

**SCHOOL DISTRICT OF THE
BOROUGH OF HALEDON
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**School District
of the**

Borough of Haledon

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

Annual Comprehensive Financial Report

of the

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

For the Fiscal Year Ended June 30, 2023

Prepared by

**Borough of Haledon Board of Education
Finance Department**

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Not Applicable

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Not Applicable

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Not Applicable

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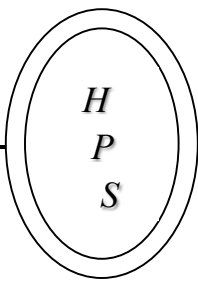
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INTRODUCTORY SECTION



HALEDON PUBLIC SCHOOL

70 Church Street
Haledon, NJ 07508
Tel: (973) 389-2840
Facsimile: (973) 956-0781

January 29, 2024

Citizens, Honorable President and
Members of the Board of Education
Borough of Haledon School District
Haledon, NJ 07508

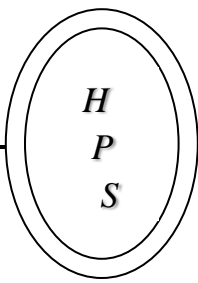
Dear Board Members:

The annual comprehensive financial report of the Borough of Haledon School District (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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management discussion and analysis, the basic 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 District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Haledon Public School District is an independent reporting entity within the criteria adopted by the SASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. Borough of Haledon Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School, Pre-School Handicap and K through 8. These include regular classes for PreK-8 and special education classes for Preschool Handicapped and PreK-8. The District had at the October 2022 ASSA count of 988 students, which is 10 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.



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	<i>Average Daily Enrollment</i>	
<i>Fiscal Year</i>	<i>Student Enrollment</i>	<i>Percent Change</i>
2022-2023	988	(1.00%)
2021-2022	998	.50%
2020-2021	993	(3.78%)
2019-2020	1032	(0.29%)
2018-2019	1035	0.78%
2017-2018	1027	(0.87%)
2016-2017	1036	(1.43%)
2015-2016	1051	2.09%
2014-2015	1029	1.08%
2013-2014	1018	1.39%

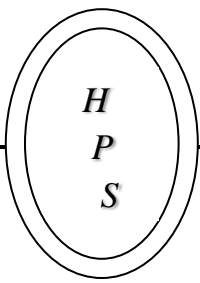
2. **ECONOMIC CONDITION AND OUTLOOK:** The Covid-19 pandemic has caused potential economic harm to the Borough of Haledon. It is not expected that there will be any strong economic growth or expansion in the region in the near future. Additional state aid funding could assist the district in future years but is not expected due to the loss of revenues from the pandemic.

3. **MAJOR INITIATIVES**

The District is in the process of working on the following projects:

1. HVAC Replacement project for seven new unit ventilators on the first floor, consisting of heating/cooling unit ventilators with roof-mounted condensing units.
2. Elevations and expansion project to add more instructional classrooms and address the increased population throughout District.
3. Update the school playground to include more inclusion equipment and improve safety.
4. Improve safety and security through additional personnel and install new security doors.

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



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the District are protected from loss, theft 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, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

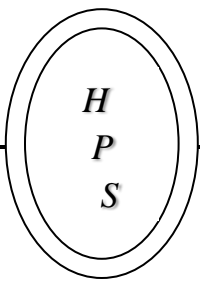
As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic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

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

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

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

6. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.



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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. **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkocz & Company was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

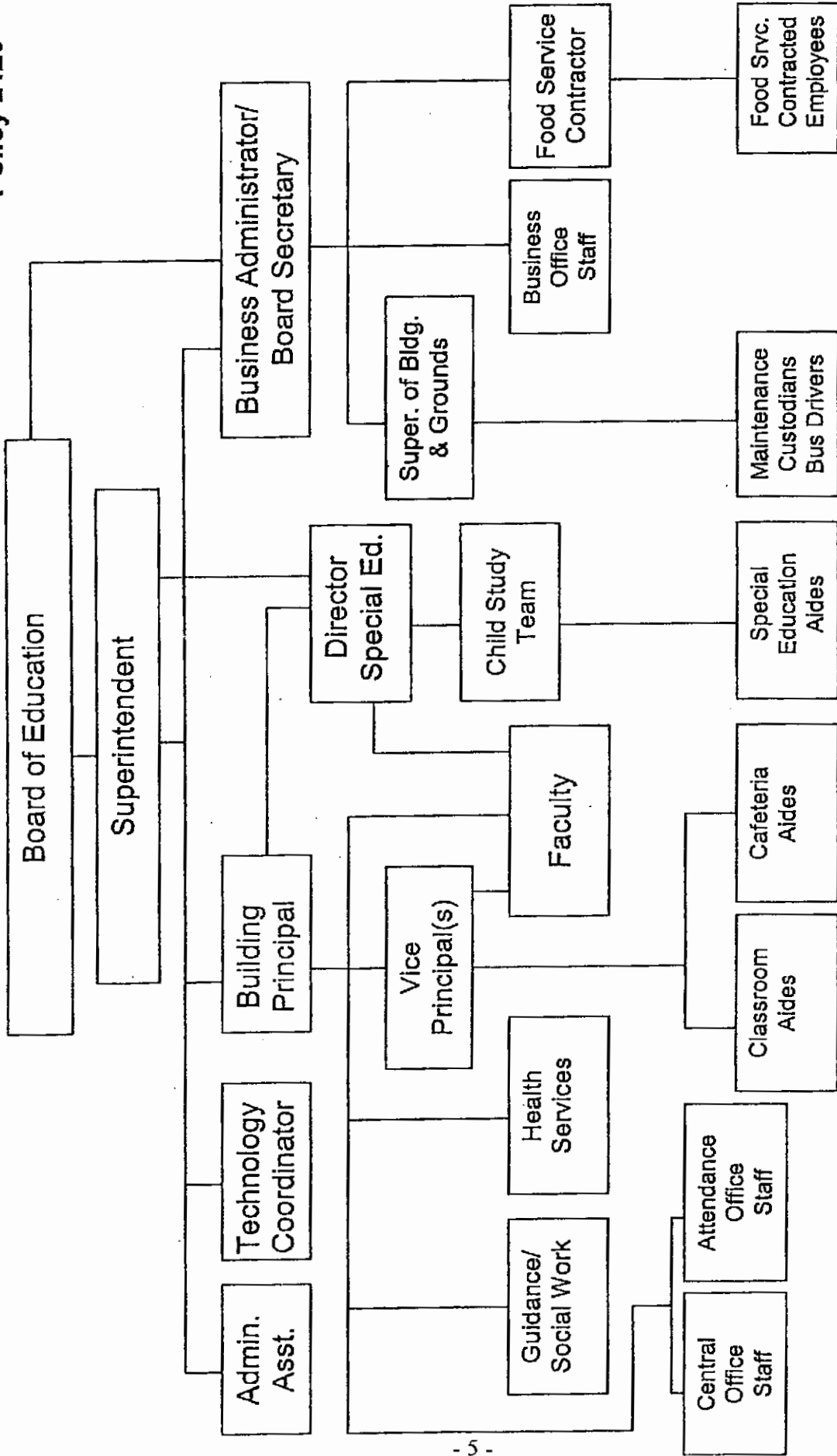
Respectfully submitted,

Christopher Wacha

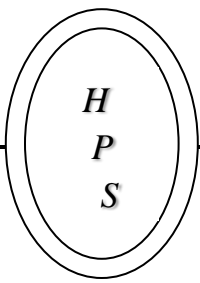
Lameka Augustin

Christopher Wacha
Superintendent

Lameka Augustin
School Business Administrator / Board Secretary



Haledon Public School Organizational Chart



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**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

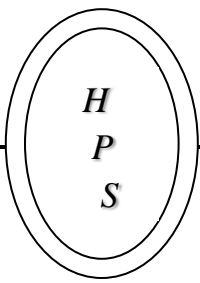
**ROSTER OF OFFICIALS
JUNE 30, 2023**

BOARD OF EDUCATION	TERM EXPIRES
Liesl Fores-Iza, President	2025
Carlos Moczo, Vice President	2024
Omar Abbassi	2024
Michael Coletta	2025
George Guzman	2023
Rafael Martinez	2025
Nathan Webb	2024
Nebojsa Zlatanovic	2023

OTHER OFFICIALS

Christopher Wacha., Superintendent

Lameka Augustin, Business Administrator/Board Secretary



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BOROUGH OF HALEDON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

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401 Wanaque Avenue
Pompton Lakes, NJ 07442

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Westfield, NJ 07090

SCARINCI HOLLENBECK
1100 VALLEY BROOK AVE
LYNDHURST, NJ 07071

OFFICIAL DEPOSITORY

TD Bank North
Belmont Avenue
Haledon, NJ 07508

FINANCIAL SECTION

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Kari Ferguson, CPA, RMA, CMFO, PSA
Robert C. McNinch, CPA, CFE, PSA
Kevin Reeves, CPA, PSA

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Haledon Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Haledon Board of Education's ability to continue as a going concern for the next 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 generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Haledon Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Haledon Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haledon Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024 on our consideration of the Borough of Haledon Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Borough of Haledon Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 29, 2024

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Borough of Haledon Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$3,693,016.89. Net position of governmental activities increased \$3,320,581.75 while net position of business-type activity increased by \$372,435.62. These variances are primarily the result of a decrease in employee benefits and other budget expenditures in 2022-23 and increased operating revenues of the business-type activities.
- General revenues accounted for \$22,376,652.91 in revenue or 83.17 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,528,971.85 or 16.83 percent of total revenues of \$26,905,624.76.
- The School District had \$21,833,407.80 in expenses related to governmental activities; only \$2,779,441.32 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$22,374,547.75 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Borough of Haledon Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activities – These services are provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service program and after care program are reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Haledon Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

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

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

The Borough of Haledon Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Haledon Board of Education uses proprietary funds to account for its food service program, summer camp program and after care program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position's were \$15,431,511.97 at June 30, 2023 and \$11,628,399.43 at June 30, 2022. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$9,522,560.17	\$4,868,482.59	\$1,259,608.4	\$953,931.98	\$10,782,168.57	\$5,822,414.57
Capital Assets	<u>9,702,249.11</u>	<u>9,640,825.56</u>	<u>153,285.07</u>	<u>173,234.45</u>	<u>9,855,534.18</u>	<u>9,814,060.01</u>
Total Assets	<u>19,224,809.28</u>	<u>14,509,308.15</u>	<u>1,412,893.47</u>	<u>1,127,166.43</u>	<u>20,637,702.75</u>	<u>15,636,474.58</u>
Deferred Outflows	<u>712,301.00</u>	<u>360,091.00</u>			<u>712,301.00</u>	<u>360,091.00</u>
Liabilities						
Current Liabilities	2,551,718.72	857,450.89	160,729.06	247,437.60	2,712,447.78	1,104,888.49
Noncurrent Liabilities	<u>2,566,210.04</u>	<u>1,792,435.66</u>			<u>2,566,210.04</u>	<u>1,792,435.66</u>
Total Liabilities	<u>5,117,928.76</u>	<u>2,649,886.55</u>	<u>160,729.06</u>	<u>247,437.60</u>	<u>5,278,657.82</u>	<u>2,897,324.15</u>
Deferred Inflows	<u>639,834.00</u>	<u>1,470,842.00</u>			<u>639,834.00</u>	<u>1,470,842.00</u>
Net Position						
Invested in Capital Assets	9,702,249.11	9,640,825.56	153,285.07	173,234.45	9,855,534.18	9,814,060.01
Restricted	7,237,011.22	4,157,410.90			7,237,011.22	4,157,410.90
Unrestricted	<u>(2,759,912.81)</u>	<u>(3,049,565.86)</u>	<u>1,098,879.38</u>	<u>706,494.38</u>	<u>(1,661,033.43)</u>	<u>(2,343,071.48)</u>
Total Net Position	<u>\$14,179,347.52</u>	<u>\$10,748,670.60</u>	<u>\$1,252,164.4</u>	<u>\$879,728.83</u>	<u>\$15,431,511.97</u>	<u>\$11,628,399.43</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	\$36,337.08	\$19,385.41	\$876,764.42	\$459,015.18	\$913,101.50	\$478,400.59
Operating Grants and						
Contributions	2,743,104.24	1,582,724.47	872,766.11	818,824.76	3,615,870.35	2,401,549.23
General Revenues:						
Taxes:						
Property taxes, levied						
For general purposes	6,585,732.00	6,585,732.00			6,585,732.00	6,585,732.00
Federal and State Aid not						
Restricted/Capital Outlay	15,655,346.99	14,747,287.89			15,655,346.99	14,747,287.89
Investment Earnings	93,657.28	2,678.50	1,925.16	21.30	95,582.44	2,699.80
Cancelled Accounts Receivable				(571.98)	0.00	(571.98)
Miscellaneous Income	<u>39,811.48</u>	<u>72,005.02</u>	<u>180.00</u>	<u>4,402.10</u>	<u>39,991.48</u>	<u>76,407.12</u>
Total Revenues and Transfers	<u>\$25,153,989.07</u>	<u>\$23,009,813.29</u>	<u>\$1,751,635.69</u>	<u>\$1,281,691.36</u>	<u>\$26,905,624.76</u>	<u>\$24,291,504.65</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	\$8,435,334.90	\$7,457,790.51			\$8,435,334.90	\$7,457,790.51
Special	2,196,232.03	1,905,908.45			2,196,232.03	1,905,908.45
Other Special						
Instruction	595,889.47	812,473.35			595,889.47	812,473.35
Other Instruction	173,675.64	152,020.50			173,675.64	152,020.50
Support Services:						
Tuition	385,688.30	297,799.56			385,688.30	297,799.56
Student & Instruction						
Related Services	2,288,751.80	2,241,332.86			2,288,751.80	2,241,332.86
School Administrative						
Services	755,874.81	694,198.76			755,874.81	694,198.76
General Administrative						
Services	397,983.86	412,800.22			397,983.86	412,800.22
Central Services and						
Admin.Info.Tech.	732,774.60	590,862.99			732,774.60	590,862.99
Plant Operations and						
Maintenance	1,335,401.32	1,057,884.19			1,335,401.32	1,057,884.19
Pupil Transportation	502,394.73	317,427.39			502,394.73	317,427.39
Unallocated Benefits	3,371,340.57	4,501,672.77			3,371,340.57	4,501,672.77
Capital Outlay	5,452.64	294,314.52			5,452.64	294,314.52
Unallocated depreciation	462,897.13	468,868.79			462,897.13	468,868.79
Charter Schools	193,716.00	153,541.00			193,716.00	153,541.00
Food Service			739,699.29	602,658.50	739,699.29	602,658.50
After Care Program			<u>639,500.78</u>	<u>438,180.56</u>	<u>639,500.78</u>	<u>438,180.56</u>
Total Expenses and Transfers	<u>21,833,407.80</u>	<u>21,358,895.86</u>	<u>1,379,200.07</u>	<u>1,040,839.06</u>	<u>23,212,607.87</u>	<u>22,399,734.92</u>
Increase or (Decrease) in						
Net Position	<u>\$3,320,581.27</u>	<u>\$1,650,917.43</u>	<u>\$372,435.62</u>	<u>\$240,852.30</u>	<u>\$3,693,016.89</u>	<u>\$1,891,769.73</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$23,212,607.87. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$6,587,732.00 because some of the cost was paid by those who benefitted from the programs \$913,101.50, by other governments and organizations who subsidized certain programs \$3,615,870.35.

Revenues for the District's business-type activities (food service program, summer camp program and after care program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$69,046.15.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$705,841.11.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$950,971.00 for increase in federal and state grant awards.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,
(continued)**

General Fund

The general fund actual revenue was \$22,858,505.50. That amount is \$4,421,657.50 above the final amended budget of \$18,436,848.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,239,646.76 for TPAF social security reimbursements and on-behalf pension payments and an \$85,522.76 excess in miscellaneous anticipated revenues and \$96,487.98 excess in other federal and state aids.

The actual expenditures of the general fund were \$19,727,752.50 including transfers which is \$734,616.83 above the final amended budget of \$18,993,135.67. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$4,239,646.76 and \$3,505,029.93 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue including transfers was \$3,278,178.57. That amount is below the original budget estimate of \$6,724,605.00 and below the final amended budget of \$7,675,576.00. The \$950,971.00 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$4,397,397.43 variance between the final amended budget and the June 30, 2023 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$3,271,755.82 which is below the original budget of \$6,724,605.00 and below the final amended budget of \$7,675,576.00. The \$950,971.00 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$4,403,820.18 variance between the final amended budget and the June 30, 2023 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$19,089,913.85 invested in sites, buildings and equipment. Of this amount, \$9,234,379.67 in depreciation has been taken over the years. We currently have a net book value of \$9,855,534.18. Total additions for the year were \$648,150.61, the majority of which was for various equipment and construction in progress. Table 3 shows fiscal year 2023 balances compared to 2022.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$1,122,000.00	\$1,122,000.00			\$1,122,000.00	\$1,122,000.00
Construction in Progress	757,633.86	213,987.50			757,633.86	
Land Improvements	304,260.07	329,718.11			304,260.07	329,718.11
Buildings and Improvements	7,036,904.93	7,423,878.90			7,036,904.93	7,423,878.90
Furniture, Equipment and Vehicles	<u>481,450.25</u>	<u>551,241.05</u>	<u>153,285.07</u>	<u>173,234.45</u>	<u>634,735.32</u>	<u>724,475.50</u>
	<u>\$9,702,249.11</u>	<u>\$9,640,825.56</u>	<u>\$153,285.07</u>	<u>\$173,234.45</u>	<u>\$9,855,534.18</u>	<u>\$9,600,072.51</u>

Debt Administration

At June 30, 2023, the District had \$2,566,210.04 of long-term debt. Of this amount, \$48,811.04 is for compensated absences, and \$2,517,399.00 is for net pension liability - PERS.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The 2023-2024 school budget represents the tenth time that the residents in Haledon did not have an opportunity to vote on the Haledon School Budget. Changes in election law allowed for approval of school budgets without an election (if they fell within tax cap) provided that the municipality, the school district or the electorate voted for such a change. For the 2013-2014 school year, the Borough of Haledon voted to do away with the vote for the elementary school budget election. The budget put together for 2023-2024 was within CAP, so there was also no election.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Haledon Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

School Business Administrator
Borough of Haledon Board of Education
70 Church Street
Haledon, New Jersey 07508

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	946,742.75	743,164.96	1,689,907.71
Receivables, net	2,913,631.76	81,591.42	2,995,223.18
Internal Balances	(424,533.72)	424,533.72	-
Inventory		10,318.34	10,318.34
Restricted Assets:			
Cash and Cash Equivalents	6,086,719.38		6,086,719.38
Capital Assets :			
Land and Construction in Progress	1,879,633.86		1,879,633.86
Other Capital Assets, net	7,822,615.25	153,285.07	7,975,900.32
Total Assets	<u>19,224,809.28</u>	<u>1,412,893.51</u>	<u>20,637,702.79</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	712,301.00		712,301.00
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,409,934.88	45,012.41	1,454,947.29
Payroll Deductions and Withholdings Payable	670,528.35		670,528.35
Unearned Revenue	471,255.49	115,716.65	586,972.14
Noncurrent Liabilities:			
Due beyond one year	2,566,210.04		2,566,210.04
Total Liabilities	<u>5,117,928.76</u>	<u>160,729.06</u>	<u>5,278,657.82</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	639,834.00		639,834.00
NET POSITION			
Invested in Capital Assets	9,702,249.11	153,285.07	9,855,534.18
Restricted for:			
Capital Projects	4,859,999.94		4,859,999.94
Other Purposes	2,377,011.28		2,377,011.28
Unrestricted (Deficit)	(2,759,912.81)	1,098,879.38	(1,661,033.43)
Total Net Position	<u>14,179,347.52</u>	<u>1,252,164.45</u>	<u>15,431,511.97</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	6,970,157.81	1,465,177.09		2,019,955.69	(6,415,379.21)		(6,415,379.21)	
Special Education	1,710,447.53	485,784.50			(2,196,232.03)		(2,196,232.03)	
Other Special Instruction	461,790.25	134,099.22			(595,889.47)		(595,889.47)	
Other Instruction	140,676.09	32,999.55			(173,675.64)		(173,675.64)	
Support services:								
Tuition	385,688.30	-			(385,688.30)		(385,688.30)	
Student & Instruction Related Services	1,993,475.79	295,276.01	36,337.08 *	723,148.55	(1,529,266.17)		(1,529,266.17)	
School Administrative Services	564,247.08	191,627.73			(755,874.81)		(755,874.81)	
General Administrative Services	348,084.66	49,899.20			(397,983.86)		(397,983.86)	
Central Services & Admin. Info. Technology	712,842.64	19,931.96			(732,774.60)		(732,774.60)	
Plant Operations and Maintenance	1,183,710.73	151,690.59			(1,335,401.32)		(1,335,401.32)	
Pupil Transportation	482,153.66	20,241.07			(502,394.73)		(502,394.73)	
Unallocated Benefits	3,371,340.57	-			(3,371,340.57)		(3,371,340.57)	
Capital Outlay - Non-depreciable	5,452.64	-			(5,452.64)		(5,452.64)	
Charter Schools	193,716.00	-			(193,716.00)		(193,716.00)	
Unallocated Depreciation	462,897.13	-			(462,897.13)		(462,897.13)	
Total Governmental Activities	18,986,680.88	2,846,726.92	36,337.08	2,743,104.24	(19,053,966.48)	-	(19,053,966.48)	
Business-type Activities:								
Food Service	739,699.29		42,904.33	765,841.11		69,046.15	69,046.15	
After Care Program	639,500.78		833,860.09	106,925.00		301,284.31	301,284.31	
Total Business-type Activities	1,379,200.07		876,764.42	872,766.11		370,330.46	370,330.46	
Total Primary Government	20,365,880.95		913,101.50	3,615,870.35	(19,053,966.48)	370,330.46	(18,683,636.02)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					6,585,732.00		6,585,732.00	
Federal and State Aid not Restricted					15,096,873.74		15,096,873.74	
Federal and State Aid Special Revenue					498,737.25		498,737.25	
Restricted Miscellaneous Income					45.68		45.68	
Investment Earnings					93,657.28	1,925.16	95,582.44	
Miscellaneous Income					39,765.80	180.00	39,945.80	
Capital Outlay Facilities Grant					59,736.00		59,736.00	
Total General Revenues, Special Items, Extraordinary Items and Transfers					22,374,547.75	2,105.16	22,376,652.91	
Change in Net Position					3,320,581.27	372,435.62	3,693,016.89	
Net Position—Beginning (Restated)					10,858,766.25	879,728.83	11,738,495.08	
Net Position—Ending					14,179,347.52	1,252,164.45	15,431,511.97	

See Accompanying Notes to Financial Statements.

* Student activity revenue is reported as "changes for services".

FUND FINANCIAL STATEMENTS

BOROUGH OF HALEDON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	1,344,434.82			1,344,434.82
Cash with Fiscal Agents				
Tax Levy Receivable	548,811.00			548,811.00
Interfund Receivables	397,692.07			397,692.07
Receivables from Other Governments	127,048.69	1,780,344.00	59,736.00	1,967,128.69
Restricted Cash and Cash Equivalents	6,045,678.73	41,040.65		6,086,719.38
Total Assets	<u>8,463,665.31</u>	<u>1,821,384.65</u>	<u>59,736.00</u>	<u>10,344,785.96</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Deficit		397,692.07		397,692.07
Accounts Payable	223,122.44	911,396.44	59,736.00	1,194,254.88
Interfund Payables	424,533.72			424,533.72
Payroll Deductions and Withholdings Payable	670,528.35			670,528.35
Unearned Revenue		471,255.49		471,255.49
Total Liabilities	<u>1,318,184.51</u>	<u>1,780,344.00</u>	<u>59,736.00</u>	<u>3,158,264.51</u>
Fund Balances:				
Restricted for:				
Excess Surplus-Current Year	907,565.29			907,565.29
Excess Surplus Designated for				
Subsequent Year's Expenditures	253,076.86			253,076.86
Capital Reserve	4,859,999.94			4,859,999.94
Emergency Reserve	250,000.00			250,000.00
Maintenance Reserve	615,831.95			615,831.95
Unemployment Compensation	309,496.53			309,496.53
Student Activities		41,040.65		41,040.65
Capital Projects Fund				
Assigned to:				
Other Purposes	364,866.98			364,866.98
Assigned to:				
Designated by Board of Education for				
Subsequent Year's Expenditures	371,562.14			371,562.14
Unassigned:				
General Fund	(786,918.89)			(786,918.89)
Total Fund Balances	<u>7,145,480.80</u>	<u>41,040.65</u>	<u>59,736.00</u>	<u>7,186,521.45</u>
Total Liabilities and Fund Balances	<u>8,463,665.31</u>	<u>1,821,384.65</u>	<u>59,736.00</u>	

Amounts reported for governmental activities in the statement of net assets (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 \$18,620,158.90 and the accumulated depreciation is \$8,917,909.79.	9,702,249.11
Accounts Payable for subsequent Pension payment is not a payable in the funds	(215,680.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	712,301.00
Deferred Inflows of Resources Related to PERS Pension Liability	(639,834.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,566,210.04)
Net position of governmental activities	<u>14,179,347.52</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	6,585,732.00			6,585,732.00
Interest Earned on Investments	93,657.28			93,657.28
Other Restricted Miscellaneous Revenues	45.68 *			45.68
Miscellaneous	39,765.80	36,337.08 **		76,102.88
Total - Local Sources	<u>6,719,200.76</u>	<u>36,337.08</u>		<u>6,755,537.84</u>
State Sources	15,905,093.76	623,019.49	59,736.00	16,587,849.25
Federal Sources	62,168.98	2,618,822.00		2,680,990.98
Total Revenues	<u>22,686,463.50</u>	<u>3,278,178.57</u>	<u>59,736.00</u>	<u>26,024,378.07</u>
EXPENDITURES				
Current:				
Regular Instruction	4,950,202.12	2,019,955.69		6,970,157.81
Special Education Instruction	1,710,447.53			1,710,447.53
Other Special Instruction	461,790.25			461,790.25
Other Instruction	140,676.09			140,676.09
Support Services and Undistributed Costs:				
Tuition	385,688.30			385,688.30
Student & Instruction Related Services	1,240,412.91	753,062.88 ***		1,993,475.79
School Administrative Services	564,247.08			564,247.08
General Administrative Services	348,084.66			348,084.66
Central & Admin. Inf. Technology	712,842.64			712,842.64
Plant Operations and Maintenance	1,183,710.73			1,183,710.73
Pupil Transportation	482,153.66			482,153.66
Unallocated Benefits	7,258,650.53			7,258,650.53
Capital Outlay	95,130.00	498,737.25	59,736.00	653,603.25
Transfer of Funds to Charter School	193,716.00			193,716.00
Total Expenditures	<u>19,727,752.50</u>	<u>3,271,755.82</u>	<u>59,736.00</u>	<u>23,059,244.32</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>2,958,711.00</u>	<u>6,422.75</u>		<u>2,965,133.75</u>
Net Change in Fund Balances				
	2,958,711.00	6,422.75		2,965,133.75
Fund Balance—July 1				
	<u>4,186,769.80</u>	<u>34,617.90</u>		<u>4,221,387.70</u>
Fund Balance—June 30				
	<u>7,145,480.80</u>	<u>41,040.65</u>		<u>7,186,521.45</u>

* Includes interest earnings on the Unemployment Compensation Bank Account.

** Special Revenue Fund now includes revenues from student activities.

*** Special Revenue Fund now includes expenditures from student activities.

See Accompanying Notes to Financial Statements.

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

Total net change in fund balances - governmental funds (from B-2) 2,965,133.75

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(696,822.71)	
Depreciable Capital Outlays	<u>648,150.61</u>	(48,672.10)

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 (+).

(Increase)/Decrease in Compensated Absences Payable 17,332.62

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	210,356.00	
Less: Pension Expense	<u>(176,431.00)</u>	
(Increase)/Decrease in Pension Expense		386,787.00

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase/(Decrease) in On-behalf State Aid TPAF Pension	(1,855,315.00)
(Increase)/Decreases in On-behalf TPAF Pension Expense	1,855,315.00

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post retirement medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Post Retirement Medical	984,926.00
Increase in On-behalf TPAF Post Retirement Medical	(984,926.00)

Change in net position of governmental activities 3,320,581.27

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
ASSETS			
Current Assets:			
Cash and Cash Equivalents	140,230.07	602,934.89	743,164.96
Accounts Receivable:			
State	1,458.69		1,458.69
Federal	51,929.13		51,929.13
Other		28,203.60	28,203.60
Interfunds Receivable	309,533.72	115,000.00	424,533.72
Inventories	10,318.34		10,318.34
Total Current Assets	513,469.95	746,138.49	1,259,608.44
Noncurrent Assets:			
Capital Assets:			
Equipment	469,754.95		469,754.95
Less Accumulated Depreciation	(316,469.88)		(316,469.88)
Total Capital Assets (Net of Accumulated Depreciation)	153,285.07		153,285.07
Total Assets	666,755.02	746,138.49	1,412,893.51
LIABILITIES			
Current Liabilities:			
Accounts Payable	45,012.41		45,012.41
Prepaid Revenue	476.65	240.00	716.65
Deferred Revenue		115,000.00	115,000.00
Total Current Liabilities	45,489.06	115,240.00	160,729.06
Total Liabilities	45,489.06	115,240.00	160,729.06
NET POSITION			
Invested in Capital Assets Net of Related Debt	153,285.07		153,285.07
Unrestricted	467,980.89	630,898.49	1,098,879.38
Total Net Position	621,265.96	630,898.49	1,252,164.45

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities -		
	Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
Operating Revenues:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	42,904.33		42,904.33
Miscellaneous	180.00		180.00
Miscellaneous - Program Fees		833,860.09	833,860.09
Total Operating Revenues	<u>43,084.33</u>	<u>833,860.09</u>	<u>876,944.42</u>
Operating Expenses:			
Cost of sales-reimbursable programs	357,049.30		357,049.30
Cost of sales-non-reimbursable programs	18,904.21		18,904.21
Salaries	219,010.39	593,050.89	812,061.28
Supplies and Materials	45,271.27	20,041.85	65,313.12
Employee Benefits	27,217.72	14,459.50	41,677.22
Cleaning Repair & Maintenance	4,799.40		4,799.40
Other Purchased Services	41,856.83	1,400.00	43,256.83
Miscellaneous Expense	5,640.79	10,548.54	16,189.33
Depreciation	19,949.38		19,949.38
Total Operating Expenses	<u>739,699.29</u>	<u>639,500.78</u>	<u>1,379,200.07</u>
Operating Income (Loss)	<u>(696,614.96)</u>	<u>194,359.31</u>	<u>(502,255.65)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,350.82		8,350.82
State School Breakfast Program	8,472.20		8,472.20
Summer Food Service Program	613.10		613.10
Hiring & Retention Bonus Grant		26,925.00	26,925.00
Federal Sources:			
National School Lunch Program	398,803.26		398,803.26
School Breakfast Program	166,146.48		166,146.48
HHFKA Program	10,011.04		10,011.04
After School Snack Program	31,000.32		31,000.32
Summer Food Service Program	17,675.02		17,675.02
Supply Chain Assistance Grant	63,752.80		63,752.80
ARP Stabilization Grant		80,000.00	80,000.00
U.S.D.A. Commodities:			
Food Distribution Program	61,016.07		61,016.07
Interest and Investment Revenue	1,925.16		1,925.16
Total Nonoperating Revenues (Expenses)	<u>767,766.27</u>	<u>106,925.00</u>	<u>874,691.27</u>
Income (Loss) Before Contributions & Transfers	<u>71,151.31</u>	<u>301,284.31</u>	<u>372,435.62</u>
Change in Net Position	<u>71,151.31</u>	<u>301,284.31</u>	<u>372,435.62</u>
Total Net Position—Beginning	550,114.65	329,614.18	879,728.83
Total Net Position—Ending	<u>621,265.96</u>	<u>630,898.49</u>	<u>1,252,164.45</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	42,466.87	817,507.69	859,974.56
Receipts from Interfunds	(15,903.35)		(15,903.35)
Payments to Employees	(43,380.75)	(593,050.89)	(636,431.64)
Payments for Employee Benefits	(3,318.63)	(14,459.50)	(17,778.13)
Payments to Suppliers		(20,041.85)	(20,041.85)
Payments for Miscellaneous Expenses	(7,551.72)	(11,948.54)	(19,500.26)
Payments to Food Service Management Company	(634,604.03)		(634,604.03)
Net Cash Provided by (Used for) Operating Activities	<u>(662,291.61)</u>	<u>178,006.91</u>	<u>(484,284.70)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	11,174.60	26,925.00	38,099.60
Federal Sources	478,751.78		478,751.78
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>489,926.38</u>	<u>26,925.00</u>	<u>516,851.38</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,925.16		1,925.16
Net Cash Provided by (Used for) Investing Activities	<u>1,925.16</u>		<u>1,925.16</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(170,440.07)	204,931.91	34,491.84
Balances—Beginning of Year	310,670.14	398,002.98	708,673.12
Balances—End of Year	<u>140,230.07</u>	<u>602,934.89</u>	<u>743,164.96</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(696,614.96)	194,359.31	(502,255.65)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities			
Depreciation and Net Amortization	19,949.38		19,949.38
Food Distribution Program Donated Commodities	61,016.07		61,016.07
(Increase) Decrease in Accounts Receivable, Net	29,681.88	(14,392.40)	15,289.48
(Increase) Decrease in Inventories	2,807.10		2,807.10
Increase (Decrease) in Accounts Payable	(53,070.78)		(53,070.78)
Increase (Decrease) in Other Current Liabilities	(26,060.30)	(1,960.00)	(28,020.30)
Total Adjustments	<u>34,323.35</u>	<u>(16,352.40)</u>	<u>17,970.95</u>
Net Cash Provided by (Used for) Operating Activities	<u>(662,291.61)</u>	<u>178,006.91</u>	<u>(484,284.70)</u>

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Haledon School District have been prepared in conformity 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 more significant of the board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Haledon School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Haledon School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The District operates a K thru 8 school located in the Borough of Haledon. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Presentation:

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements:

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

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

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. 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 noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board 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, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS, (continued)

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 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 the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service program and the Summer Camp/After Care program.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Budgets/Budgetary Control, (continued)

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

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

F. Encumbrances:

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in 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.

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents 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. 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.

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Cash, Cash Equivalents and Investments: (continued)

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

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

H. Tuition Receivable:

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

I. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

J. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

K. 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 the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

M. Short-Term Interfund Receivables/Payables:

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

N. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board 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 Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

P. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide 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 judgements, 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 due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

R. 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.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

S. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

S. Accounting and Financial Reporting for Pensions: (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

T. 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.

U. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

V. Financing Agreements:

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

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

W. Right to Use Assets:

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

X. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Y. Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Z. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

AA. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

BB. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

CC. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

DD. New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$-0- of the District's bank balance of \$8,235,663.70 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. RECEIVABLES

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Proprietary/ Enterprise Fund	District Wide Financial <u>Statements</u>
Tax Levy	\$548,811.00	\$	\$548,811.00
State Aid	186,784.69	1,458.69	188,243.38
Federal Aid	1,780,344.00	51,929.13	1,832,273.13
Other		28,203.60	28,203.60
Interfunds	<u>397,692.07</u>	<u>424,533.72</u>	<u>0.00</u>
Gross Receivables	2,913,631.76	506,125.14	2,597,531.11
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,913,631.76</u>	<u>\$506,125.14</u>	<u>\$2,597,531.11</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at June 30, 2023, consist of the following:

397,692.07	Due to the General Fund from the Special Revenue Fund for short term loan.
<u>\$424,533.72</u>	Due from the General Fund to the Enterprise Fund for Enterprise Fund receipts.
<u>\$822,225.79</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 5. CAPITAL ASSETS

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

	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,122,000.00	\$	\$	\$1,122,000.00
Construction in Progress	<u>213,987.50</u>	<u>543,646.36</u>	<u>0.00</u>	<u>757,633.86</u>
Total Capital Assets, Not Being Depreciated	<u>1,335,987.50</u>	<u>543,646.36</u>	<u> </u>	<u>1,879,633.86</u>
Capital Assets Being Depreciated				
Land Improvements	727,282.72			727,282.72
Buildings and Improvements	14,370,817.26			14,370,817.26
Furniture, Equipment and Vehicles	<u>2,289,951.91</u>	<u>104,504.25</u>	<u>(752,031.10)</u>	<u>1,642,425.06</u>
Total Capital Assets, Being Depreciated	<u>17,388,051.89</u>	<u>104,504.25</u>	<u>(752,031.10)</u>	<u>16,740,525.04</u>
Less Accumulated Depreciation:				
Land Improvements	(397,564.61)	(25,458.04)		(423,022.65)
Buildings and Improvements	(6,946,938.36)	(386,973.97)		(7,333,912.33)
Furniture, Equipment and Vehicles	<u>(1,628,615.21)</u>	<u>(284,390.70)</u>	<u>752,031.10</u>	<u>(1,160,974.81)</u>
Total Accumulated Depreciation	<u>(8,973,118.18)</u>	<u>(696,822.71)</u>	<u>752,031.10</u>	<u>(8,917,909.79)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,414,933.71</u>	<u>(592,318.46)</u>	<u> </u>	<u>7,822,615.25</u>
Governmental Activities Capital Assets, Net	<u>\$9,750,921.21</u>	<u>(\$48,672.10)</u>	<u>\$ </u>	<u>\$9,702,249.11</u>
	Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Business-Type Activity				
Machinery and Equipment	\$469,754.95	\$	\$	\$469,754.95
Less Accumulated Depreciation for				
Machinery and Equipment	<u>(296,520.50)</u>	<u>(19,949.38)</u>	<u> </u>	<u>(316,469.88)</u>
Business-Type Activity Capital Assets, Net	<u>\$173,234.45</u>	<u>(\$19,949.38)</u>	<u>\$0.00</u>	<u>\$153,285.07</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$159,297.77
School Administrative Services	35,702.26
Plant Operations and Maintenance	38,925.55
Pupil Transportation	19,011.54
Unallocated Depreciation	<u>443,885.59</u>
	<u>\$696,822.71</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2023 were as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated Absences Payable	\$66,143.66	\$3,251.76	(\$20,584.38)	\$48,811.04	\$
Net Pension Liability	<u>1,726,292.00</u>	<u>791,107.00</u>	<u>0.00</u>	<u>2,517,399.00</u>	<u> </u>
	<u>\$1,792,435.66</u>	<u>\$794,358.7</u>	<u>(\$20,584.38)</u>	<u>\$2,566,210.04</u>	<u>\$0.00</u>

A. Bonds Payable:

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

As of June 30, 2023, the Board had no outstanding bonds payable.

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board has no authorized but not issued bonds.

C. Financed Purchases Payable:

The District had no financed purchases outstanding at June 30, 2023.

NOTE 7. OPERATING LEASES:

The District has commitments to lease copiers under an operating lease that expires in October of 2023. Total operating lease payments made during the year ended June 30, 2023 were \$15,588.00. Future minimum lease payments are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
6/30/24	<u>\$3,897.00</u>
Total future minimum lease payments	<u>\$3,897.00</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtm>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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:

<u>Tier</u>	<u>Definition</u>
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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Benefits Provided

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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

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

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

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

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/23	\$210,356.00	\$15,370.36
6/30/22	170,657.00	8,241.27
6/30/21	170,178.00	4,034.48

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Liability</u>
6/30/23	\$2,822,054.00	\$751,632.00	\$39,153.00	\$1,157.00
6/30/22	2,982,186.00	706,590.00	42,074.00	1,172.00
6/30/21	2,138,637.00	682,968.00	40,690.00	1,326.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$625,650.76 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$2,517,399.00 for its proportionate share of the PERS net pension liability. 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was 0.0166810459 percent, which was an increase of 0.0021088799percent from its proportion measured as of June 30, 2021.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

For the year ended June 30, 2023, the District recognized pension expense of \$(176,431.00). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$7,800.00	\$376,954.00
Difference in actual and expected experience	18,169.00	16,023.00
Net difference between projected and actual earnings on pension plan investments	104,193.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	366,459.00	246,857.00
District contributions subsequent to the measurement date	<u>215,680.00</u>	<u> </u>
Total	<u>\$712,301.00</u>	<u>\$639,834.00</u>

The \$215,680.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(215,940)
2024	(110,014)
2025	(53,652)
2026	117,048
2027	(257)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District's Proportion	.0166810459%	.0145721660%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 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-U.S. Developed Market 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%

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective 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:

	June 30, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$3,234,121	\$2,517,399	\$1,907,441

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>37,375,992</u>
	<u>\$37,375,992</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 June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .0724419323%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,005,892 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 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-U.S. Developed Market 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%

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS: (continued)

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

State Health Benefit State Retired Employees Plan, (continued)

"pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

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**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>32,222,702</u>
	<u><u>\$32,222,702</u></u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

(a) *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%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability 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.

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,736,558 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Haledon School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by CPI Qualified Plan Consultants, Inc., permits 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 participants are as follows:

Equitable

Lincoln Investment Planning

VALIC

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the Suburban Essex Joint Insurance Fund (the “Fund”). The Fund provides it’s members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker’s Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District’s established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

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

Financial statements for the Funds are available at the office of the Fund’s administrator, PERMA, 9 Campus Drive, Suite 216, Parsippany, NJ 07054.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid for the current and prior two years:

<u>Fiscal Year</u>	District Contributions/ Interest <u>Earnings</u>	Employee Contributions	Amount Reimbursed	Ending Balance
2022-2023	\$4,510.49	\$30,721.07	\$55,151.45	\$309,496.53
2021-2022	217.95	27,524.12	7,558.55	329,416.42
2020-2021	217.30	23,704.25	25,626.75	309,232.90

NOTE 12. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$7,145,480.80 General Fund fund balance at June 30, 2023, \$364,866.98 is reserved for encumbrances; \$1,160,642.15 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$253,076.86 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2024); \$4,859,999.94 has been reserved in the Capital Reserve Account; \$615,831.95 has been reserved in the Maintenance Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$309,496.53 has been reserved in the Unemployment Fund; \$371,562.14 has been appropriated and included as anticipated revenue for the year ended June 30, 2024; and \$(786,918.89) is unreserved and undesignated.

Special Revenue Fund: Of the \$41,040.45 Special Revenue Fund balance at June 30, 2023, \$41,040.65 is reserved for Student Groups.

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,160,642.15. Of this amount, \$907,565.29 is the result of the current year's operations and \$253,076.86 is the result of prior year operations.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Haledon School District by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 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 July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022		\$2,610,899.94
Interest Earnings	\$ 0.00	
Deposits - Board Resolution – June 5, 2023	<u>2,249,100.00</u>	
		<u>2,249,100.00</u>
Ending balance, June 30, 2023		<u>\$4,859,999.94</u>

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP.

NOTE 15. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board of Education resolution adopted June 24, 2008. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (*N.J.S.A. 18A:7G-9*). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 15. MAINTENANCE RESERVE ACCOUNT, (continued)

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal years is as follows:

Beginning balance, July 1, 2022		\$451,556.95
Interest Earnings	\$ 0.00	
Deposits - Board Resolution – June 22, 2023	<u>164,275.00</u>	
		<u>164,275.00</u>
Ending balance, June 30, 2023		<u>\$615,831.95</u>

NOTE 16. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

Beginning balance, July 1, 2022	<u>\$250,000.00</u>
Ending balance, June 30, 2023	<u>\$250,000.00</u>

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$8,583.47
Supplies	<u>1,734.87</u>
	<u>\$10,318.34</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 18. DEFICIT IN UNASSIGNED FUND BALANCES

The District has a deficit fund balance of \$786,918.89 in the General Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). *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, 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. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$786,918.89 is less than the last state aid payment of \$1,162,985.00.

NOTE 19. CONTINGENT LIABILITIES

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

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

NOTE 20. RETROACTIVE RESTATEMENT DUE TO UPDATE FIXED ASSET SCHEDULE

During the fiscal year 2023, the District contracted with a new outside service provider to update the fixed asset record. This resulted in the following adjustments to the capital assets and investment in capital assets and total net position. Increase in capital assets and net position of governmental funds by \$110,095.65.

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 29, 2024, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	6,585,732.00		6,585,732.00	6,585,732.00	
Tuition from Other LEAs Within the State	10,500.00		10,500.00		(10,500.00)
Interest Earned on Maintenance Reserve Funds	75.00		75.00		(75.00)
Interest Earned on Capital Reserve Funds	150.00		150.00		(150.00)
Interest on Investments				93,657.28	93,657.28
Other Restricted Miscellaneous Revenues				45.68 *	45.68
Miscellaneous	37,221.00		37,221.00	39,765.80	2,544.80
Total - Local Sources	<u>6,633,678.00</u>		<u>6,633,678.00</u>	<u>6,719,200.76</u>	<u>85,522.76</u>
State Sources:					
Categorical Special Education Aid	792,330.00		792,330.00	792,330.00	
Equalization Aid	10,519,308.00		10,519,308.00	10,519,308.00	
Categorical Security Aid	373,283.00		373,283.00	373,283.00	
Categorical Transportation Aid	86,264.00		86,264.00	86,264.00	
Extraordinary Aid				59,752.00	59,752.00
Other State Aid - Reimburse Nonpublic School Transportation				6,552.00	6,552.00
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				2,822,054.00	2,822,054.00
On-behalf TPAF NCGI Premium (non-budgeted)				39,153.00	39,153.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				751,632.00	751,632.00
On-behalf TPAF - LTDI				1,157.00	1,157.00
TPAF Social Security (Reimbursed - Non-Budgeted)				625,650.76	625,650.76
Total - State Sources	<u>11,771,185.00</u>		<u>11,771,185.00</u>	<u>16,077,135.76</u>	<u>4,305,950.76</u>
Federal Sources:					
Medical Assistance Program - FRCRA/Semi				10,301.04	10,301.04
Medicaid Reimbursement	31,985.00		31,985.00	51,867.94	19,882.94
Total - Federal Sources	<u>31,985.00</u>		<u>31,985.00</u>	<u>62,168.98</u>	<u>30,183.98</u>
TOTAL REVENUES	<u>18,436,848.00</u>		<u>18,436,848.00</u>	<u>22,858,505.50</u>	<u>4,421,657.50</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	424,300.00	(27,948.50)	396,351.50	396,341.50	10.00
Grades 1-5 - Salaries of Teachers	2,254,000.00	638.02	2,254,638.02	2,145,008.02	109,630.00
Unused Sick Payments	15,000.00		15,000.00		15,000.00
Grades 6-8 - Salaries of Teachers	1,904,709.00	142,795.00	2,047,504.00	1,911,147.69	136,356.31
Regular Programs - Home Instruction:					
Salaries of Teachers	8,500.00	19,118.00	27,618.00	27,618.00	
Purchased Professional-Educational Services	1,500.00	5,940.00	7,440.00	7,026.00	414.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	12,150.00		12,150.00		12,150.00
Purchased Professional-Educational Services		10,972.50	10,972.50	10,972.50	
Other Purchased Services (400-500 series)	73,000.00	(6,580.00)	66,420.00	37,406.14	29,013.86
General Supplies	706,384.00	(203,105.86)	503,278.14	332,257.67	171,020.47
Textbooks	151,000.00	(44,654.16)	106,345.84	81,979.82	24,366.02
Other Objects	8,500.00		8,500.00	444.78	8,055.22
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,559,043.00</u>	<u>(102,825.00)</u>	<u>5,456,218.00</u>	<u>4,950,202.12</u>	<u>506,015.88</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	214,275.00	18,308.60	232,583.60	232,583.60	
Other Salaries for Instruction	109,729.00	27,327.22	137,056.22	137,056.01	0.21
Purchased Professional-Educational Services	60,000.00	(45,000.00)	15,000.00	8,872.42	6,127.58
General Supplies	3,500.00	(582.56)	2,917.44	518.48	2,398.96
Textbooks	9,000.00	(4,500.00)	4,500.00		4,500.00
Other Objects	1,000.00		1,000.00		1,000.00
Total Learning and/or Language Disabilities	<u>397,504.00</u>	<u>(4,446.74)</u>	<u>393,057.26</u>	<u>379,030.51</u>	<u>14,026.75</u>
Emotional Regulation Impairment					
General Supplies		299.56	299.56	294.12	5.44
Total Emotional Regulation Impairment		<u>299.56</u>	<u>299.56</u>	<u>294.12</u>	<u>5.44</u>
Multiple Disabilities:					
Salaries of Teachers	85,585.00	4,300.00	89,885.00	89,885.00	
General Supplies	10,000.00	(4,602.27)	5,397.73	123.95	5,273.78
Total Multiple Disabilities	<u>95,585.00</u>	<u>(302.27)</u>	<u>95,282.73</u>	<u>90,008.95</u>	<u>5,273.78</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	923,220.00	(14,825.50)	908,394.50	908,394.50	
General Supplies	10,000.00	(3,500.00)	6,500.00	2,060.19	4,439.81
Textbooks	3,000.00		3,000.00		3,000.00
Total Resource Room/Resource Center	936,220.00	(18,325.50)	917,894.50	910,454.69	7,439.81
Autism:					
Salaries of Teachers	99,111.00		99,111.00	91,685.00	7,426.00
Other Salaries for Instruction	121,327.00	93,000.00	214,327.00	179,363.85	34,963.15
Purchased Professional-Educational Services	45,000.00		45,000.00	3,585.00	41,415.00
General Supplies	10,000.00		10,000.00	1,651.22	8,348.78
Textbooks	2,500.00		2,500.00		2,500.00
Other Objects	2,500.00		2,500.00		2,500.00
Total Autism	280,438.00	93,000.00	373,438.00	276,285.07	97,152.93
Preschool Disabilities - Part-Time:					
Other Salaries for Instruction	23,376.00	1,813.60	25,189.60	25,189.60	
Purchased Professional-Educational Services	75,000.00	(24,321.57)	50,678.43		50,678.43
General Supplies	5,000.00	(0.08)	4,999.92	4,330.91	669.01
Total Preschool Disabilities - Part-Time	103,376.00	(22,508.05)	80,867.95	29,520.51	51,347.44
Preschool Disabilities - Full-Time:					
Purchased Professional-Educational Services	10,000.00	10,000.00	20,000.00	19,803.68	196.32
Total Preschool Disabilities - Full-Time	10,000.00	10,000.00	20,000.00	19,803.68	196.32
Home Instruction:					
Salaries of Teachers	11,000.00		11,000.00	5,050.00	5,950.00
Purchased Professional-Educational Services	7,500.00		7,500.00		7,500.00
Total Home Instruction	18,500.00		18,500.00	5,050.00	13,450.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,841,623.00	57,717.00	1,899,340.00	1,710,447.53	188,892.47
Basic Skills/Remedial - Instruction					
Salaries of Teachers	598,400.00	(93,000.00)	505,400.00	244,054.30	261,345.70
General Supplies	8,000.00		8,000.00	222.68	7,777.32
Textbooks	8,000.00		8,000.00		8,000.00
Total Basic Skills/Remedial - Instruction	614,400.00	(93,000.00)	521,400.00	244,276.98	277,123.02
Bilingual Education - Instruction					
Salaries of Teachers	222,030.00		222,030.00	216,725.00	5,305.00
General Supplies	1,000.00		1,000.00	788.27	211.73
Textbooks	500.00		500.00		500.00
Total Bilingual Education - Instruction	223,530.00		223,530.00	217,513.27	6,016.73
School-Sponsored Cocurricular Activities - Instruction					
Salaries	77,608.00	12,982.00	90,590.00	90,590.00	
Supplies and Materials	6,000.00	(956.61)	5,043.39	4,956.23	87.16
Other Objects	1,500.00	(1,500.00)			
Total School-Sponsored Cocurricular Activities - Instruction	85,108.00	10,525.39	95,633.39	95,546.23	87.16
School-Sponsored Athletics - Instruction					
Salaries	28,000.00	(1,375.39)	26,624.61	22,800.00	3,824.61
Purchased Services (300-500 series)	8,000.00	5,000.00	13,000.00	13,000.00	
Supplies and Materials	11,000.00	(200.00)	10,800.00	9,329.86	1,470.14
Total Other Instructional Programs - Instruction	47,000.00	3,424.61	50,424.61	45,129.86	5,294.75
TOTAL INSTRUCTION	8,370,704.00	(124,158.00)	8,246,546.00	7,263,115.99	983,430.01
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	120,000.00		120,000.00		120,000.00
Tuition to Private Schools for the Disabled - Within State	1,050,098.00	(350,754.02)	699,343.98	385,688.30	313,655.68
Total Undistributed Expenditures - Instruction:	1,170,098.00	(350,754.02)	819,343.98	385,688.30	433,655.68
Undistributed Expend. - Attend. & Social Work					
Salaries	45,786.00	1,271.53	47,057.53	47,057.53	
Supplies and Materials	2,500.00	(1,271.53)	1,228.47	868.12	360.35
Total Undistributed Expend. - Attend. & Social Work	48,286.00	(0.00)	48,286.00	47,925.65	360.35
Undist. Expend. - Health Services					
Salaries	157,455.00	3,674.08	161,129.08	161,129.08	
Purchased Professional and Technical Services	17,000.00	(3,674.00)	13,326.00	6,319.00	7,007.00
Supplies and Materials	7,500.00		7,500.00	3,848.06	3,651.94
Other Objects	500.00		500.00	70.00	430.00
Total Undistributed Expenditures - Health Services	182,455.00	0.08	182,455.08	171,366.14	11,088.94
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	356,938.00		356,938.00	299,295.30	57,642.70
Purchased Professional - Educational Services	50,000.00	59,000.00	109,000.00	79,558.07	29,441.93
Supplies and Materials	10,000.00		10,000.00	4,355.31	5,644.69
Total Undist. Expend. - Speech, OT, PT, & Related Services	416,938.00	59,000.00	475,938.00	383,208.68	92,729.32

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	302,645.00		302,645.00	236,175.00	66,470.00
Other Purchased Prof. and Tech. Services	15,000.00		15,000.00	2,400.00	12,600.00
Supplies and Materials	6,000.00	(120.00)	5,880.00	2,809.71	3,070.29
Other Objects		120.00	120.00	120.00	
Total Undist. Expenditures - Guidance	<u>323,645.00</u>		<u>323,645.00</u>	<u>241,504.71</u>	<u>82,140.29</u>
Undist. Expend. - Child Study Team					
Salaries		122,500.00	122,500.00	32,946.82	89,553.18
Salaries of Other Professional Staff	391,525.00	(122,500.00)	269,025.00	187,996.25	81,028.75
Salaries of Secretarial and Clerical Assistants	58,953.00		58,953.00	50,000.00	8,953.00
Purchased Professional - Educational Services	30,000.00	(9,083.50)	20,916.50		20,916.50
Other Purchased Prof. and Tech. Services	12,000.00	83,696.50	95,696.50	95,696.50	
Misc Pur Serv (400-500 series O/than Resid Costs)		600.00	600.00	550.00	50.00
Supplies and Materials	1,536.50	5,833.00	7,369.50	4,768.00	2,601.50
Other Objects		4,500.00	4,500.00	3,520.00	980.00
Total Undist. Expend. - Child Study Team	<u>494,014.50</u>	<u>85,546.00</u>	<u>579,560.50</u>	<u>375,477.57</u>	<u>204,082.93</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	5,000.00		5,000.00		5,000.00
Supplies and Materials	10,072.00		10,072.00		10,072.00
Total Undist. Expend. - Improvement of Inst. Services	<u>15,072.00</u>		<u>15,072.00</u>		<u>15,072.00</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	91,785.00		91,785.00		91,785.00
Supplies and Materials	18,704.65		18,704.65	5,392.47	13,312.18
Other Objects	1,500.00		1,500.00	1,154.45	345.55
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>111,989.65</u>		<u>111,989.65</u>	<u>6,546.92</u>	<u>105,442.73</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	92,000.00		92,000.00	12,154.03	79,845.97
Other Purchased Services (400-500 series)	7,000.00		7,000.00	2,229.21	4,770.79
Total Undist. Expend. - Instructional Staff Training Serv.	<u>99,000.00</u>		<u>99,000.00</u>	<u>14,383.24</u>	<u>84,616.76</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	171,475.00		171,475.00	171,459.00	16.00
Legal Services	45,000.00	(1,299.00)	43,701.00	36,822.00	6,879.00
Audit Fees	25,000.00		25,000.00	22,200.00	2,800.00
Other Purchased Professional Services	75,278.60	(177.00)	75,101.60	12,774.03	62,327.57
Communications/Telephone	81,200.00		81,200.00	66,906.04	14,293.96
BOE Other Purchased Services	7,500.00	1,743.01	9,243.01	8,349.96	893.05
Other Purchased Services (400-500 series)	45,000.00	(796.46)	44,203.54	14,844.26	29,359.28
General Supplies	5,100.00		5,100.00		5,100.00
Miscellaneous Expenditures	7,000.00	(670.96)	6,329.04	6,329.04	
BOE Membership Dues and Fees	7,200.00	1,200.33	8,400.33	8,400.33	
Total Undist. Expend. - Supp. Serv. - General Administration	<u>469,753.60</u>	<u>(0.08)</u>	<u>469,753.52</u>	<u>348,084.66</u>	<u>121,668.86</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	396,418.00	21,661.79	418,079.79	418,079.40	0.39
Salaries of Secretarial and Clerical Assistants	144,545.00	(25,952.79)	118,592.21	117,697.20	895.01
Misc. Purchased Services (400-500 series)	8,700.00	11,791.00	20,491.00	15,508.00	4,983.00
Supplies and Materials	23,000.00	(8,000.00)	15,000.00	7,973.24	7,026.76
Other Objects	8,500.00	(1,500.00)	7,000.00	4,989.24	2,010.76
Total Undist. Expend. - Support Serv. - School Administration	<u>581,163.00</u>	<u>(2,000.00)</u>	<u>579,163.00</u>	<u>564,247.08</u>	<u>14,915.92</u>
Undist. Expend. - Central Services					
Salaries	65,699.00	3,500.00	69,199.00	68,488.36	710.64
Purchased Professional Services	253,618.00	23,756.50	277,374.50	276,930.06	444.44
Misc. Purchased Services (400-500 series)	7,616.00		7,616.00	7,453.94	162.06
Supplies and Materials	7,500.00		7,500.00	5,209.77	2,290.23
Miscellaneous Expenditures	500.00		500.00	175.00	325.00
Total Undist. Expend. - Central Services	<u>334,933.00</u>	<u>27,256.50</u>	<u>362,189.50</u>	<u>358,257.13</u>	<u>3,932.37</u>
Undist. Expend. - Admin. Info. Tech					
Purchased Technical Services	360,750.00	(32,256.50)	328,493.50	280,422.75	48,070.75
Other Purchased Services (400-500 series)	1,500.00		1,500.00		1,500.00
Supplies and Materials	81,050.00		81,050.00	73,237.76	7,812.24
Other Objects	2,500.00		2,500.00	925.00	1,575.00
Total Undist. Expend. - Admin. Info. Tech	<u>445,800.00</u>	<u>(32,256.50)</u>	<u>413,543.50</u>	<u>354,585.51</u>	<u>58,957.99</u>
Undist. Expend. - Required Maint. for School Facilities					
Salaries	83,560.00	24,000.72	107,560.72	107,520.61	40.11
Cleaning, Repair and Maintenance Services	249,876.00	(93,326.78)	156,549.22	56,429.73	100,119.49
General Supplies	25,000.00		25,000.00	14,414.53	10,585.47
Undist. Expend. - Required Maint. for School Facilities	<u>358,436.00</u>	<u>(69,326.06)</u>	<u>289,109.94</u>	<u>178,364.87</u>	<u>110,745.07</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	340,494.00	(17,325.00)	323,169.00	279,952.15	43,216.85
Cleaning, Repair and Maintenance Services	108,850.00	(500.00)	108,350.00	68,848.44	39,501.56
Other Purchased Property Services	24,000.00		24,000.00	9,556.04	14,443.96
Insurance	87,000.00	59,939.70	146,939.70	146,939.70	
General Supplies	113,475.00		113,475.00	78,730.31	34,744.69
Energy (Natural Gas)	65,000.00	4,720.79	69,720.79	57,976.65	11,744.14
Energy (Energy and Electricity)	135,000.00	(5,455.79)	129,544.21	112,040.18	17,504.03
Other Objects	1,500.00		1,500.00	160.00	1,340.00
Total Undist. Expend. - Custodial Services	875,319.00	41,379.70	916,698.70	754,203.47	162,495.23
Care and Upkeep of Grounds					
Salaries		1,365.00	1,365.00	1,365.00	
Total Care and Upkeep of Grounds		1,365.00	1,365.00	1,365.00	
Undist. Expend. - Security					
Salaries	61,586.00	3,763.42	65,349.42	65,348.50	0.92
Purchased Professional and Technical Services	80,650.00	114,693.94	195,343.94	167,977.87	27,366.07
General Supplies	16,940.00	(1.00)	16,939.00	16,451.02	487.98
Total Undist. Expend. - Security	159,176.00	118,456.36	277,632.36	249,777.39	27,854.97
Total Undist. Expend. - Oper & Maint. Of Plant	1,392,931.00	91,875.00	1,484,806.00	1,183,710.73	301,095.27
Undist. Expend. - Student Transportation Services					
Salaries for Pupil Trans (Between Home and School)-Regular	71,828.00	760.00	72,588.00	69,550.48	3,037.52
Cleaning, Repair and Maintenance Services	12,000.00	(760.00)	11,240.00	10,065.61	1,174.39
Contracted Services - Aid in Lieu Payments	54,000.00	(21,749.48)	32,250.52	31,870.70	379.82
Contracted Services (Between Home and School)-Vendors	25,000.00	(25,000.00)			
Contracted Services (Other than Bet Home and School)-Vendors	220,000.00	(216,000.00)	4,000.00	2,850.00	1,150.00
Contracted Services (Special Ed. Students)-ESCs & CTAs		474,728.96	474,728.96	362,952.09	111,776.87
General Supplies	6,000.00		6,000.00	4,864.78	1,135.22
Total Undist. Expend. - Student Transportation Services	388,828.00	211,979.48	600,807.48	482,153.66	118,653.82
UNALLOCATED BENEFITS					
Social Security Contributions	155,000.00	48,821.69	203,821.69	200,839.70	2,981.99
Other Retirement Contributions - PERS	202,782.00	7,574.00	210,356.00	210,356.00	
Other Retirement Contributions - Regular		17,074.94	17,074.94	15,370.36	1,704.58
Workmen's Compensation	95,000.00	8,972.32	103,972.32	103,972.28	0.04
Health Benefits	2,920,203.57	(90,008.24)	2,830,195.33	2,461,865.60	368,329.73
Tuition Reimbursement	26,000.00	6,965.83	32,965.83	25,999.83	6,966.00
Other Employee Benefits	4,000.00		4,000.00	600.00	3,400.00
TOTAL UNALLOCATED BENEFITS	3,402,985.57	(599.46)	3,402,386.11	3,019,003.77	383,382.34
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				2,822,054.00	(2,822,054.00)
On-behalf TPAF NCGI Premium (non-budgeted)				39,153.00	(39,153.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				751,632.00	(751,632.00)
On-behalf TPAF - LTDI				1,157.00	(1,157.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				625,650.76	(625,650.76)
TOTAL ON-BEHALF CONTRIBUTIONS				4,239,646.76	(4,239,646.76)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,402,985.57	(599.46)	3,402,386.11	7,258,650.53	(3,856,264.42)
TOTAL UNDISTRIBUTED EXPENDITURES	9,877,892.32	90,047.00	9,967,939.32	12,175,790.51	(2,207,851.19)
TOTAL GENERAL CURRENT EXPENSE	18,248,596.32	(34,111.00)	18,214,485.32	19,438,906.50	(1,224,421.18)
CAPITAL OUTLAY					
Equipment					
Support Services:					
Undistributed Expenditures - Instruction	150.00		150.00		150.00
Undist. Expend.-Support Serv. - Admin Info Tech.	374,688.85	(66,000.00)	308,688.85	74,452.00	234,236.85
Undistributed Expenditures - Required Maint. for School Facilities	94,000.00	66,000.00	160,000.00		160,000.00
Total Equipment	468,838.85		468,838.85	74,452.00	394,386.85
Facilities Acquisition and Construction Services					
Construction Services	82,012.50		82,012.50	15,225.00	66,787.50
Assessment for Debt Service on SDA Funding	5,453.00		5,453.00	5,453.00	
Total Facilities Acquisition and Construction Services	87,465.50		87,465.50	20,678.00	66,787.50
TOTAL CAPITAL OUTLAY	556,304.35		556,304.35	95,130.00	461,174.35
Transfer of Funds to Charter Schools	188,235.00	34,111.00	222,346.00	193,716.00	28,630.00
TOTAL EXPENDITURES	18,993,135.67	0.00	18,993,135.67	19,727,752.50	(734,616.83)

BOROUGH OF HLEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,287.67)	(0.00)	(556,287.67)	3,130,753.00	3,687,040.67
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(556,287.67)	(0.00)	(556,287.67)	3,130,753.00	3,687,040.67
Fund Balance, July 1	5,177,712.80		5,177,712.80	5,177,712.80	
Fund Balance, June 30	4,621,425.13	(0.00)	4,621,425.13	8,308,465.80	3,687,040.67
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for Prior Year Encumbrances	(260,925.67)		(260,925.67)	(260,925.67)	
Increase in Capital Reserve					
Principal				2,249,100.00	2,249,100.00
Interest	150.00		150.00		(150.00)
Increase in Unemployment Compensation - Interest				45.68	45.68
Increase in Maintenance Reserve					
Principal				164,275.00	164,275.00
Interest	75.00		75.00		(75.00)
Budgeted Fund Balance	(295,587.00)		(295,587.00)	978,257.99	1,273,844.99
Total	(556,287.67)		(556,287.67)	3,130,753.00	3,687,040.67

Recapitulation:

Restricted Fund Balance

Reserve for Excess Surplus - Current Year	907,565.29	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	253,076.86	
Capital Reserve	4,859,999.94	
Maintenance Reserve	615,831.95	
Emergency Reserve	250,000.00	
Unemployment Compensation	309,496.53	audsum line # 90062

Assigned Fund Balance:

Year-end Encumbrances	364,866.98
Designated for Subsequent Year's Expenditures	371,562.14

Unassigned Fund Balance:

Unrestricted Fund Balance - Undesignated	376,066.11
	8,308,465.80
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	(1,162,985.00)
Fund Balance per Governmental Funds (GAAP)	7,145,480.80

* Includes interest earnings on the Unemployment Compensation Bank Account

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	32,286.00		32,286.00	36,337.08	4,051.08
State Sources	928,266.00	23,783.00	952,049.00	623,019.49	(329,029.51)
Federal Sources	5,764,053.00	927,188.00	6,691,241.00	2,618,822.00	(4,072,419.00)
Total Revenues	6,724,605.00	950,971.00	7,675,576.00	3,278,178.57	(4,397,397.43)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	773,099.00	931,417.85	1,704,516.85	1,328,956.25	375,560.60
Other Salaries for Instruction	53,691.00	67,926.53	121,617.53	121,617.53	
Other Purchased Services (400-500 series)	219,150.00	38,925.00	258,075.00	258,075.00	
General Supplies	785,164.00	(286,833.09)	498,330.91	311,306.91	187,024.00
Total Instruction	1,831,104.00	751,436.29	2,582,540.29	2,019,955.69	562,584.60
Support Services:					
Salaries of Program Directors	21,313.00	0.68	21,313.68	21,313.68	
Salaries of Secretarial and Clerical Assist	6,463.00	(0.28)	6,462.72	3,834.56	2,628.16
Other Salaries	63,335.00	325,335.68	388,670.68	118,888.68	269,782.00
Personal Services - Employee Benefits	267,401.00	529,824.66	797,225.66	459,265.00	337,960.66
Purchased Professional & Technical Services	26,146.00	69,276.00	95,422.00	18,777.00	76,645.00
Purchased Professional - Educational Services	100,853.00	(77,853.09)	22,999.91	7,859.59	15,140.32
Other Purchased Professional Services	19,500.00		19,500.00	783.00	18,717.00
Cleaning, Repairs and Maintenance Services	37,718.00	13,782.97	51,500.97	23,783.00	27,717.97
Contr Serv - Trans. (Field Trips)	25,000.00		25,000.00	3,406.00	21,594.00
Other Purchased Services (400-500 series)	8,500.00	6,945.00	15,445.00	2,995.00	12,450.00
Supplies & Materials	866,965.00	(620,054.91)	246,910.09	62,243.04	184,667.05
Other Objects	15,000.00		15,000.00		15,000.00
Student Activities	32,286.00		32,286.00	29,914.33	2,371.67
Total Support Services	1,490,480.00	247,256.71	1,737,736.71	753,062.88	984,673.83

note 1

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Const. Serv.:					
Building	3,359,913.00	(47,722.00)	3,312,191.00	468,685.00	2,843,506.00
Instructional Equipment	33,108.00		33,108.00	30,052.25	3,055.75
Non Instructional Equipment	10,000.00		10,000.00		10,000.00
Total Facilities Acquisition and Const. Serv.	<u>3,403,021.00</u>	<u>(47,722.00)</u>	<u>3,355,299.00</u>	<u>498,737.25</u>	<u>2,856,561.75</u>
Total Expenditures	6,724,605.00	950,971.00	7,675,576.00	3,271,755.82	4,403,820.18
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				6,422.75	6,422.75
Fund Balance, July 1				34,617.90	
Fund Balance, June 30				<u>41,040.65</u>	
Recapitulation:					
Restricted:					
Student Activities				41,040.65	
Total Fund Balance				<u>41,040.65</u>	

note 1 - Not Required to budget for these funds.

BOROUGH OF HALEDON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2023

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	22,858,505.50	3,278,178.57
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,162,985.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		990,943.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	22,686,463.50	3,278,178.57
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	19,727,752.50	3,271,755.82
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
Pension expense recognized for GAAP but not for budgetary purposes.		N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	19,727,752.50	3,271,755.82

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Covered Payroll -PERS Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0153161340%	\$2,867,599	\$1,060,629	270.37%	52.08%
2016	0.0157796884%	3,542,224	1,094,368	323.68%	47.93%
2017	0.0162943862%	4,825,930	1,102,404	437.76%	59.86%
2018	0.0160495565%	3,736,080	1,119,326	333.78%	48.10%
2019	0.0177341000%	3,491,756	1,060,972	329.11%	53.60%
2020	0.0155307038%	2,798,397	1,060,972	263.76%	56.27%
2021	0.0155562017%	2,536,810	1,156,305	219.39%	58.32%
2022	0.0145721660%	1,726,292	1,266,330	136.32%	70.33%
2023	0.0166810459%	2,517,399	1,337,334	188.24%	62.91%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
2015	\$ 126,264	\$ 126,264	\$ -	\$1,060,629	11.90%
2016	135,663	135,663	-	1,094,368	12.40%
2017	144,757	144,757	-	1,102,404	13.13%
2018	148,682	148,682	-	1,119,326	13.28%
2019	176,397	176,397	-	1,060,972	16.63%
2020	151,068	151,068	-	1,067,145	14.16%
2021	170,177	170,177	-	1,156,305	14.72%
2022	170,657	170,657	-	1,266,330	13.48%
2023	210,356	210,356	-	1,337,334	15.73%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0631412808%	\$ -	\$ 33,746,960	\$ 7,392,155	0.00%	33.64%
2016	0.0665816926%	\$ -	42,082,473	7,408,447	0.00%	28.71%
2017	0.0677025260%	\$ -	53,259,118	7,483,995	0.00%	28.75%
2018	0.0734662699%	\$ -	49,533,608	7,603,809	0.00%	34.07%
2019	0.0723631586%	\$ -	46,035,887	7,994,079	0.00%	26.49%
2020	0.0726584996%	\$ -	44,591,207	8,100,190	0.00%	26.95%
2021	0.0715801167%	\$ -	47,134,646	7,966,555	0.00%	24.60%
2022	0.0735715685%	\$ -	35,369,670	8,311,689	0.00%	35.52%
2023	0.0724419323%	\$ -	37,375,992	8,150,533	0.00%	32.29%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 2,147,476	\$ 2,489,907	\$ 1,392,980	\$ 1,325,831	\$ 1,461,876	\$ 1,768,626
Interest on Total OPEB Liability	853,937	1,016,048	932,173	1,106,043	1,166,888	1,002,084
Changes of Benefit Terms		(41,689)				
Difference between Expected and Actual Experiences	(483,525)	(5,732,447)	7,261,538	(4,089,338)	(2,599,217)	
Changes in Assumptions	(8,644,029)	38,642	7,703,281	381,600	(3,170,870)	(4,322,932)
Gross Benefit Payments	(845,850)	(800,361)	(734,171)	(785,642)	(738,860)	(729,289)
Contribution from the Member	27,135	25,975	22,253	23,289	25,536	26,854
Net Changes in total Share of OPEB Liability	<u>(6,944,856)</u>	<u>(3,003,925)</u>	<u>16,578,054</u>	<u>(2,038,217)</u>	<u>(3,854,647)</u>	<u>(2,254,657)</u>
Total OPEB Liability - Beginning	<u>39,167,558</u>	<u>42,171,483</u>	<u>25,593,429</u>	<u>27,631,646</u>	<u>31,486,293</u>	<u>33,740,950</u>
Total OPEB Liability - Ending	<u>\$ 32,222,702</u>	<u>\$ 39,167,558</u>	<u>\$ 42,171,483</u>	<u>\$ 25,593,429</u>	<u>\$ 27,631,646</u>	<u>\$ 31,486,293</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	32,222,702	39,167,558	42,171,483	25,593,429	27,631,646	31,486,293
Total OPEB Liability - Ending	<u>\$ 32,222,702</u>	<u>\$ 39,167,558</u>	<u>\$ 42,171,483</u>	<u>\$ 25,593,429</u>	<u>\$ 27,631,646</u>	<u>\$ 31,486,293</u>
District's Covered Employee Payroll	<u>\$ 9,487,867</u>	<u>\$ 9,578,019</u>	<u>\$ 9,122,860</u>	<u>\$ 9,167,335</u>	<u>\$ 9,055,051</u>	<u>\$ 8,723,135</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms Decrease in liability due to employers adopting the provisions of Ch. 44.

Change in assumptions Assumptions used in calculating the OPEB liability are presented in Note 9.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

BOROUGH OF HALEDON SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1a)	Title I Part - A Improving Basic Programs	Title I SIA	Title II Part - A Teacher/Principal Training & Recruiting	Title III English Language Enhancement	Title III Immigrant	Title IV Student Support and Academic Enrichment	Totals 2023
REVENUES								
Local Sources	36,337.08							36,337.08
State Sources	623,019.49							623,019.49
Federal Sources	1,827,499.00	661,279.00	20,528.00	66,168.00	9,940.00	2,950.00	30,458.00	2,618,822.00
Total Revenues	2,486,855.57	661,279.00	20,528.00	66,168.00	9,940.00	2,950.00	30,458.00	3,278,178.57
EXPENDITURES:								
Instruction:								
Salaries of Teachers	851,404.25	428,883.00	20,528.00		9,940.00	2,950.00	15,251.00	1,328,956.25
Other Salaries for Instruction	121,617.53							121,617.53
Other Purchased Services (400-500 series)	258,075.00							258,075.00
General Supplies	292,636.91	18,670.00						311,306.91
Total Instruction	1,523,733.69	447,553.00	20,528.00		9,940.00	2,950.00	15,251.00	2,019,955.69
Support Services:								
Salaries of Program Director	21,313.68							21,313.68
Salaries of Secretarial and Clerical Assist	3,834.56							3,834.56
Other Salaries	75,437.68			37,251.00			6,200.00	118,888.68
Personal Services - Employee Benefits	217,750.00	213,726.00		19,717.00			8,072.00	459,265.00
Purchased Professional & Technical Services	9,577.00			9,200.00				18,777.00
Purchased Professional - Educational Services	7,859.59							7,859.59
Other Purchased Professional Services	783.00							783.00
Cleaning, Repairs and Maintenance Services	23,783.00							23,783.00
Contr. Serv - Trans. (Field Trips)	3,406.00							3,406.00
Other Purchased Services (400-500 series)	2,995.00						935.00	2,995.00
Supplies & Materials	61,308.04							62,243.04
Student Activities	29,914.33							29,914.33
Total Support Services	457,961.88	213,726.00		66,168.00			15,207.00	753,062.88
Facilities Acquisition and Const. Serv.:								
Buildings	468,685.00							468,685.00
Instructional Equipment	30,052.25							30,052.25
Total Facilities Acquisition and Const. Serv.	498,737.25							498,737.25
Total Expenditures	2,480,432.82	661,279.00	20,528.00	66,168.00	9,940.00	2,950.00	30,458.00	3,271,755.82
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	6,422.75							6,422.75
Fund Balance, July 1	34,617.90							34,617.90
Fund Balance, June 30	41,040.65							41,040.65

BOROUGH OF HALEDON SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ARP I.D.E.A. Basic	ARP I.D.E.A. PreSchool	I.D.E.A. Part B Basic	CARES	Emergent & Capital Maintenance Needs	Preschool Education Aid	Student Activity Fund	Total Carried Forward
REVENUES									
Local Sources	-							36,337.08	36,337.08
State Sources	1,522,747.00	2,748.00	4,685.00	257,103.00	40,216.00	23,783.00	599,236.49	623,019.49	623,019.49
Federal Sources	1,522,747.00	2,748.00	4,685.00	257,103.00	40,216.00	23,783.00	599,236.49	1,827,499.00	1,827,499.00
Total Revenues									
									2,486,855.57
EXPENDITURES:									
Instruction:									
Salaries of Teachers	480,772.00								851,404.25
Other Salaries for Instruction							370,632.25		121,617.53
Other Purchased Services (400-500 series)		972.00		257,103.00			121,617.53		258,075.00
General Supplies	284,958.00	1,776.00	4,685.00				1,217.91		292,636.91
Total Instruction	765,730.00	2,748.00	4,685.00	257,103.00			493,467.69		1,523,733.69
Support services:									
Salaries of Program Director									21,313.68
Salaries of Secretarial and Clerical Assist									3,834.56
Other Salaries	44,920.00								75,437.68
Personal Services - Employee Benefits	217,750.00								217,750.00
Purchased Professional & Technical Services	9,577.00								9,577.00
Purchased Professional - Educational Services									7,859.59
Other Purchased Professional Services									783.00
Cleaning, Repairs and Maintenance Services									23,783.00
Contr Serv - Trans. (Field Trips)	2,995.00								3,406.00
Other Purchased Services (400-500 series)	13,090.00				40,216.00				2,995.00
Supplies & Materials									61,308.04
Student Activities								29,914.33	29,914.33
Total Support Services	288,332.00				40,216.00	23,783.00	75,716.55	29,914.33	457,961.88
Facilities Acquisition and Const. Serv.:									
Buildings	468,685.00								468,685.00
Instructional Equipment									30,052.25
Total Facilities Acquisition and Const. Serv.	468,685.00								498,737.25
Total Expenditures	1,522,747.00	2,748.00	4,685.00	257,103.00	40,216.00	23,783.00	599,236.49	29,914.33	2,480,432.82
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)								6,422.75	6,422.75
Fund Balance, July 1								34,617.90	34,617.90
Fund Balance, June 30								41,040.65	41,040.65

BOROUGH OF HALEDON SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	ESSER	Accel. Learning	ARP Beyond the School Day	Summer Learning	Mental Health	ARP Homeless	Total Carried Forward
REVENUES							
Local Sources	-						-
State Sources							
Federal Sources	1,270,876.00	3,172.00	26,512.00	8,931.00	21,881.00	6,000.00	1,522,747.00
Total Revenues	1,270,876.00	3,172.00	26,512.00	8,931.00	21,881.00	6,000.00	1,522,747.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers	445,329.00		26,512.00	8,931.00			480,772.00
Other Salaries for Instruction							
Other Purchased Services (400-500 series)							
General Supplies	284,958.00						284,958.00
Total Instruction	730,287.00		26,512.00	8,931.00			765,730.00
Support Services:							
Salaries of Program Director							
Salaries of Secretarial and Clerical Assist							
Other Salaries	500.00	3,172.00			18,800.00	6,000.00	44,920.00
Personal Services - Employee Benefits							217,750.00
Purchased Professional & Technical Services							9,577.00
Purchased Professional - Educational Services							
Other Purchased Professional Services							
Cleaning, Repairs and Maintenance Services							
Contr. Serv - Trans. (Field Trips)							
Other Purchased Services (400-500 series)					3,081.00		2,995.00
Supplies & Materials							13,090.00
Student Activities							
Total Support Services	500.00	3,172.00			21,881.00	6,000.00	288,332.00
Facilities Acquisition and Const. Serv.:							
Buildings	283,810.00	184,875.00					468,685.00
Instructional Equipment							
Total Facilities Acquisition and Const. Serv.	283,810.00	184,875.00					468,685.00
Total Expenditures	1,270,876.00	3,172.00	26,512.00	8,931.00	21,881.00	6,000.00	1,522,747.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							
Fund Balance, July 1							
Fund Balance, June 30							

BOROUGH OF HALEDON SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	ESSER II	CRRSA Accel. Learning	Mental Health	Total Carried Forward
REVENUES				
Local Sources				
State Sources	1,244,867.00	11,755.00	14,254.00	1,270,876.00
Federal Sources	1,244,867.00	11,755.00	14,254.00	1,270,876.00
Total Revenues				
EXPENDITURES:				
Instruction:				
Salaries of Teachers	445,329.00			445,329.00
Other Salaries for Instruction				
Other Purchased Services (400-500 series)				
General Supplies	281,530.00	3,428.00		284,958.00
Total instruction	726,859.00	3,428.00		730,287.00
Support services:				
Salaries of Program Director				
Salaries of Secretarial and Clerical Assist				
Other Salaries	16,448.00			16,448.00
Personal Services - Employee Benefits	217,750.00			217,750.00
Purchased Professional & Technical Services				
Purchased Professional - Educational Services		8,327.00	1,250.00	9,577.00
Other Purchased Professional Services				
Cleaning, Repairs and Maintenance Services				
Contr. Serv - Trans. (Field Trips)				
Other Purchased Services (400-500 series)			2,995.00	2,995.00
Supplies & Materials			10,009.00	10,009.00
Student Activities				
Total support services	234,198.00	8,327.00	14,254.00	256,779.00
Facilities acquisition and const. serv.:				
Buildings	283,810.00			283,810.00
Instructional Equipment				
Total facilities acquisition and const. serv.	283,810.00			283,810.00
Total Expenditures	1,244,867.00	11,755.00	14,254.00	1,270,876.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				
Fund Balance, July 1				

BOROUGH OF HALEDON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2023

<u>District-wide Total</u>			
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	371,613.85	370,632.25	981.60
Other Salaries for Instruction	121,617.53	121,617.53	
General Supplies	1,255.91	1,217.91	38.00
Total instruction	<u>494,487.29</u>	<u>493,467.69</u>	<u>1,019.60</u>
Support services:			
Salaries of Program Directors	21,313.68	21,313.68	
Salaries of Secretarial and Clerical Assist	6,462.72	3,834.56	2,628.16
Other Salaries	30,517.68	30,517.68	
Personal Services - Employee Benefits	191,914.66		191,914.66
Purchased Professional - Educational Services	22,999.91	7,859.59	15,140.32
Other Purchased Professional Services	19,500.00	783.00	18,717.00
Cleaning, Repairs and Maintenance Services	27,717.97		27,717.97
Contr Serv - Trans. (Field Trips)	25,000.00	3,406.00	21,594.00
Other Purchased Services (400-500 series)	8,500.00		8,500.00
Supplies & Materials	21,744.09	8,002.04	13,742.05
Other Objects	15,000.00		15,000.00
Total support services	<u>390,670.71</u>	<u>75,716.55</u>	<u>314,954.16</u>
Equipment			
Instructional equipment	33,108.00	30,052.25	3,055.75
Non-Instructional Equipment	10,000.00		10,000.00
Total Equipment	<u>43,108.00</u>	<u>30,052.25</u>	<u>13,055.75</u>
Total expenditures	<u>928,266.00</u>	<u>599,236.49</u>	<u>329,029.51</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-23 Preschool Education Aid Allocation	688,650.00
Actual Preschool Carryover (June 30, 2022)	449,879.98
Transfer from General Fund	
Total Preschool Education Aid Funds Available for 2022-23 Budget	<u>1,138,529.98</u>
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(928,266.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	210,263.98
Add: 2022-23 Unexpended Preschool Education Aid	329,029.51
2022-23 Actual Carryover - Preschool Education Aid	<u>539,293.49</u>
2022-23 Preschool Education Aid Carryover Budgeted in 2023-24	<u>175,527.00</u>

CAPITAL PROJECTS FUND

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2023

Revenues and Other Financing Sources	
State Sources - NJBPU Program Grant	366,384.75
Total Revenues	366,384.75
Expenditures and Other Financing Uses	
Construction Services	59,736.00
Total Expenditures	59,736.00
Excess (deficiency) or Revenues over (under) Expenditures	306,648.75
Fund balance - beginning	
Fund balance - ending	306,648.75
<u>Recapitulation:</u>	
Unrestricted Fund Balance	306,648.75
Reconciliation to Governmental Funds Statements (GAAP):	
Grant Receivable not Recognized on GAAP Basis	(306,648.75)
Fund Balance per Governmental Funds (GAAP)	

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2023

Project Title/Issue	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2023
		Prior Years	Current Year	
Haledon Public School - Replacement of HVAC System	366,384.75		59,736.00	306,648.75
	<u>366,384.75</u>		<u>59,736.00</u>	<u>306,648.75</u>

PROPRIETARY FUNDS

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	<u>Food Service Program</u>	<u>After Care/ Summer Camp Program</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	140,230.07	602,934.89	743,164.96
Accounts Receivable:			
State	1,458.69		1,458.69
Federal	51,929.13		51,929.13
Other		28,203.60	28,203.60
Interfunds Receivable	309,533.72	115,000.00	424,533.72
Inventories	10,318.34		10,318.34
Total Current Assets	<u>513,469.95</u>	<u>746,138.49</u>	<u>1,259,608.44</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	469,754.95		469,754.95
Less Accumulated Depreciation	<u>(316,469.88)</u>		<u>(316,469.88)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>153,285.07</u>		<u>153,285.07</u>
Total Assets	<u>666,755.02</u>	<u>746,138.49</u>	<u>1,412,893.51</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	45,012.41		45,012.41
Prepaid Revenue	476.65	240.00	716.65
Deferred Revenue		115,000.00	115,000.00
Total Current Liabilities	<u>45,489.06</u>	<u>115,240.00</u>	<u>160,729.06</u>
Total Liabilities	<u>45,489.06</u>	<u>115,240.00</u>	<u>160,729.06</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	153,285.07		153,285.07
Unrestricted	467,980.89	630,898.49	1,098,879.38
Total Net Position	<u>621,265.96</u>	<u>630,898.49</u>	<u>1,252,164.45</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2023

	<u>Food Service Program</u>	<u>After Care / Summer Camp Program</u>	<u>Totals</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	42,904.33		42,904.33
Miscellaneous Revenue	180.00		180.00
Miscellaneous - Program Fees		833,860.09	833,860.09
Total Operating Revenues	<u>43,084.33</u>	<u>833,860.09</u>	<u>876,944.42</u>
Operating Expenses:			
Cost of food-reimbursable programs	357,049.30		357,049.30
Cost of food-non-reimbursable programs	18,904.21		18,904.21
Salaries	219,010.39	593,050.89	812,061.28
Supplies and Materials	45,271.27	20,041.85	65,313.12
Employee Benefits	27,217.72	14,459.50	41,677.22
Cleaning Repair & Maintenance	4,799.40		4,799.40
Other Purchased Services	41,856.83	1,400.00	43,256.83
Miscellaneous Expense	5,640.79	10,548.54	16,189.33
Depreciation	19,949.38		19,949.38
Total Operating Expenses	<u>739,699.29</u>	<u>639,500.78</u>	<u>1,379,200.07</u>
Operating Income (Loss)	<u>(696,614.96)</u>	<u>194,359.31</u>	<u>(502,255.65)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,350.82		8,350.82
State School Breakfast Program	8,472.20		8,472.20
Summer Food Service Program	613.10		613.10
Hiring & Retention Bonus Grant		26,925.00	26,925.00
Federal Sources:			
National School Lunch Program	398,803.26		398,803.26
School Breakfast Program	166,146.48		166,146.48
HHFKA Program	10,011.04		10,011.04
After School Snack Program	31,000.32		31,000.32
Summer Food Service Program	17,675.02		17,675.02
Supply Chain Assistance Grant	63,752.80		63,752.80
ARP Stabilization Grant		80,000.00	80,000.00
U.S.D.A. Commodities:			
Food Distribution Program	61,016.07		61,016.07
Interest and Investment Revenue	1,925.16		1,925.16
Total Nonoperating Revenues (Expenses)	<u>767,766.27</u>	<u>106,925.00</u>	<u>874,691.27</u>
Income (Loss) Before Contributions & Transfers	<u>71,151.31</u>	<u>301,284.31</u>	<u>372,435.62</u>
Change in Net Position	<u>71,151.31</u>	<u>301,284.31</u>	<u>372,435.62</u>
Total Net Position—Beginning	<u>550,114.65</u>	<u>329,614.18</u>	<u>879,728.83</u>
Total Net Position—Ending	<u>621,265.96</u>	<u>630,898.49</u>	<u>1,252,164.45</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	Food Service Program	After Care / Summer Camp Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	42,466.87	817,507.69	859,974.56
Payments for Interfunds	(15,903.35)		(15,903.35)
Payments to Employees	(43,380.75)	(593,050.89)	(636,431.64)
Payments for Employee Benefits	(3,318.63)	(14,459.50)	(17,778.13)
Payments to Suppliers		(20,041.85)	(20,041.85)
Payments for Miscellaneous Expenses	(7,551.72)	(11,948.54)	(19,500.26)
Payments to Food Service Management Company	(634,604.03)		(634,604.03)
Net Cash Provided by (Used for) Operating Activities	<u>(662,291.61)</u>	<u>178,006.91</u>	<u>(484,284.70)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	11,174.60	26,925.00	38,099.60
Federal Sources	478,751.78		478,751.78
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>489,926.38</u>	<u>26,925.00</u>	<u>516,851.38</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,925.16		1,925.16
Net Cash Provided by (Used for) Investing Activities	<u>1,925.16</u>		<u>1,925.16</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(170,440.07)	204,931.91	34,491.84
Balances—Beginning of Year	310,670.14	398,002.98	708,673.12
Balances—End of Year	<u>140,230.07</u>	<u>602,934.89</u>	<u>743,164.96</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	(696,614.96)	194,359.31	(502,255.65)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided			
(Used for) Operating Activities			
Depreciation and Net Amortization	19,949.38		19,949.38
Food Distribution Program Donated Commodities	61,016.07		61,016.07
(Increase) Decrease in Accounts Receivable, Net	29,681.88	(14,392.40)	15,289.48
(Increase) Decrease in Inventories	2,807.10		2,807.10
Increase (Decrease) in Accounts Payable	(53,070.78)		(53,070.78)
Increase (Decrease) in Other Current Liabilities	(26,060.30)	(1,960.00)	(28,020.30)
Total Adjustments	<u>34,323.35</u>	<u>(16,352.40)</u>	<u>17,970.95</u>
Net Cash Provided by (Used for) Operating Activities	<u>(662,291.61)</u>	<u>178,006.91</u>	<u>(484,284.70)</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
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- J-3 Fund Balances - Governmental Funds
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Debt Capacity

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Demographic and Economic Information

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

BOROUGH OF HALEDON SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets	8,677,963.96	10,143,796.89	10,510,234.36	10,857,094.90	11,059,843.46	10,815,756.66	10,228,252.86	9,870,835.14	9,640,825.56	9,702,249.11
Restricted	3,980,120.97	3,425,354.12	2,495,467.75	1,621,696.91	981,536.18	958,461.80	1,825,720.32	2,918,720.21	4,157,410.90	7,237,011.22
Unrestricted	(451,767.63)	(3,343,737.37)	(3,308,458.81)	(3,490,639.71)	(3,677,935.77)	(3,999,304.08)	(3,979,445.69)	(3,691,802.18)	(3,049,565.86)	(2,759,912.81)
Total Governmental Activities Net Position	12,206,317.30	10,225,413.64	9,697,243.30	8,988,152.10	8,363,443.87	7,774,914.38	8,074,527.50	9,097,753.17	10,748,670.60	14,179,347.52
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	187,321.47	171,623.79	163,523.31	202,022.37	232,430.91	213,146.07	213,133.21	193,183.83	173,234.45	153,285.07
Unrestricted	328,750.54	421,664.81	476,584.44	382,139.43	261,557.77	241,516.27	214,530.95	445,692.70	706,494.38	1,098,879.38
Total Business-type Activities Net Position	516,072.01	593,288.60	640,107.75	584,161.80	493,988.68	454,662.34	427,664.16	638,876.53	879,728.83	1,252,164.45
District-wide										
Invested in Capital Assets, Net of Related Debt	8,865,285.43	10,315,420.68	10,673,757.67	11,059,117.27	11,292,274.37	11,028,902.73	10,441,386.07	10,064,018.97	9,814,060.01	9,855,534.18
Restricted	3,980,120.97	3,425,354.12	2,495,467.75	1,621,696.91	981,536.18	958,461.80	1,825,720.32	2,918,720.21	4,157,410.90	7,237,011.22
Unrestricted	(123,017.09)	(2,922,072.56)	(2,831,874.37)	(3,108,500.28)	(3,416,378.00)	(3,757,787.81)	(3,764,914.73)	(3,246,109.48)	(2,343,071.48)	(1,661,033.43)
Total District Net Position	12,722,389.31	10,818,702.24	10,337,351.05	9,572,313.90	8,857,432.55	8,229,576.72	8,502,191.66	9,736,629.70	11,628,399.43	15,431,511.97

Source: ACFR Schedule A-1

BOROUGH OF HALEDON SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	6,492,924.79	6,763,140.43	6,808,286.07	6,879,619.18	7,372,997.05	7,331,331.56	7,280,653.27	7,493,681.31	7,457,790.51	8,435,334.90
Special Education	1,593,287.92	1,769,425.29	2,008,966.27	2,262,365.01	2,039,184.91	2,009,480.66	1,816,211.22	1,709,185.88	1,905,908.45	2,196,232.03
Other Special Instruction	488,378.14	762,092.56	808,095.62	771,849.72	736,154.66	785,980.46	931,978.41	1,082,797.43	812,473.35	595,889.47
Other Instruction	104,875.10	123,563.52	107,175.71	111,645.11	125,407.36	131,437.29	135,223.31	90,740.45	152,020.50	173,675.64
Support Services:										
Tuition	180,915.58	151,832.05	212,762.25	184,221.47	248,568.56	375,525.94	413,980.02	315,798.51	297,799.56	385,688.30
Student & Instruction Related Services	1,859,497.91	1,835,999.45	2,055,330.04	2,025,620.67	2,059,505.70	2,211,652.44	2,093,206.92	2,360,364.33	2,241,332.86	2,288,751.80
School Administrative Services	614,021.71	629,749.81	621,425.52	664,065.92	677,804.63	669,578.62	748,169.81	691,324.51	694,198.76	755,874.81
General Administrative Services	351,338.66	350,041.45	342,127.61	373,510.51	351,017.96	328,620.79	350,808.99	387,337.85	412,800.22	397,983.86
Central Services & Admin. Info. Technology	454,393.04	455,904.89	431,574.95	484,349.14	502,003.99	569,938.64	640,626.48	627,070.29	590,862.99	732,774.60
Plant Operations and Maintenance	942,415.16	959,284.47	927,284.39	977,931.12	925,720.73	1,035,942.87	982,101.04	1,078,690.96	1,057,884.19	1,335,401.32
Pupil Transportation	244,343.92	238,003.78	288,837.50	257,455.60	345,177.69	367,845.49	282,797.06	227,082.67	317,427.39	502,394.73
Unallocated Benefits	1,195,814.95	2,929,933.79	3,159,314.24	5,232,080.22	6,351,101.88	4,922,486.16	4,297,849.75	6,107,549.85	4,501,672.77	3,371,340.57
Charter Schools			76,903.00	46,496.00	117,516.00	119,512.00	100,092.00	120,144.00	153,541.00	193,716.00
Capital Outlay - Non-depreciable	5,453.00	5,453.00	5,453.00	5,453.00	5,453.00	5,453.00	5,453.00	5,453.00	294,314.52	5,452.64
Unallocated Depreciation	236,845.71	325,033.63	373,724.50	419,132.11	452,612.49	478,380.34	487,851.58	468,593.74	468,868.79	462,897.13
Total Governmental Activities Expenses	14,764,505.49	17,299,458.12	18,227,260.67	20,695,794.78	22,310,226.61	21,343,178.26	20,569,002.86	22,765,814.78	21,358,895.86	21,833,407.80
Business-type Activities:										
Food Service	476,477.19	469,718.06	539,688.85	643,636.72	667,521.57	646,010.12	599,819.31	380,816.50	602,658.50	739,699.29
After Care Program	151,779.78	218,642.08	253,633.15	267,986.59	304,767.25	309,573.62	264,640.40	202,392.08	438,180.56	639,500.78
Total Business-type Activities Expenses	628,256.97	688,360.14	793,322.00	911,623.31	972,288.82	955,583.74	864,459.71	583,208.58	1,040,839.06	1,379,200.07
Total District Expenses	15,392,762.46	17,987,818.26	19,020,582.67	21,607,418.09	23,282,515.43	22,298,762.00	21,433,462.57	23,349,023.36	22,399,734.92	23,212,607.87
Program Revenues										
Governmental Activities:										
Charges for Services/Operating Grants and Contributions	1,499,323.92	1,225,214.20	1,442,279.76	1,253,968.22	1,515,057.37	1,494,680.88	1,591,072.37	1,808,832.96	1,602,109.88	2,779,441.32
Total Governmental Activities Program Revenues	1,499,323.92	1,225,214.20	1,442,279.76	1,253,968.22	1,515,057.37	1,494,680.88	1,591,072.37	1,808,832.96	1,602,109.88	2,779,441.32
Business-type Activities:										
Charges for Services:										
Food Service	97,468.01	104,275.50	114,667.27	32,654.81	25,399.05	32,166.98	22,003.00	294,213.48	33,544.50	42,904.33
After Care Program	196,560.02	238,254.18	251,828.90	277,103.19	301,170.04	290,853.87	303,106.26	501,735.23	425,470.68	833,860.09
Operating Grants and Contributions	423,445.05	423,003.48	472,079.65	545,784.07	557,537.21	593,017.46	512,019.81	795,948.71	818,824.76	872,766.11
Total Business-type Activities Program Revenues	717,473.08	765,533.16	838,575.82	855,542.07	884,106.30	916,038.31	837,129.07	1,277,832.96	1,277,832.96	1,749,530.53
Total District Program Revenues	2,216,797.00	1,990,747.36	2,280,855.58	2,109,510.29	2,399,163.67	2,410,719.19	2,428,201.44	2,604,781.67	2,879,949.82	4,528,971.85

BOROUGH OF HALEDON SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	(13,265,181.57)	(16,074,243.92)	(16,784,980.91)	(19,441,826.56)	(20,795,169.24)	(19,848,497.38)	(18,977,930.49)	(20,956,981.82)	(19,756,785.98)	(19,053,986.48)
Business-type Activities	89,216.11	77,173.02	45,273.82	(56,081.24)	(88,182.52)	(39,545.43)	(27,330.64)	212,740.13	237,000.88	370,330.46
Total District-wide Net Expense	(13,175,965.46)	(15,997,070.90)	(16,739,707.09)	(19,497,907.80)	(20,883,351.76)	(19,888,042.81)	(19,005,261.13)	(20,744,241.69)	(19,519,785.10)	(18,683,636.02)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes	5,835,205.00	5,951,909.00	6,070,948.00	6,330,000.00	6,456,600.00	6,585,732.00	6,585,732.00	6,585,732.00	6,585,732.00	6,585,732.00
State Facilities Grant	158,143.51	1,227,059.46	8,634.42							59,736.00
Unrestricted Federal and State Aid	8,047,974.47	9,794,661.20	10,081,525.80	12,179,372.74	13,586,386.86	12,532,956.71	12,651,418.38	14,935,748.10	14,694,434.89	15,096,873.74
Federal and State Aid Special Revenue Capital Outlay				41,197.00	3,808.50			8,467.92	12,337.00	498,737.25
Tuition Received	17,850.00							217.30	217.95	45.68
Other Local Government Units - Restricted	1,854.70	1,045.64	251.16	429.01	827.94	3,461.16	1,578.11	1,323.97	2,678.50	93,657.28
Investment Earnings	7,264.46	69,549.96	95,451.19	181,736.61	122,837.71	137,818.02	38,815.12	56,524.11	59,450.07	39,765.80
Miscellaneous Income										
Total Governmental Activities	14,068,292.14	17,044,225.26	16,256,810.57	18,732,735.36	20,170,461.01	19,259,967.89	19,277,543.61	21,638,508.33	21,407,703.41	22,374,547.75
Business-type Activities:										
Investment Earnings	22.15	43.57	48.82	135.29	72.54	88.95		0.12	21.30	1,925.16
Cancellation of Prior Year Receivable					(2,063.14)			(1,527.88)	(571.98)	
Miscellaneous Income			1,496.51			130.14	332.46		4,402.10	180.00
Total Business-type Activities	22.15	43.57	1,545.33	135.29	(1,990.60)	219.09	332.46	(1,527.76)	3,851.42	2,105.16
Total District-wide	14,068,314.29	17,044,268.83	16,258,355.90	18,732,870.65	20,168,470.41	19,260,186.98	19,277,876.07	21,636,980.57	21,411,554.83	22,376,652.91
Change in Net Position										
Governmental Activities	803,110.57	969,881.34	(528,170.34)	(709,091.20)	(624,708.23)	(588,529.49)	299,613.12	681,526.51	1,650,917.43	3,320,581.27
Business-type Activities	89,238.26	77,216.59	46,819.15	(55,945.95)	(90,173.12)	(39,326.34)	(26,998.18)	211,212.37	240,852.30	372,435.62
Total District	892,348.83	1,047,197.93	(481,351.19)	(765,037.15)	(714,881.35)	(627,855.83)	272,614.94	892,738.88	1,891,769.73	3,693,016.89

Source: ACFR Schedule A-2

BOROUGH OF HALEDON SCHOOL DISTRICT
Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	3,120,901.58	3,347,184.66	2,495,467.75	1,621,696.91	981,536.18	958,461.80	1,825,720.32	2,887,252.19	4,122,793.00	7,195,970.57
Assigned	294,472.46	172,304.93	240,513.67	408,609.48	372,268.78	174,441.48	207,545.78	18,677.54	308,704.27	736,429.12
Unassigned	(367,567.68)	(400,039.89)	(354,929.42)	(358,154.34)	(374,568.27)	(401,060.83)	(454,480.20)	(114,057.46)	(244,727.47)	(786,918.89)
Total General fund	3,047,806.36	3,119,449.70	2,381,052.00	1,672,152.05	979,236.69	731,842.45	1,578,785.90	2,791,872.27	4,186,769.80	7,145,480.80
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	617,171.39	78,169.46						31,468.02	34,617.90	41,040.65
Unreserved, Reported in:										
Capital Projects Fund										
Total All Other Governmental Funds	617,171.39	78,169.46	0.00	0.00	0.00	0.00	0.00	31,468.02	34,617.90	41,040.65

Source: ACFR Schedule B-1

BOROUGH OF HALEDON SCHOOL DISTRICT

**Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	5,835,205.00	5,951,909.00	6,070,948.00	6,330,000.00	6,456,600.00	6,585,732.00	6,585,732.00	6,585,732.00	6,585,732.00	6,585,732.00
Tuition	17,950.00			41,197.00	3,808.50			8,467.92	12,337.00	
Interest Earned on Emergency Reserve Funds				17.40	19.59	30.04				
Interest Earned on Capital Reserve Funds	495.00	196.39	52.00	97.00	179.00	552.00	312.00	240.00	50.00	
Interest Earned on Maintenance Reserve Funds	176.42	105.00	26.00	31.00	46.00	152.00	59.50	35.50	8.00	
Interest Earnings	1,183.28	744.25	173.16	283.61	583.35	2,727.12	1,206.61	1,048.47	2,620.50	93,657.28
Other Restricted Miscellaneous								217.30	217.95	45.68
Miscellaneous	7,264.46	69,549.96	95,451.19	181,736.61	122,837.71	137,818.02	38,815.12	59,201.56	78,835.48	76,102.88
State Sources	8,726,086.12	9,945,907.14	9,091,467.77	9,381,800.65	10,169,415.95	10,897,722.36	11,745,959.42	12,779,600.19	14,869,397.17	16,587,849.25
Federal Sources	979,355.78	823,186.52	985,034.21	876,209.31	960,630.28	921,782.23	983,816.33	1,344,392.35	1,310,782.19	2,680,990.98
Total Revenues	15,567,616.06	16,791,598.26	16,243,152.33	16,811,372.58	17,714,120.38	18,546,515.77	19,355,900.98	20,778,935.29	22,859,980.29	26,024,378.07
Expenditures										
Instruction:										
Regular	5,382,635.50	5,516,235.13	5,470,457.15	5,272,642.24	5,671,850.13	5,614,435.12	5,731,562.79	6,155,166.52	6,214,720.55	6,970,157.81
Special	1,232,177.80	1,354,197.12	1,507,530.23	1,635,937.16	1,520,505.93	1,494,522.92	1,370,127.86	1,329,637.82	1,528,134.90	1,710,447.53
Other Special Instruction	377,204.37	582,598.71	599,726.51	545,576.33	537,660.72	574,096.68	696,103.71	837,559.18	648,045.14	461,790.25
School-Sponsored/Other Instructional Support Services:	84,624.93	98,987.61	84,439.10	84,989.08	96,777.59	100,628.01	104,562.49	72,498.98	126,986.69	140,676.09
Instruction - Tuition	180,915.58	151,832.05	212,726.25	184,221.47	248,568.56	375,525.94	413,980.02	315,798.51	297,799.56	385,688.30
Student & Instruction Related Services	1,570,592.01	1,499,561.07	1,666,355.70	1,580,319.49	1,637,116.70	1,743,725.65	1,699,453.59	2,025,119.41	1,933,251.87	1,993,475.79
School Administration	451,499.85	462,062.67	457,968.71	472,988.23	494,740.79	483,226.00	554,002.70	531,202.73	547,833.48	564,247.08
General Administration	321,825.04	324,316.82	312,228.98	337,048.33	327,529.81	305,161.26	328,679.05	349,288.71	371,520.27	348,084.66
Central Services & Admin. Info. Technology	440,562.26	440,894.36	414,130.36	463,105.62	482,573.64	549,426.55	621,253.36	609,848.78	575,065.94	712,842.64
Operations and Maintenance	859,426.06	879,088.93	828,986.40	844,198.51	801,090.70	908,994.67	868,056.27	968,153.61	955,865.69	1,183,710.73
Student Transportation	226,581.08	217,015.19	265,635.36	229,787.48	323,439.44	346,740.57	263,628.28	209,767.48	303,205.70	482,153.66
Employee Benefits	3,299,733.16	3,858,784.95	4,334,808.77	4,934,458.13	5,345,666.51	5,781,614.71	5,705,806.21	6,089,416.89	7,146,469.93	7,258,650.53
Charter School			76,903.00	46,496.00	117,516.00	119,512.00	100,092.00	120,144.00	153,541.00	193,716.00
Capital Outlay	1,653,505.94	1,873,382.24	827,786.97	888,504.46	801,999.22	396,339.93	51,649.20	262,477.44	659,492.16	653,603.25
Total Governmental Fund Expenditures	16,081,283.58	17,258,956.85	17,059,719.49	17,520,272.53	18,407,035.74	18,793,910.01	18,508,957.53	19,876,080.06	21,461,932.88	23,059,244.32
Excess (Deficiency) of Revenues Over (Under) Expenditures	(513,667.52)	(467,358.59)	(816,567.16)	(708,899.95)	(692,915.36)	(247,394.24)	846,943.45	902,855.23	1,398,047.41	2,965,133.75
Other Financing Sources (Uses)										
Operating Transfers In	1,115,875.05		231,710.55				77,820.00	158,780.00	270,300.00	
Operating Transfers Out	(1,115,875.05)		(231,710.55)				(77,820.00)	(158,780.00)	(270,300.00)	
Capital Leases (non-budgeted)	49,113.40									
Total Other Financing Sources (Uses)	49,113.40									
Net Changes in Fund Balance	(464,554.12)	(467,358.59)	(816,567.16)	(708,899.95)	(692,915.36)	(247,394.24)	846,943.45	902,855.23	1,398,047.41	2,965,133.75
Debt Service as a percentage of noncapital expenditures										

Source: ACRF Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF HALEDON SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Interlocal Agree- ments	E-Rate	Homeless Tuition Reimb.	Various Misc.	Total
2013	17,500.00	380.95				46,254.11	64,135.06
2014	17,850.00	1,854.70				7,264.46	26,969.16
2015		744.25				69,549.96	70,294.21
2016		173.16				95,451.19	95,624.35
2017	41,197.00	429.01		104,462.05		77,274.56	223,362.62
2018	3,808.50	583.35		79,337.27		39,691.94	123,421.06
2019		3,461.16		40,803.79	85,111.00	8,442.07	137,818.02
2020		1,578.11		20,335.94	6,300.00	12,179.18	40,393.23
2021	8,467.92	1,541.27		5,450.38		53,751.18	69,210.75
2022	12,337.00	2,896.45		21,586.73		37,863.34	74,683.52
2023		93,702.96				39,765.80	133,468.76

Source: District records.

BOROUGH OF HALEDON SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
							a			b
2013	3,723,500	266,024,100	35,897,500	12,124,500	8,479,300	326,248,900		326,248,900	581,278,510	1.7648
2014 (A)	5,723,600	393,038,500	77,473,400	23,767,200	16,974,600	516,977,300		516,977,300	532,576,389	1.1430
2015	5,385,600	392,160,000	77,027,100	22,962,700	17,586,600	515,122,000		515,122,000	538,282,439	1.1628
2016	5,385,600	390,927,200	75,451,000	23,171,700	18,015,400	512,950,900		512,950,900	521,501,461	1.2050
2017	5,317,400	391,596,800	72,094,300	23,119,700	18,087,300	510,215,500		510,215,500	537,152,256	1.2489
2018	5,317,400	389,470,900	70,293,400	21,397,700	22,094,900	508,574,300		508,574,300	554,816,917	1.2790
2019	5,333,400	389,838,100	69,383,500	21,397,700	21,157,300	507,110,000		507,110,000	592,972,127	1.2950
2020	5,256,000	390,749,600	68,961,200	21,397,700	21,607,300	507,971,800		507,971,800	627,758,009	1.2920
2021	5,101,900	391,094,900	68,873,300	20,612,700	21,917,300	507,600,100		507,600,100	667,476,100	1.2940
2022	5,101,900	391,654,400	67,372,300	20,612,700	21,917,300	506,658,600		506,658,600	739,428,218	1.2960

(A) Revaluation Year

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

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

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100 of assessed value.

BOROUGH OF HALEDON SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation**

Assessment Year	Basic Rate^a	General Obligation Debt Service^b	<u>Overlapping Rates</u>				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality	County	
2013	1.7648		1.7648	1.3549	2.0535	1.2008	6.3740
2014*	1.1430		1.1430	0.8310	1.3800	0.7250	4.0790
2015	1.1628		1.1628	0.9237	1.4234	0.7943	4.3042
2016	1.2050		1.2050	0.9440	1.4510	0.7610	4.3610
2017	1.2489		1.2489	0.9970	1.4836	0.7755	4.5050
2018	1.2790		1.2790	1.0150	1.5320	0.7940	4.6200
2019	1.2950		1.2950	1.0550	1.5940	0.8190	4.7630
2020	1.2920		1.2920	1.0540	1.6550	0.8340	4.8350
2021	1.2940		1.2940	1.0360	1.7060	0.8680	4.9040
2022	1.2960		1.2960	1.0730	1.7530	0.9180	5.0400

* Revaluation Year

Source: District Records and Municipal Tax Collector.

BOROUGH OF HALEDON SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Self Storage of Haledon	5,702,000	1	1.13%	2,130,000	4	0.65%
A.M. Realty Assoc.	5,500,000	2	1.09%	3,667,600	2	1.12%
Stone Industries	4,780,100	3	0.94%	2,872,100	3	0.88%
Belmont Estates, LLC	4,250,000	4	0.84%			
Bel-Jo Assoc. LP	3,445,000	5	0.68%	2,090,700	5	0.64%
John Street Holdings	3,100,000	6	0.61%			
397401 HLDN Properties, LLC	2,732,600	7	0.54%			
Taxpayer #1	2,371,000	8	0.47%	1,085,300	8	0.33%
Beazer Homes Corp.	1,656,400	9	0.33%			
Acquackanonk Village	1,275,800	10	0.25%	6,227,900	1	1.91%
Nationwide Enterprises, LLC				1,582,000	6	0.48%
Faber Bros. Holding, LLC				1,205,000	7	0.37%
20 Halsey Corp				800,000	9	0.25%
Verizon				723,800	10	0.22%
	<u>34,812,900</u>		<u>6.87%</u>	<u>22,384,400</u>		<u>6.85%</u>

BOROUGH OF HALEDON SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	5,835,205	4,862,671	83.33%	972,534
2015	5,951,909	5,455,917	91.67%	495,992
2016	6,070,948	5,565,036	91.67%	505,912
2017	6,330,000	5,683,768	89.79%	646,232
2018	6,456,600	6,456,600	100.00%	0
2019	6,585,732	6,036,921	91.67%	548,811
2020	6,585,732	6,036,921	91.67%	548,811
2021	6,585,732	4,939,299	75.00%	1,646,433
2022	6,585,732	6,036,921	91.67%	548,811
2023	6,585,732	6,036,921	91.67%	548,811

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

- a** School Taxes are collected by the Municipal Tax Collector. Under New Jersey 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.

BOROUGH OF HALEDON SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2014	0.00					0.00%	
2015	0.00					0.00%	
2016	0.00					0.00%	
2017	0.00					0.00%	
2018	0.00					0.00%	
2019	0.00					0.00%	
2020	0.00					0.00%	
2021	0.00					0.00%	
2022	0.00					0.00%	
2023	0.00					0.00%	

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

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

Exhibit J-11

BOROUGH OF HALEDON SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014		-	0.00	0.00%	
2015			0.00	0.00%	
2016			0.00	0.00%	
2017			0.00	0.00%	
2018			0.00	0.00%	
2019			0.00	0.00%	
2020			0.00	0.00%	
2021			0.00	0.00%	
2022			0.00	0.00%	
2023			0.00	0.00%	

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF HALEDON SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Haledon	\$ 9,198,052	100.000%	\$ 9,198,052
Other debt			
Passaic County General Obligation Debt	287,453,895	1.2902%	3,708,736
Passaic County Utility Authority	37,305,000	1.2902%	481,310
Subtotal, overlapping debt			13,388,098
Haledon School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 13,388,098</u></u>

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

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

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

(1) Debt Information as of December 31, 2022.

BOROUGH OF HALEDON SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June30,</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	8,346	349,755,822	41,907	9.00%
2015	8,343	354,886,191	42,537	8.50%
2016	8,341	374,577,628	44,908	6.60%
2017	8,326	383,370,670	46,045	6.50%
2018	8,330	388,319,610	46,617	6.00%
2019	8,315	392,393,165	47,191	5.30%
2020	8,294	407,791,098	49,167	4.40%
2021	8,261	422,987,983	51,203	13.30%
2022	8,932	498,182,300	55,775	8.90%
2023	8,870	528,288,330	59,559	5.20%

- Source:
- (1) U.S. Bureau of the Census, Population Division,
(Estimates April 1, 2013 - July 1, 2022)
 - (2) Personal income of the District is based on County Information.
 - (3) U.S. Department of Commerce, County Information 2012-2021.
 - (4) N.J. Department of Labor.

BOROUGH OF HALEDON SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2022

2013

INFORMATION IS NOT AVAILABLE

BOROUGH OF HALEDON SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	74	80	82.5	80.0	81.0	81.0	77.0	78.0	79.0	81.0
Special education	17	17	18.5	21.7	20.0	20.0	24.0	23.2	27.0	26.0
Other special education	14	14	12.82	12.9	13.0	12.0	14.5	23.0	23.0	24.0
Other instruction	3	3	3							
Support Services:										
Student & instruction related services	15	15.5	19	20.5	20.5	20.5	20.5	12.0	7.0	8.0
General administration	2	2	2	1.0	1.0	1.0	1.0	0.5	1.0	1.0
School administrative services	5	5	5	5.0	6.0	6.0	6.0	10.8	5.0	5.0
Central services	2	2	2	1.0	1.0	1.0	1.0	0.0	2.0	2.0
Administrative Information Technology	2	2	2	0.0	0.0	0.0	0.0	1.0	2.0	2.0
Plant operations and maintenance	9	9	8.5	9.5	9.0	9.0	9.0	13.0	11.0	11.0
Pupil transportation	2	2	2	1.5	1.5	1.5	1.5	0.5	1.5	1.5
Other support services	4	4	4	4.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	6	6	5	6.0	6.0	6.0	6.0	2.4	6.0	6.0
Child Care	6	10	14.6	15.5	18.5	18.5	18.5	8.5	10.0	11.0
Total	161	171.5	180.92	178.63	178.50	177.50	180.00	173.85	175.50	179.50

Source: District Personnel Records

BOROUGH OF HALEDON SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Pupil/Teacher Ratio</u>										
	<u>a</u>					<u>b</u>			<u>c</u>		
	<u>Enrollment</u>	<u>Expenditures</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>	
2012-2013	1004	14,161,757.30	14,105.34	9.29%	88	11.4	1004	953.40	-3.18%	94.96%	
2013-2014	1018	14,427,777.64	14,172.67	0.48%	91	11.2	1018	960.74	1.39%	94.38%	
2014-2015	1029	15,385,574.61	14,951.97	5.50%	97	10.6	1029	971.80	1.08%	94.44%	
2015-2016	1050	16,231,932.52	15,458.98	3.39%	100.5	10.4	1050	976.87	2.04%	93.04%	
2016-2017	1041	16,631,768.07	15,976.72	3.35%	80	13.0	1041	983.78	-0.86%	94.50%	
2017-2018	1039	17,605,036.52	16,944.21	6.06%	101	10.3	1039	944.00	-0.19%	90.86%	
2018-2019	1042	18,397,570.08	17,656.02	4.20%	101	10.3	1042	980.75	0.29%	94.12%	
2019-2020	1032	18,457,308.33	17,884.99	1.30%	101	10.2	1026	990.43	-1.54%	96.53%	
2020-2021	994	19,613,602.62	19,731.99	10.33%	101.2	9.8	993.1	955.73	-3.21%	96.24%	
2021-2022	988	20,802,440.72	21,055.10	6.71%	106	9.3	1013.97	934.39	2.10%	92.15%	
2022-2023	956	22,405,641.07	23,436.86	11.31%	107	8.9	1018.49	933.34	0.45%	91.64%	

Sources: District Records

Note: Enrollment based on annual October district count.

- a-Operating Expenditures equal total expenditures less debt service and capital outlay.
- b-Teaching staff includes only full-time equivalents of certificated staff.
- c-Average daily enrollment and average daily attendance are obtained from the School Register Summary.

BOROUGH OF HALEDON SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

<u>District Buildings</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Elementary										
Haledon School	107,663	107,663	107,663	107,663	107,663	107,663	107,663	107,663	107,663	107,663
Square Feet	994	994	994	994	994	994	994	994	994	994
Capacity(students)	1,025	1,030	1,051	1,041	1,039	1,042	1,032	994	988	956
Enrollment										

Number of Schools at June 30, 2023
 Elementary=1

Source: District Facilities Office

BOROUGH OF HALEDON SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
For the Fiscal Year Ended June 30,

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES**
 11-000-261-xxx

* School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Haledon School	N/A	178,364.87	170,771.66	171,344.51	145,716.87	240,209.36	180,759.07	180,245.34	204,537.77	198,935.99	205,027.00
Total School Facilities		<u>178,364.87</u>	<u>170,771.66</u>	<u>171,344.51</u>	<u>145,716.87</u>	<u>240,209.36</u>	<u>180,759.07</u>	<u>180,245.34</u>	<u>204,537.77</u>	<u>198,935.99</u>	<u>205,027.00</u>

* School facilities as defined under EFCA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BOROUGH OF HALEDON SCHOOL DISTRICT

**Insurance Schedule
June 30, 2023**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Suburban Essex JIF		
Reinsurer: Selective Insurance Company		
Property - Blanket Limit of JIF	500,000	
Member Limit:	30,922,170	5,000
Owner Group Retention:		100,000 p/occurrence
Owner Group District Deductible:		500 p/occurrence
Comprehensive General Liability (per occurrence)	16,000,000	
Employee Benefits Liability (per occurrence)	16,000,000	
Comprehensive Automobile Liability (per occurrence)	16,000,000	
School Leaders Errors & Omissions		
New Jersey Schools Insurance Group	16,000,000 p/district	
Owner Group District Deductible:		None
Workers Compensation		10,000
Suburban Essex JIF		
Limit of Liability	WC EL	Statutory 3,000,000
Public Employees' Faithful Performance Bond	500,000	1,000
Owner Group District Deductible:		0
Public Employees' Faithful Performance Position Bond		
Treasurer of School Moneys	210,000	
Travelers Insurance Co.		
Board Secretary/Business Administrator	100,000	
Travelers Insurance Co.		

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR’S 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**

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Haledon School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 29, 2024.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Haledon Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 29, 2024.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 29, 2024



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Haledon School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Haledon Board of Education's major federal and state programs for the year ended June 30, 2023. The Borough of Haledon Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Haledon Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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; and 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 N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Haledon Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Borough of Haledon Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Haledon Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

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.

Honorable President and
Members of the Board of Education

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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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 29, 2024

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2023

Federal Grant/Pass-Through Grantor Program Title	Federal Assistance Listing Numbers	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
										Accounts Receivable	Deferred Revenue	
U.S. Department of Education:												
General Fund:												
FFCRA/SEMI	93.778	2005N5MAP	N/A	01/01/21-12/31/21	10,301.04			10,301.04	(10,301.04)			10,301.04
Medical Assistance Program (SEMI)	93.778	2005N5MAP	N/A	07/01/22-06/30/23	51,867.94			51,867.94	(51,867.94)			51,867.94
Total General Fund								62,168.98	(62,168.98)			62,168.98
U.S. Department of Education Passed-Through State Department of Education:												
Special Revenue Fund:												
Title I - Improving Basic Programs	84.010	S010A220030	ESSA1920-23	07/01/22-09/30/23	696,834.00			380,001.00	(661,279.00)	(281,278.00)		661,279.00
Title I - Improving Basic Programs	84.010	S010A210030	ESSA1920-22	07/01/21-09/30/22	485,146.00	(175,000.00)		175,000.00				
Title I - SIA Part A	84.010	S010A220030	ESSA1920-23	07/01/22-09/30/23	40,528.00			18,079.00	(20,528.00)	(2,449.00)		20,528.00
Title I - SIA Part A	84.010	S010A210030	ESSA1920-22	07/01/21-09/30/22	46,689.00	(17,799.00)		17,799.00	(681,807.00)	(283,727.00)		681,807.00
						(192,799.00)		590,879.00				
Title II-A- Teacher & Principal Training/Recruiting	84.367A	S367A220029	ESSA1920-23	07/01/22-09/30/23	90,712.00			35,275.00	(66,168.00)	(30,893.00)		66,168.00
Title II-A- Teacher & Principal Training/Recruiting	84.367A	S367A210029	ESSA1920-22	07/01/21-09/30/22	69,368.00	(17,853.00)		17,853.00				
						(17,853.00)		53,128.00	(66,168.00)	(30,893.00)		66,168.00
Title III - Parr A English Language Enhancements	84.365	S365A220030	ESSA1920-23	07/01/22-09/30/23	14,711.00			11,625.00	(12,890.00)	(1,265.00)		12,890.00
Title III - Parr A English Language Enhancements	84.365	S365A210030	ESSA1920-22	07/01/21-09/30/22	16,775.00	(1,372.00)		1,372.00				
						(1,372.00)		12,997.00	(12,890.00)	(1,265.00)		12,890.00
Title IV - Student Support and Academic Enrich.	84.424	S424A220031	ESSA1920-23	07/01/22-09/30/23	38,067.00			18,835.00	(30,458.00)	(11,623.00)		30,458.00
Title IV - Student Support and Academic Enrich.	84.424	S424A210031	ESSA1920-22	07/01/21-09/30/22	57,349.00	(8,693.00)		8,693.00				
						(8,693.00)		27,528.00	(30,458.00)	(11,623.00)		30,458.00
ID.E.A. Part B - Basic Regular	84.027	H027A220100	IDEA1920-22	07/01/22-09/30/23	257,103.00			56,307.00	(257,103.00)	(200,796.00)		257,103.00
ID.E.A. Part B - Basic Regular	84.027	H027A210100	IDEA1920-22	07/01/21-09/30/22	274,055.00	(153,202.00)		153,202.00				
ID.E.A. ARP Basic	84.027X	H027X210100	IDEA1920-22	07/01/21-09/30/22	55,231.00	(16,892.00)		18,029.00	(2,748.00)	(1,611.00)		55,231.00
ID.E.A. Part B - Preschool	84.173	H173A220114	IDEA1920-23	07/01/22-09/30/23	13,321.00			7,615.00				
ID.E.A. Part B - Preschool	84.173	H173A210114	IDEA1920-22	07/01/21-09/30/22	21,752.00	(7,615.00)		4,118.00				
ID.E.A. ARP Preschool	84.173X	H173X210114	IDEA1920-22	07/01/21-09/30/22	4,685.00	(177,709.00)		239,271.00	(4,685.00)	(567.00)		4,685.00
						(177,709.00)		239,271.00	(264,536.00)	(202,974.00)		331,855.00
ARP Homeless	84.425W	S425W210031		04/23/21-09/30/24	16,856.00			6,000.00	(6,000.00)			6,000.00
Coronavirus Aid Relief and Economic Security Act	84.425D	S425D200027		03/13/20-09/30/22	430,888.00	(16,250.00)		56,466.00	(40,216.00)			430,888.00
CRRSA-ESSER II	84.425D	S425D210027		03/13/20-09/30/23	1,674,075.00	(119,046.00)		197,880.00	(1,244,867.00)	(1,166,033.00)		1,526,963.00
CRRSA-Learning Acceleration	84.425D	S425D210027		03/13/20-09/30/23	107,433.00				(11,755.00)	(11,755.00)		11,755.00
CRRSA-Mental Health	84.425D	S425D210027		03/13/20-09/30/23	45,000.00			10,665.00	(14,254.00)	(3,589.00)		14,254.00
ARP-ESSER	84.425U	S425U210027		03/13/20-09/30/24	3,762,375.00	(40,336.00)		160,607.00	(185,375.00)	(65,104.00)		225,711.00
ARP-Accelerated Learning Coach & Educator Support	84.425U	S425U210027		03/13/20-09/30/24	110,464.00	(5,523.00)		8,695.00	(3,172.00)			8,695.00
ARP-Evidence Based Summer Learning & Enrichment	84.425U	S425U210027		03/13/20-09/30/24	40,000.00			8,931.00	(8,931.00)	(300.00)		8,931.00
ARP-Evidence Based Comp. Beyond the School Day	84.425U	S425U210027		03/13/20-09/30/24	40,000.00	(1,074.00)		27,286.00	(26,512.00)	(300.00)		27,586.00
ARP-NITSS Mental Health Support Staffing	84.425U	S425U210027		03/13/20-09/30/24	45,000.00	(2,249.00)		21,049.00	(21,881.00)	(3,081.00)		24,130.00
						(184,478.00)		491,579.00	(1,536,963.00)	(1,249,862.00)		2,278,865.00
Total Special Revenue Fund						(582,904.00)		1,421,382.00	(2,618,822.00)	(1,780,344.00)		3,408,043.00

BOROUGH OF HALEDON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2023

Federal Grant/Pass-Through Grantor Program Title	Federal Assistance Listing Numbers	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
										Accounts Receivable	Deferred Revenue	
U.S. Department of Agriculture Passed-Through State Department of Education:												
Enterprise Fund:												
Non-Cash Assistance												
Food Distribution Program	10.555	231NJ304N1099		07/01/22-06/30/23	62,238.29	3,496.78	62,238.29	(61,016.07)		4,719.00	*	61,016.07
Food Distribution Program	10.555	221NJ304N1099		07/01/21-06/30/22	43,037.88	3,496.78					*	
Cash Assistance												
School Breakfast Program	10.553	231NJ304N1099		07/01/22-06/30/23	166,146.48		151,178.85	(166,146.48)		(14,967.63)	*	166,146.48
School Breakfast Program - SSO	10.553	221NJ304N1099		07/01/21-06/30/22	192,414.23	(19,665.15)	19,665.15				*	
National School Lunch Program	10.555	231NJ304N1099		07/01/22-06/30/23	408,814.30		374,766.64	(408,814.30)		(34,047.66)	*	
National School Lunch Program - SSO	10.555	221NJ304N1099		07/01/21-06/30/22	521,552.68	(51,656.63)	51,656.63				*	
Supply Chain Assistance Funding												
Summer Food Service Program for Children - Food	10.555	221NJ344N8903		07/01/21-06/30/23	63,752.80		63,752.80	(63,752.80)			*	63,752.80
Summer Food Service Program for Children - Admin	10.559	231NJ304N1099		07/01/22-06/30/23	16,242.15		16,242.15	(16,242.15)			*	16,242.15
Summer Food Service Program for Children - Admin	10.559	231NJ304N1099		07/01/22-06/30/23	1,432.87		1,432.87	(1,432.87)			*	1,432.87
After School Snack Program												
After School Snack Program	10.558	231NJ304N1099		07/01/22-06/30/23	31,000.32		28,086.48	(31,000.32)		(2,913.84)	*	31,000.32
After School Snack Program	10.558	221NJ304N1099		07/01/21-06/30/22	21,505.18	(2,344.00)	2,344.00				*	
U.S. Department of Treasury Passed-Through State Department of Human Services:												
Enterprise Fund:												
NJ ARP Stabilization Grant	21.027			09/01/21-12/31/23	195,000.00	(40,000.00)	115,000.00	(80,000.00)		115,000.00	*	80,000.00
Total Enterprise Fund												
TOTAL FEDERAL FINANCIAL AWARDS												
										(51,929.13)		419,590.69
										(1,832,273.13)		3,889,802.67

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BOROUGH OF HALEDON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Year's Balance	Balance at June 30, 2023			MEMO	
				Deferred Revenue/(Assts. Receivable)	Accounts Receivable					Deferred Revenue	Due To Grantor at	Budgetary Receivable		Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	23-495-03+5 120-078	07/01/22-06/30/23	10,519,308.00	9,480,008.00	(10,519,308.00)								* 1,039,300.00	10,519,308.00
Special Education Categorical Aid	23-495-03+5 120-089	07/01/22-06/30/23	792,330.00	714,048.00	(792,330.00)								* 78,282.00	792,330.00
Security Aid	23-495-03+5 120-084	07/01/22-06/30/23	373,283.00	336,403.00	(373,283.00)								* 36,880.00	373,283.00
				10,530,459.00	(11,684,921.00)								* 1,154,462.00	11,684,921.00
Total State Aid Public														
Extraordinary Aid	23-100-03+5 120-044	07/01/22-06/30/23	59,752.00	59,752.00	(59,752.00)									59,752.00
Transportation Aid	22-100-03+5 120-044	07/01/21-06/30/22	121,259.00	121,259.00	(121,259.00)									
	23-495-03+5 120-014	07/01/22-06/30/23	86,264.00	77,741.00										8,523.00
	23-495-03+5 120-014	07/01/22-06/30/23	6,452.00		(6,452.00)									6,452.00
Reimbursement of Nonpublic Transportation	22-495-03+5 120-014	07/01/21-06/30/22	6,380.00	6,380.00	(6,380.00)									
Reimbursement of Nonpublic Transportation	22-495-03+5 120-014	07/01/21-06/30/22	625,650.76	564,906.07	(625,650.76)									625,650.76
Reimbursed TPAF - Social Security	23-495-03+5 094-003	07/01/21-06/30/22	613,684.70	30,010.28	(30,010.28)									
Reimbursed TPAF - Social Security	22-495-03+5 094-003	07/01/21-06/30/22	751,632.00											751,632.00
On-Behalf TPAF - Post Retirement Medical	23-495-03+5 094-001	07/01/22-06/30/23	2,822,054.00	2,822,054.00	(2,822,054.00)									2,822,054.00
On-Behalf Teachers' Pension and Annuity	23-495-03+5 094-002	07/01/22-06/30/23	1,157.00		(1,157.00)									1,157.00
On-Behalf TPAF - LTDI	23-495-03+5 094-004	07/01/22-06/30/23	39,153.00	39,153.00	(39,153.00)									39,153.00
On-Behalf TPAF - Non-contributory Insurance	23-495-03+5 094-004	07/01/22-06/30/23		14,944,751.35	(157,649.28)									16,077,135.76
														1,162,985.00
														23,783.00
Special Revenue Fund:														
SDA Grant - Emergent Needs Capital Maintenance		07/01/22-06/30/23	23,783.00	23,783.00	(23,783.00)									23,783.00
Nonpublic Handicapped	22-100-03+5 120-066	07/01/21-06/30/22	35,807.00		(35,807.00)									
Preschool Education Aid	23-495-03+5 120-086	07/01/22-06/30/23	688,650.00	449,879.98	620,612.00									599,236.49
Preschool Education Aid	22-495-03+5 120-086	07/01/21-06/30/22	608,175.00	(449,879.98)	59,446.00									471,255.49
				390,433.98										471,255.49
				680,058.00										68,038.00
				426,240.98										471,255.49
														68,038.00
														623,019.49
New Jersey Board of Public Utilities:														
Capital Projects Fund:														
SSB-VEEVR		07/01/22-11/20/23	366,384.75											366,384.75
														(59,736.00)
														59,736.00
State Department of Human Services:														
Enterprise Fund:														
Hiring & Retention Bonus Grant		07/01/22-06/30/23	26,925.00											26,925.00
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program (State Share)	23-100-0103350-023	07/01/22-06/30/23	17,436.12	15,977.43	(17,436.12)									17,436.12
National School Lunch Program (State Share)	22-100-0103350-023	07/01/21-06/30/22	12,265.59	(1,188.81)	1,188.81									(1,458.69)
				(1,188.81)										17,436.12
														(1,458.69)
														44,361.12
														(1,458.69)
														16,804,252.37
Total Enterprise Fund														
TOTAL STATE FINANCIAL ASSISTANCE														
Less On-Behalf TPAF Pension and Annuity Aid														
On-Behalf TPAF - Post Retirement Medical	23-495-03+5 094-001	07/01/22-06/30/23	751,632.00	751,632.00	(751,632.00)									751,632.00
On-Behalf Teachers' Pension and Annuity	23-495-03+5 094-002	07/01/22-06/30/23	2,822,054.00	2,822,054.00	(2,822,054.00)									2,822,054.00
On-Behalf TPAF - LTDI	23-495-03+5 094-004	07/01/22-06/30/23	1,157.00		(1,157.00)									1,157.00
On-Behalf TPAF - Non-contributory Insurance	23-495-03+5 094-004	07/01/22-06/30/23	39,153.00	39,153.00	(39,153.00)									39,153.00
														3,613,996.00
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION														
				267,402.89	(13,190,256.37)									13,190,256.37
														1,231,023.00

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Haledon School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(172,042.00) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and 0.00 for the special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$62,168.98	\$15,905,093.76	\$15,967,262.74
Special Revenue Fund	2,618,222.00	623,019.49	3,241,241.49
Capital Projects Fund		59,736.00	59,736.00
Enterprise Fund	<u>828,404.99</u>	<u>44,361.12</u>	<u>872,766.11</u>
Total Awards and Financial	<u>\$3,508,795.97</u>	<u>\$16,632,210.37</u>	<u>\$20,141,006.34</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. The amount reported as 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 year ended June 30, 2023.

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

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

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$681,807.00
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	66,168.00
Title III: <i>English Language Acquisition State Grants</i>	<u>43,348.00</u>
Total	<u>\$791,323.00</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the 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>
84,425D/ 84.425U	S425D210027/ S425U210027	Coronavirus Relief & Economic Security Act/ American Rescue Plan

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

Auditee qualified as low-risk auditee? X yes no

**BOROUGH OF HALEDON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	<u>Cluster - State Aid – Public:</u>
23-495-034-5120-089	Equalization Aid
23-495-034-5120-084	Special Education Aid
	Security Aid

**BOROUGH OF HALEDON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

**BOROUGH OF HALEDON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

There were no prior year findings.