayment of Prior Year Balances	Balance at June 30, 2023			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
	\$ (446,874.00)			\$ (42,707.00)			\$ (42,707.00)	\$ (446,874.00)
	(501,850.00)			(47,961.00)			(47,961.00)	(501,850.00)
	(81,344.00)			(7,774.00)			(7,774.00)	(81,344.00)
	(788,176.00)			(75,324.00)			(75,324.00)	(806,922.00)
	(27,564.00)			(2,634.00)			(2,634.00)	(45,529.00)
	(1,845,808.00)			(176,400.00)			(176,400.00)	(3,728,327.00)
	(118,664.00)			(11,340.00)			(11,340.00)	(118,664.00)
	(118,664.00)			(11,340.00)			(11,340.00)	(237,328.00)
	(55,313.00)			(55,313.00)				(70,516.00)
	(55,313.00)			(55,313.00)				(55,313.00)
								(125,829.00)
								(3,701.00)
	(12,792.00)			(12,792.00)				(13,050.00)
	(12,792.00)			(12,792.00)				(12,792.00)
								(25,842.00)
	(853,653.01)			(41,564.73)				(825,040.11)
	(853,653.01)			(41,564.73)				(853,653.01)
								(1,678,893.12)
	(1,028,269.00)							(1,028,269.00)
	(3,860,706.00)							(3,860,706.00)
	(1,710.00)							(1,710.00)
	(53,563.00)							(53,563.00)
	(4,944,248.00)							(4,944,248.00)
	(7,830,478.01)			(297,409.73)			(187,740.00)	(10,743,968.12)
\$ 0.32	(24,807.32)		\$ 216.00			\$ 9.00		(24,807.32)
0.06	(42,165.06)					59.00		(42,165.06)
0.26	(15,783.26)		247.00			9.00		(15,783.26)
0.41	(76,032.41)		19.00			1,253.00		(76,032.41)
	(129,270.00)		11,466.00			21,942.00		(129,270.00)
	(9,993.00)		6,658.00			8,226.00		(9,993.00)
	(33,949.00)		9,499.00			7,020.00		(33,949.00)
0.08	(45,128.08)		2,659.00			19,342.00		(45,128.08)
	(16,554.00)		18,321.00			15,066.00		(16,554.00)
1.13	(393,682.13)		49,085.00			72,926.00		(393,682.13)
	(85,294.00)							(85,294.00)
	(39,527.00)							(39,527.00)
(0.38)	(5,954.82)							(5,954.82)
0.75	(524,457.75)		49,085.00	(85,294.00)		72,926.00		(524,457.75)
	(5,834.16)			(393.69)				(13,181.05)
	(492.00)			(33.00)				(5,834.16)
	(6,326.16)			(426.69)				(492.00)
								(19,507.21)
\$ 1.13	\$ (8,361,261.92)	\$ -	\$ 49,085.00	\$ (297,836.42)	\$ -	\$ 72,926.00	\$ (187,740.00)	\$ (11,157,157.46)

\$ 1,028,269.00
 3,860,706.00
 1,710.00
 53,563.00
 4,944,248.00
\$ (3,417,013.92)

HADDON HEIGHTS SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Haddon Heights School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund, and proprietary fund (enterprise fund - food service) 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,429.00) for the general fund and (\$276,826.72) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 23,094.09	\$ 7,831,907.01	\$ 7,855,001.10
Special Revenue	1,107,386.49	524,457.75	1,631,844.24
Food Service	260,125.35	6,326.16	266,451.51
	<u>1,390,605.93</u>	<u>8,362,690.92</u>	<u>9,753,296.85</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		(1,429.00)	(1,429.00)
Encumbrances	(276,826.72)	-	(276,826.72)
	<u>(276,826.72)</u>	<u>(1,429.00)</u>	<u>(278,255.72)</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,113,779.21</u>	<u>\$ 8,361,261.92</u>	<u>\$ 9,475,041.13</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding differences incurred in the collection of receivables and/or favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2022-2023.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

HADDON HEIGHTS SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? X yes ___ no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ___ yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Coronavirus Response and Relief Supplemental
		Appropriation (CRRSA) Consolidated:
84.425	S425D210027	Elementary and Secondary School Emergency
		CR Learning Acceleration
		CR Mental Health
84.425U	S425U210027	American Rescue Plan:
		Elementary and Secondary Schools Relief (ESSER)
		Accelerated Learning Coach and Educator Support
		Evidence Based Summer Learning and Enrichment
		NJTSS Mental Health Support

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes ___ no

HADDON HEIGHTS SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid Public:
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-068</u>	<u>School Choice Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? yes no

HADDON HEIGHTS SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

Finding No. 2023-001

Criteria or Specific Requirement

A School District is required to maintain a nonprofit school food service. The nonprofit status is determined by evaluating net cash resources which is all monies that are available to, or have accrued to, the fund at any given time, less cash payable. Net cash resources may not exceed three months average expenditures.

Condition

As of June 30, 2023, net cash resources in the School District's Food Service Enterprise Fund exceeded three months average expenditures.

Context

The net cash resources as of June 30, 2023, of \$405,057.96 exceeded three months average expenditures of \$178,480.34 by \$226,577.62.

Effect or Potential Effect

The School District has not complied with the requirement to maintain a nonprofit school food service.

Cause

The operations of the school food service program resulted in an increase in net position for the fiscal year ended June 30, 2023.

Recommendation

The School District maintain a nonprofit school food service by ensuring that net cash resources do not exceed three months average expenditures.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

HADDON HEIGHTS SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

HADDON HEIGHTS SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

HADDON HEIGHTS SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Finding No. 2022-001

Program

U.S. Department of Agriculture, passed-through New Jersey State Department of Agriculture; Child Nutrition Cluster: School Breakfast Program (Assistance Listing Number 10.553, FAIN Number 221NJ304N1099), National School Lunch Program (Assistance Listing Number 10.555, FAIN Number 221NJ304N1099)

Condition

As of June 30, 2022, net cash resources in the School District's Food Service Enterprise Fund exceeded three months average expenditures.

Current Status

Condition remains unresolved as of June 30, 2023. See current year financial statement finding 2023-001.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.