

**HASBROUCK HEIGHTS
BOARD OF EDUCATION**

**Hasbrouck Heights Board of Education
Hasbrouck Heights, New Jersey**

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

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Hasbrouck Heights Board of Education

Hasbrouck Heights, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

**Hasbrouck Heights Board of Education
Finance Department**

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

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

**Robert Brown
School Business Admin/Board Secretary**

March 7, 2024

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

Dear Board Members:

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

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

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

2) EDUCATIONAL PROGRAM: The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for regular and special education handicapped youngsters serving approximately 1,728 students. All schools are accredited by the New Jersey

State Department of Education. The District is served by 147.0 (FTE) teachers and 11 (FTE) administrators. Approximately 79% of the faculty has earned Masters degrees.

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

The District completed the 2022-2023 fiscal year with an average daily enrollment of 1,721 students, which is an increase of 16 students compared to the previous year's average daily enrollment.

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

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2023	1,721	0.94%
2022	1,705	(0.29)%
2021	1,710	(2.39)%
2020	1,752	(1.58)%
2019	1,780	(1.09)%

3) ECONOMIC CONDITION AND OUTLOOK: The District's primary funding source is property tax revenue. Overall tax revenue for the General Fund was increased for the 2022-2023 school year. The District's administration continues to closely monitor the cost of operations and continues to look for innovative ways to cut costs in addition to finding new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

4) MAJOR INITIATIVES: Specific initiatives for the 2022-2023 school year include the following accomplishments:

- Enhanced our collaborative special education classes throughout the district
- Expanded our 1-1 Chrome Book initiative
- Added French elective to the middle school curriculum
- Expanded electives at the high school

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

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

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

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

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

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

8) DEBT ADMINISTRATION: At June 30, 2023, the District had \$4,815,000 in outstanding statutory debt, comprised entirely of school bonds to improve District facilities.

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

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

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

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

Respectfully submitted,

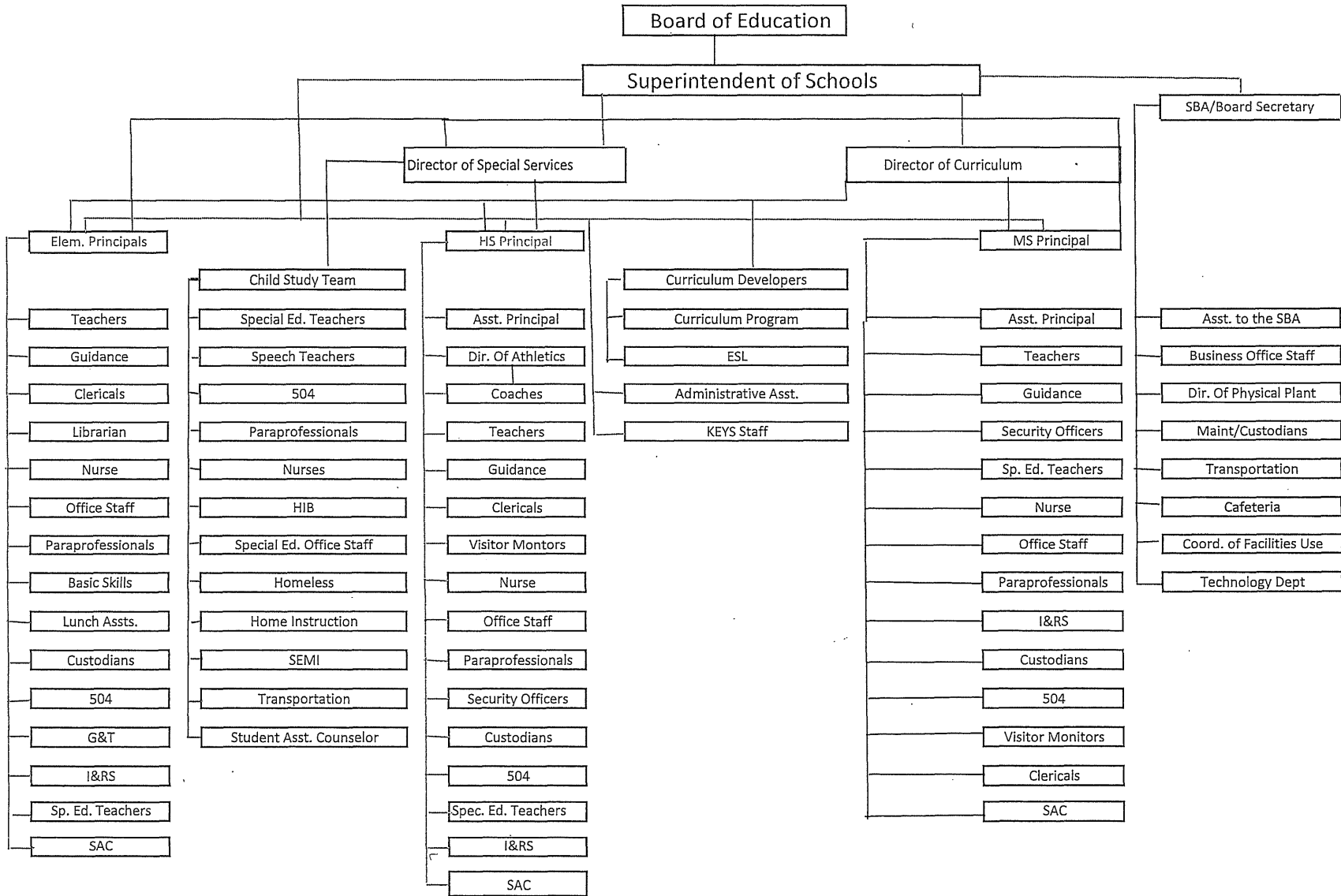


Michael Polizzi
Superintendent of Schools



Robert Brown
Interim Business Admin/Board Secretary

ORGANIZATIONAL CHART
 Hasbrouck Heights Public Schools



HASBROUCK HEIGHTS BOARD OF EDUCATION
HASBROUCK HEIGHTS, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2023

Members of the Board of Education

**Term
Expires**

Lori Cintron -President	2025
Lisa Krommenhoek – Vice President	2023
Christopher DeLorenzo	2024
Jillian Ferdinand	2023
Kevin Mullins	2023
Nicole Russo	2024
Kathleen Sausa	2025
Helen Tejeda-Ramos	2025
Lauren Terranova	2024

Other Officials

Dr. Matthew Helfant – *Superintendent of Schools*

HASBROUCK HEIGHTS BOARD OF EDUCATION
HASBROUCK HEIGHTS, NEW JERSEY

CONSULTANTS AND ADVISORS

Architect

El Associates
6 Ridgedale Avenue
Cedar Knolls, New Jersey 07927

Audit Firm

Lerch Vinci Bliss, LLP
17-17 State Route 208 Suite 190
Fair Lawn, New Jersey 07410

Attorney

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

Official Depository

Valley National Bank
1445 Valley Road
Wayne, New Jersey 07470

INTRODUCTORY SECTION

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of Board of Education
Hasbrouck Heights Board of Education
Hasbrouck Heights, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hasbrouck Heights Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

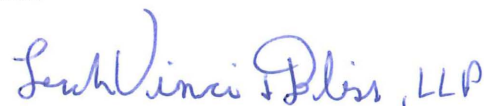
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2024 on our consideration of the Hasbrouck Heights Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hasbrouck Heights Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hasbrouck Heights Board of Education's internal control over financial reporting and compliance.



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



Andrew D. Parent
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
March 7, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Hasbrouck Heights Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Hasbrouck Heights Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,997,067 (net position).
- Overall District revenues were \$45,457,887. General revenues accounted for \$34,952,804 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,505,083 of total revenues.
- The School District had \$42,247,997 in expenses for governmental activities; only \$9,269,854 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$34,952,804 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,727,467 a decrease of \$1,681,198 when compared to the ending fund balance at June 30, 2022 of \$7,408,665.
- The General Fund unassigned fund balance at June 30, 2023 was \$280,533 a decrease of \$77,882 when compared with the ending fund balance of \$358,415 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$998,865 which represents an increase of \$366,575 when compared to the ending unassigned fund balance at June 30, 2022 of \$632,290.

HASBROUCK HEIGHTS BOARD OF EDUCATION

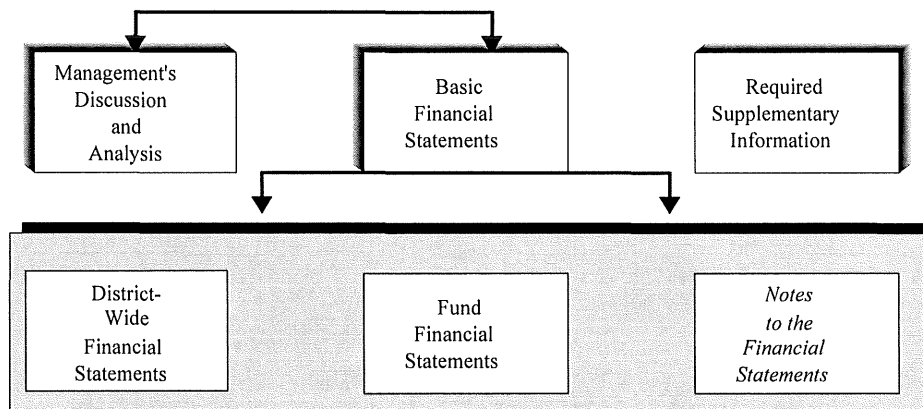
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. Property taxes levied and State and Federal Aids finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund, Keys Program and Summer Program Enterprise Funds are included here.

Fund Financial Statements

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

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

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

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

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,997,067 and \$7,868,778 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 9,351,109	\$ 8,189,799	\$ 954,206	\$ 737,490	\$ 10,305,315	\$ 8,927,289
Capital Assets	15,342,223	13,164,870	34,832	890	15,377,055	13,165,760
Total Assets	<u>24,693,332</u>	<u>21,354,669</u>	<u>989,038</u>	<u>738,380</u>	<u>25,682,370</u>	<u>22,093,049</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	496,379	836,903			496,379	836,903
Deferred Amounts on Refunding of Debt	12,540	25,080	-	-	12,540	25,080
Total Deferred Outflows	<u>508,919</u>	<u>861,983</u>	<u>-</u>	<u>-</u>	<u>508,919</u>	<u>861,983</u>
Total Assets and Deferred Outflows	<u>25,202,251</u>	<u>22,216,652</u>	<u>989,038</u>	<u>738,380</u>	<u>26,191,289</u>	<u>22,955,032</u>
Liabilities						
Long-Term Liabilities	11,412,597	10,315,945			11,412,597	10,315,945
Other Liabilities	3,675,237	2,256,151	212,934	117,059	3,888,171	2,373,210
Total Liabilities	<u>15,087,834</u>	<u>12,572,096</u>	<u>212,934</u>	<u>117,059</u>	<u>15,300,768</u>	<u>12,689,155</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	892,299	2,397,099			892,299	2,397,099
Deferred Commodities Revenue	-	-	1,155	-	1,155	-
Total Deferred Inflows	<u>892,299</u>	<u>2,397,099</u>	<u>1,155</u>	<u>-</u>	<u>893,454</u>	<u>2,397,099</u>
Total Liabilities and Deferred Inflows	<u>15,980,133</u>	<u>14,969,195</u>	<u>214,089</u>	<u>117,059</u>	<u>16,194,222</u>	<u>15,086,254</u>
Net Position						
Net Investment in Capital Assets	9,951,257	6,801,802	34,832	890	9,986,089	6,802,692
Restricted	3,499,448	5,642,979			3,499,448	5,642,979
Unrestricted	(4,228,587)	(5,197,324)	740,117	620,431	(3,488,470)	(4,576,893)
Total Net Position	<u>\$ 9,222,118</u>	<u>\$ 7,247,457</u>	<u>\$ 774,949</u>	<u>\$ 621,321</u>	<u>\$ 9,997,067</u>	<u>\$ 7,868,778</u>

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>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	\$ 259,507	\$ 9,164	\$ 897,070	\$ 375,077	\$ 1,156,577	\$ 384,241
Operating Grants and Contributions	8,670,397	1,382,326	338,159	718,546	9,008,556	2,100,872
Capital Grants and Contributions	339,950	101,796			339,950	101,796
General Revenues						
Property Taxes	32,807,079	32,159,979			32,807,079	32,159,979
State Aid	1,625,538	10,164,334			1,625,538	10,164,334
Investment Earnings	285,331	9,897	-	-	285,331	9,897
Miscellaneous	234,856	256,770	-	-	234,856	256,770
Total Revenues	<u>44,222,658</u>	<u>44,084,266</u>	<u>1,235,229</u>	<u>1,093,623</u>	<u>45,457,887</u>	<u>45,177,889</u>
Expenses						
Instruction						
Regular	16,864,030	17,330,076			16,864,030	17,330,076
Special Education	7,206,160	7,570,932			7,206,160	7,570,932
Other Instruction	865,916	1,710,311			865,916	1,710,311
School Sponsored Activities and Athletics	1,263,830	-			1,263,830	-
Support Services						
Student and Instruction Related Services	6,262,172	6,138,623			6,262,172	6,138,623
General Administration Services	1,410,217	790,360			1,410,217	790,360
School Administration Services	1,353,769	1,929,635			1,353,769	1,929,635
Business Services	866,680	873,757			866,680	873,757
Plant Operation and Maintenance	4,809,795	3,437,021			4,809,795	3,437,021
Pupil Transportation	1,209,735	1,072,204			1,209,735	1,072,204
Interest and Other Chgs on Long-Term Debt	135,693	68,599			135,693	68,599
Food Service			725,603	731,098	725,603	731,098
Keys and Summer Programs	-	-	355,998	292,265	355,998	292,265
Total Expenses	<u>42,247,997</u>	<u>40,921,518</u>	<u>1,081,601</u>	<u>1,023,363</u>	<u>43,329,598</u>	<u>41,944,881</u>
Change in Net Position	1,974,661	3,162,748	153,628	70,260	2,128,289	3,233,008
Net Position, Beginning of Year	7,247,457	4,502,153	621,321	550,171	7,868,778	5,052,324
Prior Period Adjustment	-	(417,444)	-	890	-	(416,554)
Net Position, End of Year	<u>\$ 9,222,118</u>	<u>\$ 7,247,457</u>	<u>\$ 774,949</u>	<u>\$ 621,321</u>	<u>\$ 9,997,067</u>	<u>\$ 7,868,778</u>

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved. However, maintaining existing programs which include both regular and special education programs and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 16,864,030	\$ 17,330,076	\$ 13,256,092	\$ 16,463,429
Special Education	7,206,160	7,570,932	4,303,724	7,232,821
Other Instruction	865,916	1,710,311	452,387	1,710,311
School Sponsored Activities and Athletics	1,263,830	-	1,006,438	-
Support Services				
Student and Instruction Related Services	6,262,172	6,138,623	5,290,479	5,951,891
General Administration	1,410,217	790,360	1,396,011	790,360
School Administration Services	1,353,769	1,929,635	1,039,956	1,929,635
Business Services	866,680	873,757	841,080	873,757
Plant Operation and Maintenance	4,809,795	3,437,021	4,216,441	3,335,225
Pupil Transportation	1,209,735	1,072,204	1,063,858	1,072,204
Interest and Other Charges on Long-Term Debt	135,693	68,599	111,677	68,599
Total	\$ 42,247,997	\$ 40,921,518	\$ 32,978,143	\$ 39,428,232

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$5,727,467 a decrease of \$1,681,198 from last year's fund balance of \$7,408,665.

Revenues for the District's governmental funds were \$46,881,798; total expenditures were \$48,733,055.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$43,864,212 for the fiscal year ended June 30, 2023. State sources were \$11,293,850, federal sources were \$49,073 and local sources were \$32,521,289.

Expenditures of the General Fund were \$44,321,928. Instructional expenditures were \$27,251,566, expenditures for support services were \$15,114,382, expenditures for debt service were \$493,432 and capital expenditures totaled \$1,462,548 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$1,920,466 for the fiscal year ended June 30, 2023. State sources were \$231,539, federal sources were \$1,390,088 and local sources were \$298,839.

Expenditures of the Special Revenue Fund were \$1,899,752. Instructional expenditures were \$1,278,041, expenditures for support services were \$302,949 and capital expenditures totaled \$318,762 for the fiscal year ended June 30, 2023.

Capital Projects Fund - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$319,927 decreasing the fund balance from \$1,614,305 at June 30, 2022 to \$1,294,378 at June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services Program, Keys Program and Other Enterprise Fund Programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve
- Appropriation of Maintenance Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$15,377,055 and \$13,165,760 (net of accumulated depreciation), respectively. The capital assets consist of land, buildings and building improvements, computers, machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,065,838 for governmental activities and \$1,784 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 3,058,776	\$ 3,058,776			\$ 3,058,776	\$ 3,058,776
Construction in Progress	2,923,261	290,810			2,923,261	290,810
Buildings and Building Impvts	8,261,695	8,998,367			8,261,695	8,998,367
Right-To-Use Equipment	142,928	200,099			142,928	200,099
Machinery and Equipment	955,563	616,818	\$ 34,832	\$ 890	990,395	617,708
Total	<u>\$ 15,342,223</u>	<u>\$ 13,164,870</u>	<u>\$ 34,832</u>	<u>\$ 890</u>	<u>\$ 15,377,055</u>	<u>\$ 13,165,760</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

HASBROUCK HEIGHTS BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$1,173,958, serial bonds of \$4,845,121 (including unamortized premium), capital financing agreements of \$558,385, other financing agreements of \$88,418, leases payable of \$120,660 and net pension liability of \$4,626,055 totaling \$11,412,597. This is in comparison to long-term liabilities at June 30, 2022 of \$11,757,090 or a decrease of \$344,493.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Hasbrouck Heights Board of Education, 379 Boulevard, Hasbrouck Heights, NJ 07604.

BASIC FINANCIAL STATEMENTS

HASBROUCK HEIGHTS BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 3,714,126	\$ 994,236	\$ 4,708,362
Receivables, Net	4,955,106	17,395	4,972,501
Internal Balances	65,000	(65,000)	-
Inventory		7,575	7,575
Restricted Assets			
Cash Equivalents with Fiscal Agent	616,877		616,877
Capital Assets, Not Being Depreciated	5,982,037		5,982,037
Capital Assets, Being Depreciated, Net	9,360,186	34,832	9,395,018
	<u>24,693,332</u>	<u>989,038</u>	<u>25,682,370</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	12,540		12,540
Deferred Amount of Net Pension Liability	496,379		496,379
	<u>508,919</u>	<u>-</u>	<u>508,919</u>
Total Deferred Outflows of Resources	<u>508,919</u>	<u>-</u>	<u>508,919</u>
Total Assets and Deferred Outflows of Resources	<u>25,202,251</u>	<u>989,038</u>	<u>26,191,289</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,952,564	110,421	2,062,985
Payable to Other Governments	93,995		93,995
Accrued Interest Payable	51,595		51,595
Unearned Revenue	1,577,083	102,513	1,679,596
Noncurrent Liabilities			
Due Within One Year	1,373,600		1,373,600
Due Beyond One Year	10,038,997		10,038,997
	<u>15,087,834</u>	<u>212,934</u>	<u>15,300,768</u>
Total Liabilities	<u>15,087,834</u>	<u>212,934</u>	<u>15,300,768</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	892,299		892,299
Deferred Commodities Revenue	-	1,155	1,155
	<u>892,299</u>	<u>1,155</u>	<u>893,454</u>
Total Deferred Inflows of Resources	<u>892,299</u>	<u>1,155</u>	<u>893,454</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,980,133</u>	<u>214,089</u>	<u>16,194,222</u>
NET POSITION			
Net Investment in Capital Assets	9,884,902	34,832	9,919,734
Restricted for:			
Capital Projects	2,557,476		2,557,476
Plant Maintenance	682,431		682,431
Other Purposes	205,236		205,236
Unrestricted	(4,107,927)	740,117	(3,367,810)
Total Net Position	<u>\$ 9,222,118</u>	<u>\$ 774,949</u>	<u>\$ 9,997,067</u>

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities							
Instruction							
Regular	\$ 16,864,030	\$ 29,800	\$ 3,578,138		\$ (13,256,092)		\$ (13,256,092)
Special Education	7,206,160		2,902,436		(4,303,724)		(4,303,724)
Other Special Instruction	865,916		413,529		(452,387)		(452,387)
School Sponsored Activities and Athletics	1,263,830	229,707	27,685		(1,006,438)		(1,006,438)
Support Services							
Student and Instruction Related Svcs.	6,262,172		971,693		(5,290,479)		(5,290,479)
General Administrative Services	1,410,217		14,206		(1,396,011)		(1,396,011)
School Administrative Services	1,353,769		313,813		(1,039,956)		(1,039,956)
Central and Other Support Services	866,680		25,600		(841,080)		(841,080)
Plant Operations and Maintenance	4,809,795		253,404	\$ 339,950	(4,216,441)		(4,216,441)
Student Transportation	1,209,735		145,877		(1,063,858)		(1,063,858)
Interest on Long-Term Debt	135,693		24,016		(111,677)	-	(111,677)
Total Governmental Activities	42,247,997	259,507	8,670,397	339,950	(32,978,143)	-	(32,978,143)
Business-Type Activities							
Food Service	725,603	483,278	338,159			\$ 95,834	95,834
Keys and Summer Programs	355,998	413,792		-		57,794	57,794
Total Business-Type Activities	1,081,601	897,070	338,159	-	-	153,628	153,628
Total Primary Government	\$ 43,329,598	\$ 1,156,577	\$ 9,008,556	\$ 339,950	(32,978,143)	153,628	(32,824,515)
General Revenues:							
Property Taxes Levied for General Purposes					31,998,304		31,998,304
Property Taxes Levied for Debt Service					808,775		808,775
State Aid - Unrestricted					1,625,538		1,625,538
Interest Earnings					285,331		285,331
Miscellaneous Income					234,856		234,856
Total General Revenues					34,952,804	-	34,952,804
Change in Net Position					1,974,661	153,628	2,128,289
Net Position, Beginning of Year, (Restated)					7,247,457	621,321	7,868,778
Net Position, End of Year					\$ 9,222,118	\$ 774,949	\$ 9,997,067

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

FUND FINANCIAL STATEMENTS

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 2,142,060	\$ 205,236	\$ 1,366,830		\$ 3,714,126
Property Tax Levy Receivable	2,644,358				2,644,358
Intergovernmental Receivable	111,590	768,850	1,430,308		2,310,748
Due from Other Funds	154,329				154,329
Restricted Assets:					-
Cash Equivalents with Fiscal Agent	-	-	616,877	-	616,877
Total Assets	<u>\$ 5,052,337</u>	<u>\$ 974,086</u>	<u>\$ 3,414,015</u>	<u>\$ -</u>	<u>\$ 9,440,438</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 701,590	\$ 374,791	\$ 753,289		\$ 1,829,670
Payable to State Government	-	93,995			93,995
Payroll Deductions and Withholdings Payable	122,894				122,894
Due to Other Funds		62,893	26,436		89,329
Unearned Revenue	-	237,171	1,339,912	-	1,577,083
Total Liabilities	<u>824,484</u>	<u>768,850</u>	<u>2,119,637</u>	<u>-</u>	<u>3,712,971</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	256,441				256,441
Capital Reserve	1,317,403				1,317,403
Maintenance Reserve	682,431				682,431
Capital Projects			1,294,378		1,294,378
Student Activities		146,336			146,336
Scholarships		58,900			58,900
Committed					
Year End Encumbrances	1,271,169				1,271,169
Assigned					
Year End Encumbrances	219,876				219,876
Designated for Subsequent Year's Expenditures	200,000				200,000
Unassigned	280,533	-	-	-	280,533
Total Fund Balances	<u>4,227,853</u>	<u>205,236</u>	<u>1,294,378</u>	<u>-</u>	<u>5,727,467</u>
Total Liabilities and Fund Balances	<u>\$ 5,052,337</u>	<u>\$ 974,086</u>	<u>\$ 3,414,015</u>	<u>\$ -</u>	<u>\$ 9,440,438</u>

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances (Exhibit B-1)		\$ 5,727,467
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		12,540
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,983,797 and the accumulated depreciation is \$10,641,574.</p>		15,342,223
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and amortized over future years.</p>	Deferred Outflows of Resources Deferred Inflows of Resources	\$ 496,379 <u>(892,299)</u> (395,920)
<p>The District has financed capital assets through the issuance of long-term bonds and Financing Agreements. The interest accrual at year end is:</p>		(51,595)
<p>Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	Bonds Payable, including unamortized premium Capital Financing Agreements Other Financing Agreements Leases Payable Compensated Absences Net Pension Liability	(4,845,121) (558,385) (88,418) (120,660) (1,173,958) <u>(4,626,055)</u> <u>(11,412,597)</u>
Net Position of Governmental Activities (Exhibit A-1)		\$ <u>9,222,118</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 31,998,304			\$ 808,775	\$ 32,807,079
Tuition	29,800				29,800
Interest	258,329		\$ 27,002		285,331
Miscellaneous	234,856	\$ 298,839			533,695
Total - Local Sources	32,521,289	298,839	27,002	808,775	33,655,905
State Sources	11,293,850	231,539		240,155	11,765,544
Federal Sources	49,073	1,390,088	21,188		1,460,349
Total Revenues	43,864,212	1,920,466	48,190	1,048,930	46,881,798
EXPENDITURES					
Current					
Instruction					
Regular Instruction	18,310,148	348,228			18,658,376
Special Education Instruction	7,252,728	422,994			7,675,722
Other Special Instruction	631,197	299,425			930,622
School Sponsored Activities and Athletics	1,057,493	207,394			1,264,887
Support Services					
Student and Instruction Related Services	6,168,658	302,949			6,471,607
General Administrative Services	1,407,271				1,407,271
School Administrative Services	1,460,797				1,460,797
Central Services	867,738				867,738
Plant Operations and Maintenance	4,024,042				4,024,042
Pupil Transportation	1,185,876				1,185,876
Debt Service					
Principal	467,375			940,000	1,407,375
Interest	26,057			109,494	135,551
Capital Outlay	1,462,548	318,762	1,461,881		3,243,191
Total Expenditures	44,321,928	1,899,752	1,461,881	1,049,494	48,733,055
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(457,716)	20,714	(1,413,691)	(564)	(1,851,257)
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreements (Non-Budget)	170,059				170,059
Transfers In	24,143		1,118,471	564	1,143,178
Transfers Out	(1,118,471)		(24,707)		(1,143,178)
Total Other Financing Sources and Uses	(924,269)	-	1,093,764	564	170,059
Net Change in Fund Balance	(1,381,985)	20,714	(319,927)	-	(1,681,198)
Fund Balance, Beginning of Year	5,609,838	184,522	1,614,305	-	7,408,665
Fund Balance, End of Year	\$ 4,227,853	\$ 205,236	\$ 1,294,378	\$ -	\$ 5,727,467

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (1,681,198)**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

Capital Outlay	\$ 3,243,191	
Depreciation Expense	<u>(1,065,838)</u>	2,177,353

The issuance of long-term debt provides current financial resources to governmental funds, however these transactions have no effect in Statement of Activities.

Capital Financing Agreement Proceeds		(170,059)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

Principal Repayments:		
Bonds Payable	940,000	
Capital Financing Agreements	258,548	
Other Financing Agreements	148,895	
Leases Payable	<u>59,932</u>	1,407,375

In the statement of activities, certain items related to the refunding of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these costs are reported upon the issuance of debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Deferred Amount on Refunding	(12,540)	
Original Issue Premium	<u>30,121</u>	17,581

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

Increase in Compensated Absences	(39,040)	
Decrease in Pension Expense	<u>280,372</u>	241,332

Interest on long-term debt in the governmental funds is recorded as an expenditure when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		<u>(17,723)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,974,661**

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business -Type Activities Enterprise Funds			
	<u>Food Service</u>	<u>Keys Program</u>	<u>Non-Major Summer Program</u>	<u>Total</u>
ASSETS				
Cash	\$ 313,454	\$ 565,184	\$ 115,598	\$ 994,236
Intergovernmental Receivable, Net	14,928			14,928
Accounts Receivable, Net	2,467			2,467
Inventories	7,575	-	-	7,575
	338,424	565,184	115,598	1,019,206
Capital Assets				
Equipment	97,526	-	-	97,526
Accumulated Depreciation	(62,694)	-	-	(62,694)
	34,832	-	-	34,832
Total Assets	373,256	565,184	115,598	1,054,038
LIABILITIES				
Current Liabilities				
Accounts Payable	107,642	2,779		110,421
Due to Other Funds		65,000		65,000
Unearned Revenue	19,432	83,081	-	102,513
	127,074	150,860	-	277,934
DEFERRED INFLOW OF RESOURCES				
Deferred Commodities Revenue	1,155			1,155
Total Liabilities and Deferred Inflow of Resources	128,229	150,860	-	279,089
NET POSITION				
Investment in Capital Assets	34,832			34,832
Unrestricted	210,195	414,324	115,598	740,117
Total Net Position	\$ 245,027	\$ 414,324	\$ 115,598	\$ 774,949

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities Enterprise Funds			Total
	Food Service	Keys Program	Non-Major Summer Program	
OPERATING REVENUES				
Charges for Services				
Daily Sales				
Reimbursable Programs	\$ 456,008			\$ 456,008
Non-Reimbursable Programs	27,270			27,270
Program Fees	-	\$ 398,210	\$ 15,582	413,792
Total Operating Revenues	<u>483,278</u>	<u>398,210</u>	<u>15,582</u>	<u>897,070</u>
OPERATING EXPENSES				
Salaries and Benefits	309,788	228,421	9,216	547,425
Cost of Sales Reimbursable Programs	331,929			331,929
Cost of Sales Non-Reimbursable Programs	1,132			1,132
Management Fee	21,000			21,000
Other Purchased Services	45,110	20,000	-	65,110
Rent		65,000	-	65,000
Supplies and Materials	2,940	33,361	-	36,301
Miscellaneous	11,920			11,920
Depreciation	1,784	-	-	1,784
Total Operating Expenses	<u>725,603</u>	<u>346,782</u>	<u>9,216</u>	<u>1,081,601</u>
Operating Income/(Loss)	<u>(242,325)</u>	<u>51,428</u>	<u>6,366</u>	<u>(184,531)</u>
NONOPERATING REVENUES				
State Sources				
School Lunch Program	9,065			9,065
Federal Sources				
National School Lunch Program	191,744			191,744
Supply Chain Assistance	90,655			90,655
Food Distribution Program	46,695	-	-	46,695
Total Nonoperating Revenues	<u>338,159</u>	<u>-</u>	<u>-</u>	<u>338,159</u>
Change in Net Position	95,834	51,428	6,366	153,628
Net Position, Beginning of Year (Restated)	<u>149,193</u>	<u>362,896</u>	<u>109,232</u>	<u>621,321</u>
Net Position, End of Year	<u>\$ 245,027</u>	<u>414,324</u>	<u>115,598</u>	<u>774,949</u>

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business -Type Activities Enterprise Funds			Total
	Food Service	Keys Program	Non-Major Summer Program	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Customers	\$ 463,224	\$ 402,908	\$ 15,582	\$ 881,714
Cash Payments for Employees Salaries and Benefits	(309,788)	(228,421)	(9,216)	(547,425)
Cash Payments to Suppliers for Goods and Services	(257,334)	(52,239)	-	(309,573)
Net Cash Provided by (Used for) Operating Activities	(103,898)	122,248	6,366	24,716
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Receipts from State and Federal Subsidy Reimbursements	332,009	-	-	332,009
Net Cash Provided by Noncapital Financing Activities	332,009	-	-	332,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(35,726)	-	-	(35,726)
Net Cash (Used for) Capital and Related Financing Activities	(35,726)	-	-	(35,726)
Net Increase (Decrease) in Cash and Cash Equivalents	192,385	122,248	6,366	320,999
Cash and Cash Equivalents, Beginning of Year	121,069	442,936	109,232	673,237
Cash and Cash Equivalents, End of Year	\$ 313,454	\$ 565,184	\$ 115,598	\$ 994,236
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income/(Loss)	\$ (242,325)	\$ 51,428	\$ 6,366	\$ (184,531)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	1,784			1,784
Non-Cash Federal Assistance-Food Distribution Program	46,695			46,695
Changes in Assets, Liabilities and Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	(2,467)			(2,467)
(Increase) Decrease in Inventory	1,205			1,205
Increase (Decrease) in Accounts Payable	107,642	1,122		108,764
Increase (Decrease) in Due to Other Funds		65,000		65,000
Increase in Unearned Revenue	(17,587)	4,698		(12,889)
Increase (Decrease) in Deferred Commodities Revenue	1,155	-	-	1,155
Total Adjustments	138,427	70,820	-	209,247
Net Cash Provided by (Used for) Operating Activities	\$ (103,898)	\$ 122,248	\$ 6,366	\$ 24,716
Non-Cash Financing Activities				
National School Lunch (Food Distribution)	\$ 47,850			\$ 47,850

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

NOTES TO THE FINANCIAL STATEMENTS

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability or a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds except its other program's enterprise fund.

The District reports the following major governmental funds:

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

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

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

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

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

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

The *keys fund* accounts for the activities of the District's extended before and after school program which provides child care for elementary school students.

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

The *summer program fund* accounts for the activities of the District's summer activities which include music, tennis and basketball programs.

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

Reclassifications

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by capital financing agreements for projects.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets discussed in Note 1. E.9. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	20-50
Heavy Equipment	10-20
Office Equipment and Furniture	5-15
Computer Equipment	5-10
Right-to-use Leased Equipment	5

6. *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 periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

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

7. Compensated Absences

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

8. Pensions

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

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

9. Leases

Leases Payable

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

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. 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.

11. Long-Term Obligations

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

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

12. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

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

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

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

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

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$1,358,750 and the special revenue fund by \$486,714. The increases were funded by the additional appropriation of state aid, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$172,500 and maintenance reserve of \$492,271 from the general fund.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 3,386,903
Increased by:		
Interest Earnings		<u>3,000</u>
		3,389,903
Decreased by:		
Withdrawals Approved in District Budget	\$ 1,900,000	
Withdrawals Approved in Board Resolution	<u>172,500</u>	
		<u>2,072,500</u>
Balance, June 30, 2023		<u>\$ 1,317,403</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$	974,202
Increased by:			
Interest Earnings	\$	500	
Deposits Approved by Board Resolution		<u>500,000</u>	
			<u>500,500</u>
			1,474,702
Decreased by:			
Withdrawals Approved in District Budget		300,000	
Withdrawals Approved by Resolution		<u>492,271</u>	
			<u>792,271</u>
Balance, June 30, 2023		\$	<u>682,431</u>

The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$256,441. This amount, will be appropriated in the 2024/2025 original budget certified for taxes.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$4,708,362 and bank and brokerage firm balances of the Board's deposits amounted to \$5,374,634. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ 5,280,755
Uninsured and Collateralized	<u>93,879</u>
	<u>\$ 5,374,634</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$93,879 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 93,879</u>
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Investments

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Federated Government Obligations	\$ <u>616,877</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, \$616,877 of the Board’s investments was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>616,877</u>
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Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by First Hope Wealth Management. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Property Tax Levy	\$ 2,644,358				\$ 2,644,358
Intergovernmental-					
Federal		\$ 755,111	\$ 1,361,100	\$ 14,268	2,130,479
State	111,590	13,739	69,208	660	195,197
Other	-	-	-	2,467	2,467
Gross Receivables	2,755,948	768,850	1,430,308	17,395	4,972,501
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 2,755,948</u>	<u>\$ 768,850</u>	<u>\$ 1,430,308</u>	<u>\$ 17,395</u>	<u>\$ 4,972,501</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 17,589
Grant Draw Downs for Year-End Encumbrances	219,582
Capital Projects Fund	
Unrealized Project Grants	<u>1,339,912</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,577,083</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2022</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,058,776			\$ 3,058,776
Construction in Progress	<u>290,810</u>	<u>\$ 2,632,451</u>	<u>-</u>	<u>2,923,261</u>
Total Capital Assets, Not Being Depreciated	<u>3,349,586</u>	<u>2,632,451</u>	<u>-</u>	<u>5,982,037</u>
Capital Assets, Being Depreciated:				
Building and Building Improvements	17,252,320	29,600		17,281,920
Right to use Leased Equipment	285,855			285,855
Machinery and Equipment	<u>1,852,845</u>	<u>581,140</u>	<u>-</u>	<u>2,433,985</u>
Total Capital Assets Being Depreciated	<u>19,391,020</u>	<u>610,740</u>	<u>-</u>	<u>20,001,760</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(8,253,953)	(766,272)		(9,020,225)
Right to use Leased Equipment	(85,756)	(57,171)		(142,927)
Machinery and Equipment	<u>(1,236,027)</u>	<u>(242,395)</u>	<u>-</u>	<u>(1,478,422)</u>
Total Accumulated Depreciation	<u>(9,575,736)</u>	<u>(1,065,838)</u>	<u>-</u>	<u>(10,641,574)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,815,284</u>	<u>(455,098)</u>	<u>-</u>	<u>9,360,186</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,164,870</u>	<u>\$ 2,177,353</u>	<u>\$ -</u>	<u>\$ 15,342,223</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2022 (Restated)	Increases	Decreases	Balance, June 30, 2023
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 61,800	\$ 35,726	\$ -	\$ 97,526
Total Capital Assets Being Depreciated	<u>61,800</u>	<u>35,726</u>	<u>-</u>	<u>97,526</u>
Less Accumulated Depreciation for:				
Equipment	(60,910)	(1,784)	-	(62,694)
Total Accumulated Depreciation	<u>(60,910)</u>	<u>(1,784)</u>	<u>-</u>	<u>(62,694)</u>
Total Capital Assets, Being Depreciated, Net	<u>890</u>	<u>33,942</u>	<u>-</u>	<u>34,832</u>
Business-Type Activities Capital Assets, Net	<u>\$ 890</u>	<u>\$ 33,942</u>	<u>\$ -</u>	<u>\$ 34,832</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 49,407
Total Instruction	<u>49,407</u>
Support Services	
Student and Instruction Related Services	138,045
General Administration	3,533
School Administration	62,371
Operations and Maintenance of Plant	788,531
Transportation	<u>23,951</u>
Total Support Services	<u>1,016,431</u>
Total Depreciation Expense - Governmental Funds	<u>\$ 1,065,838</u>
Business-Type Activities:	
Food Service Fund	\$ 1,784
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,784</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Kitchen and Cafeteria Renovations	\$ 1,271,169
Depkin Field Bleacher Replacement	<u>793,436</u>
Total	<u>\$ 2,064,605</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 62,893
General Fund	Capital Projects Fund	26,436
General Fund	Keys Program Fund	<u>65,000</u>
Total		<u>\$ 154,329</u>

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

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

Interfund Transfers

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:				
Capital Projects Fund	\$ 24,143		\$ 564	\$ 24,707
General Fund	<u>-</u>	<u>\$ 1,118,471</u>	<u>-</u>	<u>1,118,471</u>
Total Transfers	<u>\$ 24,143</u>	<u>\$ 1,118,471</u>	<u>\$ 564</u>	<u>\$ 1,143,178</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Leases Payable

On April 24, 2020, the District entered into a five (5) year lease agreement as lessee for the use of 14 copiers. An initial lease liability was recorded in the amount of \$285,855. The District is required to make monthly payments of \$5,051. In addition, the District has the option to purchase the equipment for the fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$120,660. The equipment has a five (5) year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$285,855 and had accumulated depreciation of \$142,927.

The future principal and interest lease payments as of June 30, 2023 are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 60,198	\$ 531	\$ 60,729
2025	<u>60,462</u>	<u>266</u>	<u>60,728</u>
Total	<u>\$ 120,660</u>	<u>\$ 797</u>	<u>\$ 121,457</u>

G. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2023 are comprised of the following:

\$68,394, fiscal year 2020 Agreement for the acquisition of 11 active panels for a term of 5 years due in an annual principal installment of \$14,359 through September, 2023 interest at 5.25%	\$ 14,359
\$60,772, fiscal year 2020 Agreement for the acquisition of computer equipment for a term of 5 years due in an annual principal installment of \$12,935 through July, 2023 interest at 6.8%	12,935

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

\$64,170, fiscal year 2020 Agreement for a network server for a term of 5 years due in an annual principal installment of \$13,427 through July, 2023 interest at 4.8%	\$ 13,427
\$860,000, fiscal year 2021 Agreement for the construction of bleachers for a term of 5 years due in annual principal installments of \$172,308 to \$174,548 through 2025 interest at 1.3%	346,856
\$65,088, fiscal year 2022 Agreement for the acquisition of 9 active panels for a term of 5 years due in annual principal installments of \$12,981 to \$13,689 through 2026 interest at 5.5%	38,979
\$63,452, fiscal year 2023 Agreement for the acquisition of 10 Promethean Boards for a term of 5 years due in annual principal installments of \$11,114 to \$13,585 through July 2026 interest at 6.92%	49,288
\$31,861, fiscal year 2023 Agreement for the acquisition of 12 security cameras for a term of 5 years due in annual principal installments of \$5,483 to \$6,877 through July, 2026 interest at 7.84%	24,651
\$37,979, fiscal year 2023 Agreement for the acquisition of 4 Promethean Boards for a term of 5 years due in annual principal installments of \$6,651 to \$8,132 through 2026 interest at 6.93%	29,500
\$36,767, fiscal year 2023 Agreement for the acquisition of 12 security cameras for a term of 5 years due in annual principal installments of \$6,397 to \$7,831 through November, 2026 interest at 6.98%	<u>28,390</u>
Total	<u>\$ 558,385</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

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

Other financing agreements at June 30, 2023 are comprised of the following:

\$31,151, Fiscal year 2020 Agreement for the purchase of computers for a term of 5 years due in an annual principal installment of \$6,662 through July, 2023	\$	6,662
\$233,997, Fiscal year 2022 Agreement for the purchase of chromebooks for a term of 5 years due in annual principal installments of \$81,756 through September, 2023 interest at 2.0%		<u>81,756</u>
	<u>\$</u>	<u>88,418</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 254,984	\$ 18,300	\$ 88,418	\$ 983	\$ 362,685
2025	219,281	10,986			230,267
2026	47,696	5,752			53,448
2027	<u>36,424</u>	<u>2,589</u>	<u>-</u>	<u>-</u>	<u>39,013</u>
Total	<u>\$ 558,385</u>	<u>\$ 37,627</u>	<u>\$ 88,418</u>	<u>\$ 983</u>	<u>\$ 685,413</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2023 are comprised of the following issues:

\$1,740,000, 2014 Bonds, due in annual installments of \$195,000 to \$200,000 through August, 2024, interest at 2.00% to 2.50%	\$395,000
\$4,745,000, 2015 Refunding Bonds, due in an annual installment of \$650,000 through August, 2023 interest at 3%	650,000
\$3,895,000, 2021 Bonds, due in annual installments of \$125,000 to \$250,000 through August, 2038, interest at .5% to 2%	<u>3,770,000</u>
Total	<u>\$4,815,000</u>

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 970,000	\$ 82,240	\$ 1,052,240
2025	450,000	64,213	514,213
2026	250,000	60,400	310,400
2027	250,000	57,900	307,900
2028	250,000	54,775	304,775
2029-2033	1,250,000	202,000	1,452,000
2034-2038	1,250,000	77,000	1,327,000
2039	<u>145,000</u>	<u>1,450</u>	<u>146,450</u>
Total	<u>\$ 4,815,000</u>	<u>\$ 599,978</u>	<u>\$ 5,414,978</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 83,137,544
Less: Net Debt Issued and Authorized But Not Issued	<u>4,815,000</u>
Remaining Borrowing Power	<u>\$ 78,322,544</u>

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 5,755,000		\$ 940,000	\$ 4,815,000	\$ 970,000
Add: Original Issue Premium	<u>60,242</u>	<u>-</u>	<u>30,121</u>	<u>30,121</u>	<u>-</u>
Total Bonds Payable	5,815,242			4,845,121	970,000
Capital Financing Agreements	646,874	\$ 170,059	258,548	558,385	254,984
Other Financing Agreements	237,313		148,895	88,418	88,418
Leases Payable	180,592		59,932	120,660	60,198
Compensated Absences Payable	1,134,918	39,040		1,173,958	
Net Pension Liability	<u>3,742,151</u>	<u>1,270,461</u>	<u>386,557</u>	<u>4,626,055</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 11,757,090</u>	<u>\$ 1,479,560</u>	<u>\$ 853,932</u>	<u>\$ 11,412,597</u>	<u>\$ 1,373,600</u>

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the School Alliance Insurance Fund (SAIF). The Fund is a risk sharing public entity pool, established for the purpose of insuring against various insurance claims.

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

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2023.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 386,557	\$ 5,401,052	\$ 40,330
2022	369,940	5,379,051	37,819
2021	331,420	3,755,132	29,835

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,817, \$1,794 and \$1,835, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,155,328 during the fiscal 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 recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$4,626,055 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .03065 percent, which was a decrease of .00094 percent from its proportionate share measured as of June 30, 2021 of .03159 percent.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$106,185 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 33,389	\$ 29,444
Changes of Assumptions	14,333	692,704
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	191,468	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>257,189</u>	<u>170,151</u>
Total	<u>\$ 496,379</u>	<u>\$ 892,299</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (97,525)
2024	(97,525)
2025	(97,525)
2026	(97,525)
2027	(5,820)
Thereafter	<u>-</u>
	<u>\$ (395,920)</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 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:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 5,943,126</u>	<u>\$ 4,626,055</u>	<u>\$ 3,505,175</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2022, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,789,114 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$66,478,200. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .12885 percent, which was an increase of .00208 percent from its proportionate share measured as of June 30, 2021 of .12677 percent.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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%

Mortality Rates

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF 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 in determining the total pension liability.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 77,947,102</u>	<u>\$ 66,478,200</u>	<u>\$ 56,817,091</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

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

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,418,843, \$1,256,764 and \$1,176,800, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,371,641. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$54,081,109. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .10678 percent, which was an increase of .00016 percent from its proportionate share measured as of June 30, 2021 of .10662 percent.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on Years of Service

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

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 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 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 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.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>63,980,512</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,112,783
Interest on the Total OPEB Liability	1,433,209
Differences Between Expected and Actual Experience	1,436,441
Changes of Assumptions	(14,507,743)
Gross Benefit Payments	(1,419,636)
Contributions from the Member	45,543
Net Changes	<u>\$ (9,899,403)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 54,081,109</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>63,566,655</u>	\$ <u>54,081,109</u>	\$ <u>46,478,918</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability (Continued)

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 44,701,342	\$ 54,081,109	\$ 66,402,002

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

NOTE 5 RESTATEMENT

Governmental Activities

The financial statements of the governmental activities as of June 30, 2022 have been restated to reflect certain capital asset activities previously unrecorded which decreased net position by \$804,001. The financial statements of the governmental activities as of June 30, 2022 have also been restated to reflect certain adjustments to accounts payable and other current liabilities which increased net position by \$386,557. The net effect of these restatements is to decrease net position of governmental activities by \$417,444 from \$7,664,901 as previously reported to \$7,247,457 as of June 30, 2022..

Business-Type Activities and Enterprise Funds

The financial statements of the Business-Type Activities and Enterprise Funds as of June 30, 2022 have been restated to reflect certain capital asset activities previously unrecorded. The effect of this restatement is to increase food service fund capital assets by \$61,800 and increase food service fund accumulated depreciation by \$60,910 with a net effect to net position of \$890 from \$620,431 as previously reported to \$621,321 as of June 30, 2022.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$2,146,500 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 31,998,304		\$ 31,998,304	\$ 31,998,304	
Tuition From Individuals	-		-	29,800	\$ 29,800
Interest on Investments	3,000		3,000	254,829	251,829
Interest Earned on Capital Reserve Funds	3,000		3,000	3,000	-
Interest Earned on Maintenance Reserve Funds	500		500	500	-
Unrestricted Miscellaneous Revenues	177,361	-	177,361	234,856	57,495
Total Local	32,182,165	-	32,182,165	32,521,289	339,124
State Sources					
Transportation Aid	143,130		143,130	143,130	
Special Education Aid	1,572,195		1,572,195	1,572,195	
Security Aid	185,508		185,508	185,508	
Equalization Aid	1,438,890		1,438,890	1,438,890	
Stabilization Aid		\$ 3,661	3,661	3,661	
Extraordinary Aid	164,884		164,884	417,883	252,999
On Behalf TPAF (Non Budgeted)					
Pension Contribution				5,327,144	5,327,144
NCGI Pension Contribution				73,908	73,908
Post Retirement Medical Contributions				1,418,843	1,418,843
Long Term Disability				1,817	1,817
Social Security Contributions	-	-	-	1,155,328	1,155,328
Total State	3,504,607	3,661	3,508,268	11,738,307	8,230,039
Federal Sources					
Medicaid Reimbursement	29,079		29,079	47,443	18,364
Medicaid Reimbursement - FFCRA	-	-	-	1,630	1,630
Total Federal	29,079	-	29,079	49,073	19,994
Total Revenues	35,715,851	3,661	35,719,512	44,308,669	8,589,157
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool		73,255	73,255	58,744	14,511
Kindergarten	493,690	2,900	496,590	496,590	-
Grades 1-5	3,299,027	(22,941)	3,276,086	3,235,216	40,870
Grades 6-8	2,379,054	(43,837)	2,335,217	2,335,217	-
Grades 9-12	3,257,080	242,201	3,499,281	3,498,298	983
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	-	52,040	52,040	52,040	-
Purchased Professional/Educational Services	148,300	(52,931)	95,369	76,904	18,465
Purchased Technical Services	279,800	(33,056)	246,744	230,234	16,510
Other Purchased Services	366,176	12,323	378,499	372,538	5,961
General Supplies	231,520	143,737	375,257	331,499	43,758
Textbooks	49,000	24,436	73,436	73,239	197
Other Objects	16,000	2,571	18,571	8,201	10,370
Total Regular Programs	10,519,647	400,698	10,920,345	10,768,720	151,625
Learning and / or Language Disabled					
Salaries of Teachers	140,520	-	140,520	140,520	-
Other Salaries for Instruction	103,080	-	103,080	102,080	1,000
General Supplies	1,000	-	1,000	233	767
Textbooks	500	-	500	-	500
Total Learning and/or Language Disabled	245,100	-	245,100	242,833	2,267

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,450,602	\$ (295,864)	\$ 2,154,738	\$ 2,154,413	\$ 325
Other Salaries for Instruction	539,920	15,235	555,155	550,753	4,402
General Supplies	8,000	-	8,000	1,823	6,177
Total Resource Room/Resource Center	2,998,522	(280,629)	2,717,893	2,706,989	10,904
Preschool Disabilities - Full-Time					
Salaries of Teachers	173,500	(62,302)	111,198	111,198	-
Other Salaries for Instruction	104,080	(35,495)	68,585	68,585	-
General Supplies	2,000	2,319	4,319	3,765	554
Total Preschool Disabilities - Full-Time	279,580	(95,478)	184,102	183,548	554
Home Instruction					
Salaries of Teachers	55,000	-	55,000	37,874	17,126
Total Home Instruction	55,000	-	55,000	37,874	17,126
Total Special Education	3,578,202	(376,107)	3,202,095	3,171,244	30,851
Basic Skills/Remedial					
Salaries of Teachers	215,150	(108,442)	106,708	106,225	483
General Supplies	500	-	500	98	402
Total Basic Skills/Remedial	215,650	(108,442)	107,208	106,323	885
Bilingual Education					
Salaries of Teachers	217,833	-	217,833	207,107	10,726
General Supplies	1,500	(547)	953	473	480
Textbooks	200	-	200	-	200
Total Bilingual Education	219,533	(547)	218,986	207,580	11,406
School Sponsored Co/Extra Curricular Activities					
Salaries	252,460	12,129	264,589	245,365	19,224
Supplies and Materials	16,000	1,500	17,500	17,129	371
Other Objects	9,000	200	9,200	8,279	921
Total School Sponsored Co/Extra Curricular Activities	277,460	13,829	291,289	270,773	20,516
School Sponsored Athletics					
Salaries	377,170	(8,738)	368,432	356,628	11,804
Purchased Services	55,000	27,538	82,538	78,597	3,941
Supplies and Materials	105,000	(335)	104,665	94,844	9,821
Other Objects	37,000	(1,142)	35,858	35,758	100
Total School Sponsored Athletics	574,170	17,323	591,493	565,827	25,666
Summer School Instruction - Extended School Year					
Salaries of Teachers	40,000	(14,822)	25,178	23,749	1,429
Other Salaries for Instruction	18,000	5,070	23,070	23,070	-
Purchased Professional - Educational Svices	25,000	(10,990)	14,010	14,010	-
General Supplies	500	-	500	138	362
Total Summer School Instruction - Extended School Year	83,500	(20,742)	62,758	60,967	1,791
Total Other Instruction	1,370,313	(98,579)	1,271,734	1,211,470	60,264
Total Instruction	15,468,162	(73,988)	15,394,174	15,151,434	242,740

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs - Regular	\$ 15,183	\$ (442)	\$ 14,741	\$ 14,741	
Tuition to Other LEAs w/i State - Special	714,150	(450,520)	263,630	263,630	-
Tuition to County Voc. School District-Regular	633,618	4,459	638,077	601,788	\$ 36,289
Tuition to County Voc. School District-Special	444,141	7,419	451,560	451,560	-
Tuition to CSSD and Regional Day Schools	481,147	4,845	485,992	485,814	178
Tuition to Priv. Sch. for the Disabled - w/i state	1,111,334	(287,776)	823,558	818,641	4,917
Total Undistributed Expenditures - Instruction	3,399,573	(722,015)	2,677,558	2,636,174	41,384
Attendance and Social Work					
Salaries	135,755	-	135,755	134,068	1,687
Total Attendance and Social Work	135,755	-	135,755	134,068	1,687
Health Services					
Salaries	327,730	(5,918)	321,812	317,910	3,902
Purchased Professional and Technical Services	60,000	(30,000)	30,000	13,706	16,294
Supplies and Materials	11,000	-	11,000	5,280	5,720
Other Objects	3,500	46	3,546	46	3,500
Total Health Services	402,230	(35,872)	366,358	336,942	29,416
Speech, OT, PT & Related Services					
Salaries	225,705	-	225,705	225,705	-
Purchased Professional-Educational Services	847,700	(177,285)	670,415	597,471	72,944
Supplies and Materials	6,000	4,000	10,000	8,418	1,582
Other Objects	1,000	-	1,000	-	1,000
Total Speech, OT, PT & Related Services	1,080,405	(173,285)	907,120	831,594	75,526
Other Support Services - Students - Extra Services					
Salaries	440,805	(1,821)	438,984	421,979	17,005
Purchased Professional/Educational Services	-	237,341	237,341	231,761	5,580
Total Other Supp.Serv. Student - Extra Services	440,805	235,520	676,325	653,740	22,585
Guidance					
Salaries of Other Professional Staff	753,238	-	753,238	722,549	30,689
Other Purchased Services	750	(750)	-	-	-
Supplies and Materials	750	(437)	313	313	-
Other Objects	1,250	1,187	2,437	1,840	597
Total Guidance	755,988	-	755,988	724,702	31,286
Child Study Teams					
Salaries of Other Professional Staff	861,310	5,847	867,157	866,921	236
Salaries of Secretarial & Clerical Assistants	117,936	-	117,936	117,936	-
Other Purchased Services	4,000	1,500	5,500	5,500	-
Supplies and Materials	7,000	(1,467)	5,533	5,291	242
Other Objects	2,000	-	2,000	1,988	12
Total Child Study Teams	992,246	5,880	998,126	997,636	490
Other Support Services - Improvement of Instructional Services					
Salaries of Other Professional Staff	259,223	(49,032)	210,191	209,982	209
Supplies and Materials	3,000	-	3,000	-	3,000
Other Objects	2,500	-	2,500	1,900	600
Total Other Support Services - Improvement of Inst. Svcs.	264,723	(49,032)	215,691	211,882	3,809

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Educational Media/School Library					
Salaries	\$ 254,321	-	\$ 254,321	\$ 236,676	\$ 17,645
Salaries of Technology Coordinator	176,280	\$ 32	176,312	174,628	1,684
Other Purchased Services	6,000	(3,000)	3,000	-	3,000
Supplies and Materials	13,000	2,500	15,500	8,825	6,675
Other Objects	700	500	1,200	487	713
Total Educational Media/School Library	450,301	32	450,333	420,616	29,717
Instructional Staff Training Services					
Other Purchased Services	8,000	-	8,000	680	7,320
Total Instructional Staff Training Services	8,000	-	8,000	680	7,320
General Administration					
Salaries	308,886	-	308,886	308,886	-
Legal Services	75,000	(17,483)	57,517	54,992	2,525
Audit Fees	38,588	(1,088)	37,500	37,500	-
Other Purchased Professional Service	-	17,975	17,975	9,601	8,374
Purchased Technical Services	15,050	2,295	17,345	16,516	829
Communications/Telephone	74,325	9,799	84,124	79,710	4,414
BOE Other Purchased Services	2,500	(1,500)	1,000	967	33
Miscellaneous Purchased Services	61,888	500	62,388	62,304	84
General Supplies	7,000	(2,104)	4,896	4,200	696
Miscellaneous Expenditures	16,073	(418)	15,655	15,355	300
BOE Membership Dues and Fees	15,395	-	15,395	14,662	733
Total Support Services General Administration	614,705	7,976	622,681	604,693	17,988
School Administration					
Salaries of Principals/Asst. Principals/Program Directors	879,866	400	880,266	880,266	-
Salaries of Other Professional Staff	146,936	-	146,936	146,936	-
Salaries of Secretarial and Clerical Assistants	266,867	(400)	266,467	257,640	8,827
Supplies and Materials	40,000	(3,800)	36,200	27,174	9,026
Miscellaneous Expenditures	16,000	23,000	39,000	35,439	3,561
Total Support Services School Administration	1,349,669	19,200	1,368,869	1,347,455	21,414
Central Services					
Salaries	440,698	8,901	449,599	449,599	-
Purchased Technical Services	16,500	-	16,500	9,706	6,794
Misc. Purchased Services	500	-	500	-	500
Supplies and Materials	10,000	(1,203)	8,797	5,652	3,145
Miscellaneous Expenditures	3,000	1,500	4,500	4,124	376
Total Central Services	470,698	9,198	479,896	469,081	10,815
Admin. Info. Technology					
Salaries	107,038	-	107,038	107,038	-
Purchased Technical Services	4,000	(4,000)	-	-	-
Other Purchased Services	50,000	12,387	62,387	62,386	1
Supplies and Materials	50,000	(18,874)	31,126	24,831	6,295
Other Objects	500	-	500	152	348
Total Admin. Info. Technology	211,538	(10,487)	201,051	194,407	6,644

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 126,531	\$ 41	\$ 126,572	\$ 126,571	\$ 1
Cleaning, Repair and Maintenance	510,000	312,245	822,245	815,615	6,630
General Supplies	15,000	(8,500)	6,500	286	6,214
Other Objects	500	-	500	-	500
Total Required Maintenance for School Facilities	652,031	303,786	955,817	942,472	13,345
Custodial Services					
Salaries	643,628	-	643,628	642,564	1,064
Salaries of Other Professional Staff	125,000	3,906	128,906	128,906	-
Salaries of Non-Instructional Aides	170,230	19,503	189,733	189,733	-
Other Salaries	200,000	(8,603)	191,397	187,399	3,998
Cleaning, Repair and Maintenance	150,000	67,632	217,632	217,459	173
Other Purchased Property Services	55,000	(11,182)	43,818	36,323	7,495
Insurance	206,910	20,535	227,445	222,980	4,465
Other Purchased Services	7,000	36,475	43,475	42,097	1,378
General Supplies	175,000	36,367	211,367	185,629	25,738
Energy (Natural Gas)	125,000	(45,000)	80,000	51,309	28,691
Energy (Electricity)	240,000	67,500	307,500	255,640	51,860
Other Objects	16,000	-	16,000	15,474	526
Total Custodial Services	2,113,768	187,133	2,300,901	2,175,513	125,388
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance	90,000	35,558	125,558	93,982	31,576
General Supplies	1,000	-	1,000	58	942
Other Objects	250	-	250	-	250
Total Care & Upkeep of Grounds	91,250	35,558	126,808	94,040	32,768
Security					
Salaries	92,444	-	92,444	92,444	-
Purchased Professional and Technical Services	200,000	(20,000)	180,000	179,309	691
Cleaning, Repair and Maintenance	73,194	34,785	107,979	104,239	3,740
General Supplies	1,000	27,109	28,109	7,210	20,899
Other Objects	250	200	450	238	212
Total Security	366,888	42,094	408,982	383,440	25,542
Student Transportation Services					
Sal. For Pupil Trans (Between Home & School) - Regular	40,000	8,355	48,355	48,355	-
Sal. For Pupil Trans (Between Home & School) - Other	5,000	(5,000)	-	-	-
Cleaning, Repair and Maintenance Services	15,000	(474)	14,526	11,258	3,268
Contracted Services (Between Home and School) - Joint Agreements	18,863	215,330	234,193	209,988	24,205
Contracted Services (Other Than Between Home and School) - Vendors	60,000	16,835	76,835	76,720	115
Contracted Services (Special Ed. Students) - Joint Agreements	960,029	(138,601)	821,428	801,414	20,014
Contracted Services-Aid In Lieu of Payments- Charter Schools	11,000	1,651	12,651	12,264	387
Supplies -Transportation	10,000	-	10,000	7,787	2,213
Other Objects	1,000	(560)	440	347	93
Total Student Transportation Services	1,120,892	97,536	1,218,428	1,168,133	50,295
Unallocated Benefits- Employee Benefits					
Social Security Contributions	365,000	9,523	374,523	374,523	-
Other Retirement Contributions	424,436	4,153	428,589	426,887	1,702
Unemployment Compensation	30,000	(30,000)	-	-	-
Workmen's Compensation	145,000	(4,538)	140,462	140,462	-
Health Benefits	4,283,249	(115,750)	4,167,499	4,101,925	65,574
Tuition Reimbursement	40,000	(13,788)	26,212	26,212	-
Unused Sick Payments to Terminated Staff	43,733	68,608	112,341	112,044	297
Total Unallocated Benefits	5,331,418	(81,792)	5,249,626	5,182,053	67,573
Interest on Deposit Maintenance Reserve	500	-	500	-	500

HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
On Behalf TPAF (Non Budgeted)					
Pension Contribution				\$ 5,327,144	\$ (5,327,144)
NCGI Pension Contribution				73,908	(73,908)
Post Retirement Medical Contributions				1,418,843	(1,418,843)
Long Term Disability Insurance				1,817	(1,817)
Social Security Contributions	-	-	-	1,155,328	(1,155,328)
Total On-Behalf TPAF	-	-	-	7,977,040	(7,977,040)
Total Undistributed Expenditures	\$ 20,253,383	\$ (128,570)	\$ 20,124,813	27,486,361	(7,361,548)
Total Current Expenditures	35,721,545	(202,558)	35,518,987	42,637,795	(7,118,808)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 9-12		135,374	135,374	135,374	-
Undistributed Expenditures		-			-
Athletic Equipment		11,910	11,910	11,910	
Admin Info Technology		162,472	162,472	147,072	15,400
Required Maintenance for School Facilities	-	42,330	42,330	42,330	-
School Buses - Regular	20,467	(20,467)	-	-	-
Total Equipment	20,467	331,619	352,086	336,686	15,400
Facilities Acquisition and Construction Services					
Construction Services	2,255,817	(87,463)	2,168,354	870,570	1,297,784
Lease Purchase Agreement - Principal Assessment for Debt Service	6,858	-	6,858	6,858	-
Total Facilities Acquisition and Construction Services	2,262,675	82,634	2,345,309	1,047,525	1,297,784
Interest Deposit on Capital Reserce	3,000	-	3,000	-	3,000
Assets Acquired Under Capital Financing Agreements (Nonbudgeted)					
Equipment					
Regular Instruction				101,431	(101,431)
Security	-	-	-	68,628	(68,628)
Total Assets Acquired Under Capital Leases	-	-	-	170,059	(170,059)
Total Capital Outlay	2,286,142	414,253	2,700,395	1,554,270	1,146,125
Transfer of Funds to Charter Schools	108,164	28,584	136,748	129,863	6,885
Total General Fund Expenditures	38,115,851	240,279	38,356,130	44,321,928	(5,965,798)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,400,000)	(236,618)	(2,636,618)	(13,259)	2,623,359
Other Financing Sources (Uses)					
Operating Transfers Out:					
Capital Financing Agreements					
Capital Reserve Transfer to Capital Projects Fund		(172,500)	(172,500)	170,059	170,059
Maintenance Reserve Transfer to Capital Projects Fund		(492,271)	(492,271)	(492,271)	
Capital Outlay Transfer to Capital Projects Fund - Local Contribution		(453,700)	(453,700)	(453,700)	
Operating Transfers In:					
Capital Projects Transfer to General Fund	-	-	-	24,143	24,143
Total Other Financing Sources (Uses)	-	(1,118,471)	(1,118,471)	(924,269)	194,202
Net Change in Fund Balances	(2,400,000)	(1,355,089)	(3,755,089)	(937,528)	2,817,561
Fund Balance, Beginning of Year	5,883,713	-	5,883,713	5,883,713	-
Fund Balance, End of Year	\$ 3,483,713	\$ (1,355,089)	\$ 2,128,624	\$ 4,946,185	\$ 2,817,561

HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Excess Surplus				\$ 256,441	
Capital Reserve				1,317,403	
Maintenance Reserve				682,431	
Committed Fund Balance					
Year End Encumbrances				1,271,169	
Assigned Fund Balance					
Year End Encumbrances				219,876	
Designated for Subsequent Year's Expenditures				200,000	
Unassigned Fund Balance				<u>998,865</u>	
Fund Balance - Budgetary Basis				4,946,185	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(718,332)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,227,853</u>	

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
State Sources	\$ 335,000	\$ 17,539	\$ 352,539	\$ 298,839	\$ (53,700)
Federal Sources	2,237,375	378,331	2,615,706	1,609,670	(1,006,036)
Local Sources	<u>120,000</u>	<u>90,844</u>	<u>210,844</u>	<u>231,539</u>	<u>20,695</u>
Total Revenues	<u>2,692,375</u>	<u>486,714</u>	<u>3,179,089</u>	<u>2,140,048</u>	<u>(1,039,041)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	331,324	74,643	405,967	320,780	85,187
Purchased Professional and Technical Svcs.	258,044	(93,132)	164,912	135,248	29,664
Purchased Professional/Educational Svcs.	179,500	(24,483)	155,017	137,909	17,108
Tuition	425,000	(73,255)	351,745	306,460	45,285
General Supplies	169,550	95,883	265,433	157,672	107,761
Textbooks	17,000	2,338	19,338	19,325	13
School Sponsored Co-Curricular	120,000	87,394	207,394	207,394	-
Other Objects	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>823</u>	<u>1,677</u>
Total Instruction	<u>1,500,418</u>	<u>71,888</u>	<u>1,572,306</u>	<u>1,285,611</u>	<u>286,695</u>
Support Services					
Salaries of Teachers	32,000	(1,516)	30,484	30,484	-
Personnel Services - Employee Benefits	87,290	61,778	149,068	25,399	123,669
Personnel Services - Other Employee Benefits		2,332	2,332	2,332	-
Purchased Professional Educational Services	37,500	202,262	239,762	140,718	99,044
Purchased Professional and Technical Svcs.	528,955	55,944	584,899	116,832	468,067
Other Purchased Services	31,500	86,260	117,760	113,992	3,768
Scholarships (Non-Budget)		2,000	2,000	2,000	-
Supplies and Materials		3,766	3,766	3,763	3
Other Objects	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Support Services	<u>717,245</u>	<u>414,826</u>	<u>1,132,071</u>	<u>435,520</u>	<u>696,551</u>
Facilities Acquisition and Construction					
Buildings	449,712	-	449,712	379,441	70,271
Non-Instructional Equipment	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>18,762</u>	<u>6,238</u>
Total Facilities Acquisition and Construction	<u>474,712</u>	<u>-</u>	<u>474,712</u>	<u>398,203</u>	<u>76,509</u>
Total Expenditures	<u>2,692,375</u>	<u>486,714</u>	<u>3,179,089</u>	<u>2,119,334</u>	<u>1,059,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	20,714	20,714
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,522</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,236</u>	<u>\$ 20,714</u>
Recapitulation of Fund Balance					
Restricted					
Scholarships				\$ 58,900	
Student Activities				<u>146,336</u>	
				<u>\$ 205,236</u>	

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 44,308,669	\$ 2,140,048
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2021/2022 State Aid)	273,875	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2022/2023 State Aid)	(718,332)	
State Aid Advance Loan recognized for budgetary purposes, not recognized for GAAP statements		
Grant accounting budgetary basis differs from GAAP in that revenue is recognized.		
Encumbrances - June 30, 2023		(219,582)
Encumbrances - June 30, 2022	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 43,864,212</u>	<u>\$ 1,920,466</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 44,321,928	\$ 2,119,334
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 financial reporting purposes.		
Encumbrances - June 30, 2023		(219,582)
Encumbrances - June 30, 2022	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 44,321,928</u>	<u>\$ 1,899,752</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

**Last Nine Fiscal Years*
(Dollar amounts in thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.03065%	0.03159%	0.03030%	0.02939%	0.02987%	0.02997%	0.02891%	0.03038%	0.03166%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,626,055	\$ 3,742,151	\$ 4,940,441	\$ 5,296,056	\$ 5,881,036	\$ 6,976,209	\$ 8,561,536	\$ 6,820,001	\$ 4,642,698
District's Covered-Employee Payroll	\$ 2,374,956	\$ 2,318,711	\$ 2,288,484	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905	\$ 2,125,036	\$ 2,023,905
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00%	161.39%	215.88%	244.24%	281.85%	334.59%	423.02%	320.94%	229.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.59%	48.01%	40.14%	47.93%	48.52%

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

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years
 (Dollar amounts in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 386,557	\$ 369,940	\$ 331,420	\$ 285,901	\$ 297,099	\$ 281,227	\$ 277,627	\$ 261,198	\$ 260,972
Contributions in Relation to the Contractually Required Contribution	<u>386,557</u>	<u>369,940</u>	<u>331,420</u>	<u>285,901</u>	<u>297,099</u>	<u>281,227</u>	<u>277,627</u>	<u>261,198</u>	<u>260,972</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,393,344	\$ 2,374,956	\$ 2,318,711	\$ 2,288,484	\$ 2,168,360	\$ 2,086,600	\$ 2,084,989	\$ 2,023,905	\$ 2,125,036
Contributions as a Percentage of Covered-Employee Payroll	16.15%	15.58%	14.29%	12.49%	13.70%	13.48%	13.32%	12.91%	12.28%

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

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 66,478,200	\$ 60,944,416	\$ 83,064,868	\$ 77,757,245	\$ 81,320,960	\$ 86,040,719	\$ 94,393,812	\$ 77,495,161	\$ 61,888,404
District's Covered-Employee Payroll	\$ 15,290,121								
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	434.78%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.71%	33.64%

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Years*

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 3,112,783	\$ 3,469,577	\$ 1,922,036	\$ 1,886,773	\$ 2,124,270	\$ 2,565,258
Interest on the Total OPEB Liability	1,433,209	1,659,722	1,579,740	1,920,040	1,957,068	1,683,841
Differences Between Expected and Actual Experience	1,436,441	(10,983,937)	12,006,813	(7,719,599)	(2,069,920)	
Changes of Assumptions	(14,507,743)	63,122	12,988,457	653,187	(5,551,036)	(7,007,505)
Changes of Benefit Terms		(68,099)				
Gross Benefit Payments	(1,419,636)	(1,307,396)	(1,237,881)	(1,344,787)	(1,293,475)	(1,231,329)
Contribution from the Member	45,543	42,431	37,520	39,863	44,705	45,341
Net Change in Total OPEB Liability	(9,899,403)	(7,124,580)	27,296,685	(4,564,523)	(4,788,388)	(3,944,394)
Total OPEB Liability - Beginning of Year	63,980,512	71,105,092	43,808,407	48,372,930	53,161,318	57,105,712
Total OPEB Liability - End of Year	<u>\$ 54,081,109</u>	<u>\$ 63,980,512</u>	<u>\$ 71,105,092</u>	<u>\$ 43,808,407</u>	<u>\$ 48,372,930</u>	<u>\$ 53,161,318</u>
District's Proportionate Share	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 54,081,109</u>	<u>\$ 63,980,512</u>	<u>\$ 71,105,092</u>	<u>\$ 43,808,407</u>	<u>\$ 48,372,930</u>	<u>\$ 53,161,318</u>
Total OPEB Liability - End of Year	<u>\$ 54,081,109</u>	<u>\$ 63,980,512</u>	<u>\$ 71,105,092</u>	<u>\$ 43,808,407</u>	<u>\$ 48,372,930</u>	<u>\$ 53,161,318</u>
Covered-Employee Payroll	\$ 17,665,077	\$ 17,665,077	\$ 17,494,734	\$ 16,721,783	\$ 18,695,998	\$ 15,512,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll:	306.15%	362.19%	406.44%	261.98%	258.73%	342.69%

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

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

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	SDA Emergent Needs and Capital		Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid	Non Public Chapter 192		Nonpublic Home Instr.	Nonpublic Teach Stem	Total Exhibit E-1a	Total Exhibit E-1b	Total	
	Maintenance						Compensatory Education	Nonpublic ESL						
REVENUES														
Intergovernmental														
State	\$ 32,235	\$ 19,325	\$ 33,149	\$ 12,090	\$ 30,057	\$ 97,644	\$ 1,203	\$ 321	\$ 16,112	\$ 50,498	\$ 6,205	\$ 298,839		
Federal										718,357	891,313	1,609,670		
Local	-	-	-	-	-	-	-	-	-	-	231,539	231,539		
Total Revenues	\$ 32,235	\$ 19,325	\$ 33,149	\$ 12,090	\$ 30,057	\$ 97,644	\$ 1,203	\$ 321	\$ 16,112	\$ 768,855	\$ 1,129,057	\$ 2,140,048		
EXPENDITURES														
Instruction														
Salaries of Teachers									\$ 14,970	\$ 169,721	\$ 136,089	\$ 320,780		
Purchased Professional and Technical Svcs.										8,498	126,750	135,248		
Purchased Professional/Educational Services						\$ 97,644	\$ 1,203	\$ 321		38,741	-	137,909		
Tuition										306,460	-	306,460		
General Supplies				\$ 12,090						73,736	71,846	157,672		
Textbooks		\$ 19,325								-	-	19,325		
School Sponsored Co-Curricular										-	207,394	207,394		
Other Objects										823	-	823		
Total Instruction	-	19,325	-	12,090	-	97,644	1,203	321	14,970	597,979	542,079	1,285,611		
Support Services														
Salaries of Teachers			\$ 30,484										30,484	
Personnel Services - Employee Benefits									1,142	13,846	10,411	25,399		
Personnel Services - Other Employee Benefits			2,332							-	-	2,332		
Purchased Professional Educational Services										140,718	-	140,718		
Purchased Professional and Technical Svcs.					\$ 30,057					1,125	85,650	116,832		
Other Purchased Services	\$ 32,235									11,757	70,000	113,992		
Scholarships										-	2,000	2,000		
Supplies and Materials			333							3,430	-	3,763		
Total Support Services	32,235	-	33,149	-	30,057	-	-	-	1,142	170,876	168,061	435,520		
Facilities and Construction Services														
Buildings												379,441	379,441	
Instructional Equipment												-	-	
Non-Instructional Equipment												18,762	18,762	
Total Facilities and Construction Svcs	-	-	-	-	-	-	-	-	-	-	-	398,203	398,203	
Total Expenditures	32,235	19,325	33,149	12,090	30,057	97,644	1,203	321	16,112	768,855	1,108,343	2,119,334		
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	20,714	20,714	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	184,522	184,522	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,236	\$ 205,236	

HASBROUCK HEIGHTS BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ESSER II			ESSER III			Climate Awareness Grant	Other Local Projects	Scholarships	Student Activity	Total E-1b
	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER III	ARP Summer Learning	ARP Mental Health					
REVENUES											
Intergovernmental											
State							\$ 6,205				\$ 6,205
Federal	\$ 164,532	\$ 2,600	\$ 45,000	\$ 609,067	\$ 25,114	\$ 45,000					891,313
Local	-	-	-	-	-	-	-	\$ 1,431	\$ 401	\$ 229,707	231,539
Total Revenues	\$ 164,532	\$ 2,600	\$ 45,000	\$ 609,067	\$ 25,114	\$ 45,000	\$ 6,205	\$ 1,431	\$ 401	\$ 229,707	\$ 1,129,057
EXPENDITURES											
Instruction											
Salaries of Teachers				\$ 112,760	\$ 23,329						\$ 136,089
Purchased Professional and Technical Svcs.	\$ 42,250		\$ 39,500			\$ 45,000					126,750
Purchased Professional/Educational Services											-
Tuition											-
General Supplies		\$ 2,600		61,610			\$ 6,205	\$ 1,431			71,846
Textbooks											-
School Sponsored Co-Curricular										\$ 207,394	207,394
Other Objects	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	42,250	2,600	39,500	174,370	23,329	45,000	6,205	1,431	-	207,394	542,079
Support Services											
Salaries of Teachers											-
Personnel Services - Employee Benefits				8,626	1,785						10,411
Personnel Services - Other Employee Benefits											-
Purchased Professional Educational Services											-
Purchased Professional and Technical Svcs.	52,282		5,500	27,868							85,650
Other Purchased Services	70,000										70,000
Scholarships								\$ 2,000			2,000
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	122,282	-	5,500	36,494	1,785	-	-	-	2,000	-	168,061
Facilities and Construction Services											
Buildings				379,441							379,441
Instructional Equipment											-
Non-Instructional Equipment	-	-	-	18,762	-	-	-	-	-	-	18,762
Total Facilities and Construction Svcs	-	-	-	398,203	-	-	-	-	-	-	398,203
Total Expenditures	164,532	2,600	45,000	609,067	25,114	45,000	6,205	1,431	2,000	207,394	1,108,343
Fund Balance, July 1	-	-	-	-	-	-	-	-	60,499	124,023	184,522
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,900	\$ 146,336	\$ 205,236

CAPITAL PROJECTS FUND

**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Mechanical Upgrades - All Schools	\$ 6,664,781	\$ 6,610,476		\$ 54,305
2021 Bleacher Project	2,227,066		\$ 1,433,631	793,435
Lincoln Elementary - HVAC Project	837,600			837,600
Euclid Elementary - HVAC Project	<u>977,200</u>	<u>-</u>	<u>28,250</u>	<u>948,950</u>
 Total	 <u>\$ 10,706,647</u>	 <u>\$ 6,610,476</u>	 <u>\$ 1,461,881</u>	 <u>\$ 2,634,290</u>
 <u>Reconciliation to GAAP Basis</u>				
				\$ 2,634,290
Less:				
Unearned Revenue - Federal Grants				<u>(1,339,912)</u>
				<u>\$ 1,294,378</u>
 <u>Recapitulation of Fund Balance</u>				
				\$ 332,943
				<u>961,435</u>
				<u>\$ 1,294,378</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources

Revenues:

Federal Sources	\$ 1,361,100
Local Sources - Interest	27,002

Other Financing Sources:

Transfer from Capital Reserve	172,500
Transfer from Maintenance Reserve	492,271
Transfer from Capital Outlay - Local Match	453,700

Total Revenues and Other Financing Sources	2,506,573
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Expenditures and Other Financing Uses

Expenditures:

Construction Services	1,461,881
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Other Financing Uses:

Transfers Out - General Fund	24,143
Transfers Out - Debt Service	564

Total Expenditures and Other Financing Uses	1,486,588
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Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	1,019,985
--	-----------

Fund Balance, July 1, 2022

	1,614,305
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Fund Balance, June 30, 2023

	\$ 2,634,290
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Reconciliation to GAAP Basis

Fund Balance - Budgetary Basis	\$ 2,634,290
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Less: Unearned Revenue (Federal Grants)	(1,339,912)
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Fund Balance - GAAP Basis	\$ 1,294,378
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**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
MECHANICAL UPGRADES - ALL SCHOOLS
FROM INCEPTION THROUGH FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 6,664,781	_____	\$ 6,664,781	\$ 6,664,781
Total Revenues	6,664,781	-	6,664,781	6,664,781
Expenditures and Other Financing Uses				
Construction Services	6,610,476	_____	6,610,476	6,664,781
Total Expenditures	6,610,476	-	6,610,476	6,664,781
Excess (deficiency) or Revenues over (under) Expenditures	\$ 54,305	\$ -	\$ 54,305	\$ -
Additional project information:				
Project Number	2080-050-14-1001/1002/1005			
Grant Date	Various			
Bond Authorization Date	7/21/2021			
Bonds Authorized	\$ 3,895,000			
Bonds Issued	3,895,000			
Original Authorized Cost	6,725,108			
Additional Auth. Cost/(Cancellation)	(60,327)			
Revised Authorized Cost	6,664,781			
Percentage Increase over Original				
Authorized Cost	-0.90%			
Percentage completion	99%			
Original target completion date	12/31/2017			
Revised target completion date	12/31/2019			

**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
2021 BLEACHER PROJECT
FROM INCEPTION THROUGH FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 860,000		\$ 860,000	\$ 860,000
Interest Earnings		\$ 2,295	2,295	2,295
Transfer from Capital Reserve	700,000	172,500	872,500	872,500
Transfer from Maintenance Reserve		492,271	492,271	492,271
	<u>1,560,000</u>	<u>667,066</u>	<u>2,227,066</u>	<u>2,227,066</u>
Total Revenues				
Expenditures and Other Financing Uses				
Construction Services	-	1,433,631	1,433,631	2,227,066
	<u>-</u>	<u>1,433,631</u>	<u>1,433,631</u>	<u>2,227,066</u>
Total Expenditures				
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 1,560,000</u>	<u>\$ (766,565)</u>	<u>\$ 793,435</u>	<u>\$ -</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,560,000
Additional Authorized Cost	667,066
Revised Authorized Cost	2,227,066

Percentage Increase over Original

Authorized Cost	42.76%
Percentage completion	64%
Original target completion date	8/1/2023
Revised target completion date	8/1/2023

**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
LINCOLN ELEMENTARY - HVAC PROJECT
FROM INCEPTION THROUGH FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Federal Sources		\$ 628,200	\$ 628,200	\$ 628,200
Transfer from Capital Outlay		209,400	209,400	209,400
Total Revenues	-	837,600	837,600	837,600
Expenditures and Other Financing Uses				
Construction Services	-		-	837,600
Total Expenditures	-	-	-	837,600
Excess (deficiency) or Revenues over (under) Expenditures	\$ -	\$ 837,600	\$ 837,600	\$ -
Additional project information:				
Project Number	SSB-VEEVR-68390			
Grant Date	12/13/2022			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Grant Authorization Date	12/13/2022			
Grant Authorized	\$	628,200		
Original Authorized Cost		837,600		
Additional Authorized Cost		-		
Revised Authorized Cost		837,600		
Percentage Increase over Original				
Authorized Cost		0.00%		
Percentage completion		0%		
Original target completion date		12/13/2023		
Revised target completion date		12/13/2023		

**HASBROUCK HEIGHTS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
EUCLID ELEMENTARY - HVAC PROJECT
FROM INCEPTION THROUGH FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Federal Sources		\$ 732,900	\$ 732,900	\$ 732,900
Transfer from Capital Outlay		244,300	244,300	244,300
Total Revenues	-	977,200	977,200	977,200
Expenditures and Other Financing Uses				
Construction Services	-	28,250	28,250	977,200
Total Expenditures	-	28,250	28,250	977,200
Excess (deficiency) or Revenues over (under) Expenditures	-	\$ 948,950	\$ 948,950	-

Additional project information:

Project Number	SSB-VEEVR-68392
Grant Date	12/13/2022
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Grant Authorization Date	12/13/2022
Grant Authorized	\$ 732,900
Original Authorized Cost	977,200
Additional Authorized Cost	-
Revised Authorized Cost	977,200

Percentage Increase over Original

Authorized Cost	0.00%
Percentage completion	3%
Original target completion date	12/13/2023
Revised target completion date	12/13/2023

ENTERPRISE FUNDS

EXHIBIT G-1

**HASBROUCK HEIGHTS BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

HASBROUCK HEIGHTS BOARD OF EDUCATION
 LONG TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
\$1,740,000 School Bonds	7/1/2014	\$ 1,740,000	8/15/2023	\$ 195,000	2.00%	\$ 585,000		\$ 190,000	\$ 395,000
			8/1/2024	200,000	2.50%				
Refunding School Bonds; Refunds School Refunding Bonds Issued on 4/7/05	7/23/2015	4,745,000	8/15/2023	650,000	3.00%	1,275,000		625,000	650,000
\$3,895,000 School Bonds	7/1/2021	3,895,000	8/15/2023	125,000	0.50-2.00%				
			8/15/2024	250,000					
			8/15/2025	250,000					
			8/15/2026	250,000					
			8/15/2027	250,000					
			8/15/2028	250,000					
			8/15/2029	250,000					
			8/15/2030	250,000					
			8/15/2031	250,000					
			8/15/2032	250,000					
			8/15/2033	250,000					
			8/15/2034	250,000					
			8/15/2035	250,000					
			8/15/2036	250,000					
			8/15/2037	250,000					
			8/15/2038	145,000					
						<u>3,895,000</u>	<u>-</u>	<u>125,000</u>	<u>3,770,000</u>
						<u>\$ 5,755,000</u>	<u>\$ -</u>	<u>\$ 940,000</u>	<u>\$ 4,815,000</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL AND OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2023**

	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>						
Teq Lease (2020) - 11 Active Panels	\$ 68,394	5.25%	\$ 28,002		\$ 13,643	\$ 14,359
Dell Computers (2020) - Computer Security Eq.	60,772	6.80%	25,035		12,100	12,935
Dell Computers (2020) - Network Server	64,170	4.80%	26,232		12,805	13,427
Bleachers Project (2021)	860,000	1.30%	516,953		170,097	346,856
TEQ Lease (2022) - 9 Active Panels	65,088	5.50%	50,652		11,673	38,979
Teq Lease (2023) - 10 Promethean Boards	63,452	6.92%		\$ 63,452	14,164	49,288
Teq Lease (2023) - 12 Security Cameras	31,861	7.84%		31,861	7,210	24,651
Teq Lease (2023) - 4 Promethean Boards	37,979	6.93%		37,979	8,479	29,500
Teq Lease (2023) - 12 Security Cameras	36,767	6.98%	-	36,767	8,377	28,390
Total Financing Agreements			<u>646,874</u>	<u>170,059</u>	<u>258,548</u>	<u>558,385</u>
<u>Other Financing Agreements</u>						
ACER Financial (2020)	31,151	N/A	13,324		6,662	6,662
Dell Computers (2021) - Chromebooks	149,840	4.00%	49,907		49,907	-
Dell Computers (2021) - Chromebooks	43,237	6.80%	14,386		14,386	-
Dell Computers (2022) - Chromebooks	233,997	2.00%	159,696	-	77,940	81,756
Total Other Financing Agreements			<u>237,313</u>	<u>-</u>	<u>148,895</u>	<u>88,418</u>
<u>Leases Payable</u>						
Canon (2021) - 14 Copiers	285,855	N/A	180,592	-	59,932	120,660
			<u>\$ 1,064,779</u>	<u>\$ 170,059</u>	<u>\$ 467,375</u>	<u>\$ 767,463</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 808,775		\$ 808,775	\$ 808,775	
State Source					
Debt Service Aid	240,155		240,155	240,155	
	<u>1,048,930</u>	<u>-</u>	<u>1,048,930</u>	<u>1,048,930</u>	<u>-</u>
Total Revenues					
EXPENDITURES					
Debt Service					
Principal	940,000		940,000	940,000	
Interest	109,494	-	109,494	109,494	-
	<u>1,049,494</u>	<u>-</u>	<u>1,049,494</u>	<u>1,049,494</u>	<u>-</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(564)	-	(564)	(564)	-
OTHER FINANCING SOURCES					
Transfer from Capital Projects Fund	564	-	564	564	-
Excess (Deficiency) of Revenues and Other Financing Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATISTICAL SECTION
(UNAUDITED)**

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the 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 and 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 for the relevant year.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Investment in Capital Assets	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556	\$ 7,605,803	\$ 9,884,902
Restricted	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277	5,642,979	3,445,143
Unrestricted	403,169	(6,310,500)	(6,557,060)	(7,913,435)	(10,257,808)	(10,602,764)	(10,465,799)	(7,596,680)	(5,583,881)	(4,107,927)
Total Governmental Activities Net Position	\$ 4,037,579	\$ (4,079,052)	\$ (3,536,520)	\$ (3,085,568)	\$ (251,317)	\$ 726,319	\$ 2,485,304	\$ 4,502,153	\$ 7,664,901	\$ 9,222,118
Business-Type Activities										
Investment in Capital Assets										\$ 34,832
Unrestricted	\$ 505,384	\$ 549,438	\$ 609,004	\$ 588,105	\$ 568,731	\$ 556,512	\$ 594,301	\$ 550,171	\$ 620,431	740,117
Total Business-Type Activities Net Position	\$ 505,384	\$ 549,438	\$ 609,004	\$ 588,105	\$ 568,731	\$ 556,512	\$ 594,301	\$ 550,171	\$ 620,431	\$ 774,949
District-Wide										
Net Investment in Capital Assets	\$ 722,622	\$ 845,032	\$ 1,477,030	\$ 3,184,357	\$ 7,762,981	\$ 8,874,736	\$ 10,468,888	\$ 7,826,556	\$ 7,605,803	\$ 9,919,734
Restricted	2,911,788	1,386,416	1,543,510	1,643,510	2,243,510	2,454,347	2,482,215	4,272,277	5,642,979	3,445,143
Unrestricted (Deficit)	908,553	(5,761,062)	(5,948,056)	(7,325,330)	(9,689,077)	(10,046,252)	(9,871,498)	(7,046,509)	(4,963,450)	(3,367,810)
Total District Net Position	\$ 4,542,963	\$ (3,529,614)	\$ (2,927,516)	\$ (2,497,463)	\$ 317,414	\$ 1,282,831	\$ 3,079,605	\$ 5,052,324	\$ 8,285,332	\$ 9,997,067

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,898,575	\$ 11,118,742	\$ 12,955,085	\$ 16,442,957	\$ 17,169,122	\$ 16,902,388	\$ 16,266,368	\$ 17,735,934	\$ 16,453,529	\$ 16,864,030
Special Education	3,369,768	3,572,400	4,250,640	5,562,604	5,710,487	5,836,713	5,384,980	5,856,586	5,184,657	7,206,160
Other Special Education	954,998	775,700	1,206,852	1,448,872	1,749,399	1,687,982	1,687,024	1,793,336	1,710,311	865,916
School Sponsored Activities and Athletics										1,263,830
Support Services:										
Tuition	2,947,018	2,875,701	2,819,933	2,984,551	2,610,946	2,958,742	3,177,719	3,454,209	3,262,822	
Student & Instruction Related Services	4,716,062	4,236,669	5,126,097	6,053,709	5,527,049	5,593,922	5,638,495	6,632,957	6,138,623	6,262,172
School Administrative Services	1,203,928	1,232,176	729,565	2,063,849	2,213,726	2,878,945	1,549,616	2,140,620	1,929,635	1,410,217
General Administrative Services	1,113,537	1,369,359	2,525,470	1,585,115	1,681,808	873,684	1,729,518	1,871,707	1,664,117	1,353,769
Plant Operations And Maintenance	2,452,148	2,499,991	2,269,536	3,037,806	3,590,178	4,356,623	4,175,341	3,622,076	3,437,021	866,680
Pupil Transportation	701,864	673,390	827,807	921,197	812,192	826,962	750,644	1,135,146	1,072,204	4,809,795
Business and Other Support Services	-	-	-	-	-	-	-	127,723	-	1,209,735
Interest On Long-Term Debt	581,807	750,364	458,751	540,009	126,551	229,944	392,978	34,114	68,599	135,693
Unallocated Depreciation	-	-	-	341,748	-	-	-	-	-	-
Total Governmental Activities Expenses	29,939,705	29,104,492	33,169,736	40,982,417	41,191,458	42,145,905	40,752,683	44,404,408	40,921,518	42,247,997
Business-Type Activities:										
Food Service	479,702	508,418	503,341	517,246	584,865	558,567	449,429	151,188	731,098	725,603
Keys and other programs	435,643	417,212	425,075	417,174	376,539	450,844	370,354	142,121	292,265	355,998
Total Business-Type Activities Expense	915,345	925,630	928,416	934,420	961,404	1,009,411	819,783	293,309	1,023,363	1,081,601
Total District Expenses	\$ 30,855,050	\$ 30,030,122	\$ 34,098,152	\$ 41,916,837	\$ 42,152,862	\$ 43,155,316	\$ 41,572,466	\$ 44,697,717	\$ 41,944,881	\$ 43,329,598
Program Revenues										
Governmental Activities:										
Charges For Services:										\$ 259,507
Operating Grants and Contributions	\$ 918,842	\$ 980,872	\$ 3,918,280	\$ 10,301,427	\$ 793,712	\$ 806,044	\$ 868,055	\$ 1,100,413	\$ 1,382,326	8,670,397
Capital Grants and Contributions	-	-	-	531,738	1,609,642	101,796	-	-	101,796	339,950
Total Governmental Activities Program Revenues	918,842	980,872	3,918,280	10,833,165	2,403,354	907,840	868,055	1,100,413	1,484,122	9,269,854
Business-Type Activities:										
Charges For Services:										
Food Service	382,324	360,360	375,761	393,830	395,933	429,935	331,163	2,088	6,465	483,278
Keys and other programs	431,099	468,661	468,778	379,319	376,475	397,864	396,943	100,541	368,612	413,792
Operating Grants And Contributions	130,667	142,350	143,443	140,373	169,621	169,393	129,466	146,550	718,546	338,159
Total Business Type Activities Program Revenues	944,090	971,371	987,982	913,522	942,029	997,192	857,572	249,179	1,093,623	1,235,229
Total District Program Revenues	\$ 1,862,932	\$ 1,952,243	\$ 4,906,262	\$ 11,746,687	\$ 3,345,383	\$ 1,905,032	\$ 1,725,627	\$ 1,349,592	\$ 2,577,745	\$ 10,505,083
Net (Expense)/Revenue										
Governmental Activities	\$ (29,020,863)	\$ (28,123,620)	\$ (29,251,456)	\$ (30,149,252)	\$ (38,788,104)	\$ (41,238,065)	\$ (39,884,628)	\$ (43,303,995)	\$ (39,437,396)	\$ (32,978,143)
Business-Type Activities	28,745	45,741	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)	70,260	153,628
Total District-Wide Net Expense	\$ (28,992,118)	\$ (28,077,879)	\$ (29,191,890)	\$ (30,170,150)	\$ (38,807,479)	\$ (41,250,284)	\$ (39,846,839)	\$ (43,348,125)	\$ (39,367,136)	\$ (32,824,515)

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes General Purposes	\$ 25,506,891	\$ 26,544,747	\$ 27,211,837	\$ 27,951,872	\$ 28,355,966	\$ 29,237,321	\$ 29,929,574	\$ 30,874,428	\$ 31,491,917	\$ 31,998,304
Property Taxes Debt Service	609,408	626,631	706,288	620,898	665,472	727,048	798,514	591,393	668,062	808,775
Unrestricted State Aid	3,730,917	1,556,062	1,632,506	1,650,675	12,317,036	12,008,380	10,337,181	13,620,588	10,164,334	1,625,538
Tuition Received	59,380	160,000	69,615	45,914	60,457	43,412	38,271	31,630	9,164	
Cancellation of Unfunded Capital Projects		(1,608,545)								
Investment Earnings					71,768	109,757	72,425	3,594	9,897	285,331
Miscellaneous Income	293,513	183,688	173,742	535,296	151,656	191,079	256,066	199,211	256,770	234,856
Total Governmental Activities	30,200,109	27,462,583	29,793,988	30,804,655	41,622,355	42,316,997	41,432,031	45,320,844	42,600,144	34,952,804
Business-Type Activities:										
Investment Earnings	-	(1,687)	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	(1,687)	-	-	-	-	-	-	-	-
Total District-Wide	\$ 30,200,109	\$ 27,460,896	\$ 29,793,988	\$ 30,804,655	\$ 41,622,355	\$ 42,316,997	\$ 41,432,031	\$ 45,320,844	\$ 42,600,144	\$ 34,952,804
Change in Net Position										
Governmental Activities	\$ 1,179,246	\$ (661,037)	\$ 542,532	\$ 655,403	\$ 2,834,251	\$ 1,078,932	\$ 1,547,403	\$ 2,016,849	\$ 3,162,748	\$ 1,974,661
Business-Type Activities	28,745	44,054	59,566	(20,898)	(19,375)	(12,219)	37,789	(44,130)	70,260	153,628
Total District Wide	\$ 1,207,991	\$ (616,983)	\$ 602,098	\$ 634,505	\$ 2,814,876	\$ 1,066,713	\$ 1,585,192	\$ 1,972,719	\$ 3,233,008	\$ 2,128,289

Sources: District's financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 1,234,903	\$ 1,850,318	\$ 2,043,773	\$ 1,643,510	\$ 2,243,510	\$ 2,439,477	\$ 2,581,654	\$ 3,398,971	\$ 4,361,105	\$ 2,256,275
Committed										1,271,169
Assigned					797,807	814,994	577,592	547,697	890,318	419,876
Unassigned	456,169	474,184	397,648	642,813	378,027	247,099	404,632	401,737	358,415	280,533
Total General Fund	\$ 1,691,072	\$ 2,324,502	\$ 2,441,421	\$ 2,286,323	\$ 3,419,344	\$ 3,501,570	\$ 3,563,878	\$ 4,348,405	\$ 5,609,838	\$ 4,227,853
All Other Governmental Funds										
Unassigned, Reported in:										
Capital Projects Fund (Deficit)					\$ (3,589,994)	\$ (3,900,527)	\$ (3,900,527)	\$ (2,280,695)		
Restricted for										
Special Revenue Fund							211,582	173,306	\$ 184,522	\$ 205,236
Capital Projects Fund	\$ 1,640,566			\$ (297,605)					1,614,305	1,294,378
Debt Service Fund	36,318	\$ 81,088	\$ 73,261	14,879	54,871	57,141	95,928	564	-	-
Total All Other Governmental Funds	\$ 1,676,884	\$ 81,088	\$ 73,261	\$ (282,726)	\$ (3,535,123)	\$ (3,843,386)	\$ (3,593,017)	\$ (2,106,825)	\$ 1,798,827	\$ 1,499,614

Note 1 -Fund Balances in the General and Special Revenue Funds at June 30, 2020 are restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 26,116,299	\$ 27,171,378	\$ 27,918,125	\$ 28,572,770	\$ 29,021,438	\$ 29,964,369	\$ 30,728,088	\$ 31,465,821	\$ 32,159,979	\$ 32,807,079
Other Local Revenue	371,247	385,684	262,309	290,155	229,012	343,431	366,762	234,435	518,768	848,826
State Sources	4,040,437	4,555,988	4,915,741	14,729,012	7,796,489	7,904,875	8,294,515	9,690,598	11,581,637	11,765,544
Federal Sources	609,322	617,726	635,044	652,012	604,120	588,561	648,183	870,898	860,318	1,460,349
Total Revenue	31,137,305	32,730,776	33,731,219	44,243,949	37,651,059	38,801,236	40,037,548	42,261,752	45,120,702	46,881,798
Expenditures										
Instruction										
Regular Instruction	8,471,816	8,597,979	8,719,704	9,053,513	9,291,163	9,709,302	9,709,331	9,903,522	10,468,105	18,658,376
Special Education Instruction	2,379,806	2,906,417	2,883,326	3,031,456	3,016,578	3,242,476	3,167,038	3,223,468	3,331,770	7,675,722
Other Special Instruction	719,688	623,074	871,575	890,041	1,000,601	1,067,457	1,061,837	1,066,778	1,178,656	930,622
School Sponsored Activities and Athletics										1,264,887
Support Services										
Tuition	2,596,479	2,503,491	2,400,266	2,630,433	2,202,510	2,528,450	2,769,602	2,919,877	2,828,032	
Student and Inst. Related Services	3,234,440	3,577,338	3,796,496	3,767,996	3,306,271	3,670,766	3,551,010	3,766,959	4,127,681	6,471,607
General Administrative Services	974,938	654,037	619,169	592,594	571,102	557,894	601,088	684,020	612,101	1,407,271
School Administrative Services	969,640	974,595	1,110,888	1,154,133	1,191,414	1,193,016	1,180,407	1,184,521	1,249,479	1,460,797
Central Services	102,414	422,875	508,894	472,831	498,330	547,646	471,355	209,442	662,488	867,738
Operations and Maintenance	2,088,368	2,089,633	2,266,962	2,367,389	2,419,586	3,129,863	3,348,090	3,401,464	3,056,203	4,024,042
Student Transportation	687,797	660,067	810,755	891,781	765,689	786,674	707,775	1,060,869	1,021,169	1,185,876
Business and Other Support Services:										
Employee Benefits	4,071,906	4,195,448	4,533,247	4,637,833	4,782,949	5,153,084	5,126,086	4,981,357	4,571,412	
On-Behalf TPAF Pension Contributions	1,293,041	1,715,198	2,104,645	2,631,388	3,176,484	3,700,465	3,863,177	6,038,774	6,637,609	
Reimbursed TPAF Social Security Contributions	891,939	921,581	872,112	967,307	951,108	989,392	1,137,190		1,128,196	
Special Revenue	918,842	980,872	941,521	905,363	793,712	806,044	868,055	1,223,092	1,382,326	
Debt Service	777,089	802,077	888,239	840,550	841,725	966,504	1,018,062	851,650	893,766	
Debt Service										
Principal										1,407,375
Interest										135,551
Capital Outlay	379,122	770,553	347,356	1,864,835	5,673,999	1,026,003	1,742,993	814,171	998,709	3,243,191
Total Undistributed	\$ 30,557,325	\$ 32,395,235	\$ 33,675,155	\$ 36,699,443	\$ 40,483,221	\$ 39,075,036	\$ 40,323,096	\$ 41,329,964	\$ 44,147,702	\$ 48,733,055
Excess (Deficiency) of Revenues	579,980	335,541	56,064	7,544,506	(2,832,162)	(273,800)	(285,548)	931,788	973,000	(1,851,257)
Other Financing Sources (Uses)										
Premium on Promissory Note in Cap Projects					37,180					
Adjustments				291,055		(16,398)				
Capital, Other and Lease Agreements (non-budgeted)		382,243	72,000	347,907	657,917	63,661	386,643	1,338,931	299,085	170,059
Proceeds from Refunding		(32,770)								
Cancellation of Unfunded Capital Projects		(1,608,545)								
Write-off of Prior Year Revenue	(18,354)	(9,228)	(979)							
Interest Earned in Capital Projects Fund					17,689					
Proceeds from Bond Issuance									3,895,000	
Transfers In			21	(500,000)						1,143,178
Transfers Out	-	(29,608)	(18,014)	500,000	-	-	-	-	-	(1,143,178)
Total Other Financing Sources (Uses)	(18,354)	(1,297,908)	53,028	638,962	712,786	47,263	386,643	1,338,931	4,194,085	170,059
Net Change in Fund Balances	\$ 561,626	\$ (962,367)	\$ 109,092	\$ 8,183,468	\$ (2,119,376)	\$ (226,537)	\$ 101,095	\$ 2,270,719	\$ 5,167,085	\$ (1,681,198)
Debt Service as a Percentage of Non Capital Expenditures	0.85%	0.83%	0.89%	0.69%	0.77%	0.84%	0.87%	0.69%	0.67%	1.12%

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30	Interest on Investments	Tuition	Rentals-Use of Facilities	Refunds	Other	Total
2014	\$ 8,876	59,380	\$ 51,475	\$ 6,784	\$ 244,709	\$ 371,224
2015	8,770	160,000	1,150	26,957	138,787	335,664
2016	12,324	\$ 69,616	48,400	25,635	106,334	262,309
2017	13,948	45,914	500	50,156	179,635	290,153
2018	54,079	60,457		13,466	101,010	229,012
2019	109,757	43,412		14,772	175,489	343,430
2020	72,337	38,271		119,803	81,157	311,568
2021	3,592	31,630		51,975	105,972	193,169
2022	7,604	9,164	65,000	49,215	142,555	273,538
2023	258,329	29,800	65,000	5,243	164,613	522,985

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2014	\$ 8,607,000	\$ 1,167,261,400			\$ 289,405,900	\$ 20,738,800	\$ 64,899,800	\$ 1,550,912,900	\$ 1,018,420	\$ 1,551,931,320	\$ 1,678,988,516	\$ 1.71
2015	8,607,000	1,169,541,300			287,107,700	20,738,800	64,899,800	1,550,894,600	1,017,149	1,551,911,749	1,764,238,083	1.77
2016	8,403,900	1,178,737,400			284,845,200	23,326,300	64,777,300	1,560,090,100	1,009,037	1,561,099,137	1,788,301,616	1.80
2017	8,641,500	1,249,946,200			316,426,700	28,387,400	76,390,000	1,679,791,800	1,142,033	1,680,933,833	1,769,705,630	1.70
2018	8,684,100	1,277,161,100			325,044,300	29,168,000	77,194,500	1,717,252,000	1,142,708	1,718,394,708	1,788,729,980	1.71
2019	8,741,000	1,310,556,800			335,261,900	30,974,600	79,970,200	1,765,504,500	1,153,070	1,766,657,570	1,798,398,549	1.71
2020	9,863,200	1,338,222,000			334,768,400	31,773,600	81,973,500	1,796,600,700	1,166,587	1,797,767,287	1,858,167,394	1.72
2021	9,606,500	1,406,506,200			334,347,200	33,753,200	88,929,500	1,873,142,600	1,182,844	1,874,325,444	1,903,471,924	1.69
2022	9,651,700	1,524,728,600			336,099,500	36,993,000	96,532,100	2,004,004,900	1,185,800	2,005,190,700	2,041,484,047	1.61
2023	11,565,000	1,647,194,200			349,700,500	40,729,500	102,563,500	2,151,752,700	1,202,827	2,152,955,527	2,209,767,472	1.54

The Borough had a reassessments of property tax values completed in each year from 2017 through 2023.

Source: County Abstract of Ratables

^a Tax rates are per \$100

**HASBROUCK HEIGHTS BOARD OF EDUCATION
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2014	\$ 1.708	\$ 0.946	\$ 0.250	\$ 2.904
2015	1.767	0.947	0.272	2.986
2016	1.801	0.952	0.282	3.035
2017	1.704	0.888	0.264	2.856
2018	1.705	0.892	0.255	2.852
2019	1.706	0.890	0.249	2.845
2020	1.719	0.901	0.256	2.876
2021	1.685	0.883	0.256	2.824
2022	1.607	0.839	0.246	2.692
2023	1.540	0.791	0.246	2.577

- (1) The Borough has reassessments of property tax values completed in each year from 2017 through 2023.

Source: Tax Duplicate, Borough of Wood-Ridge

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

Taxpayer	2023	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation
650 Terrace Ave LLC	\$ 27,884,000	1.3%
Heights Plaza, Associates	26,917,200	1.3%
621 Route 46 Associates	23,389,700	1.1%
Ottawa House Limited	18,531,700	0.9%
Ess Prisa LLC	18,137,100	0.8%
Skyline Associates	17,533,000	0.8%
Heights Plaza, LLC	15,250,000	0.7%
Prologis Exchange NJ 2003LLC	14,731,500	0.7%
Suncroft HHH LLC	14,506,000	0.7%
Hartz Hasbrouck Limited	11,018,600	0.5%
	<u>\$ 187,898,800</u>	<u>8.73%</u>

	2014	
	Taxable Assessed Valuation	% of Total District Net Assessed Value
Prime Properties, LLC	\$ 32,385,300	2.09%
Heights Plaza, Associates	23,643,500	1.52%
Heights Plaza, LLC	16,628,900	1.07%
Ess Prisa LLC	13,350,000	0.86%
621 Route 46 Associates	13,618,100	0.88%
Ottawa House Limited	11,710,000	0.75%
611 Route 46, LLC	11,100,000	0.72%
Hasbrouck Motel Company	11,380,990	0.73%
377 LaSalle Group LLC	10,290,700	0.66%
Skyline Associates	10,522,100	0.68%
	<u>\$ 154,629,590</u>	<u>9.96%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 26,116,297	\$ 26,116,297	100.00	
2015	27,030,709	27,030,709	100.00	
2016	27,804,795	27,804,795	100.00	
2017	28,572,770	28,572,770	100.00	
2018	29,021,438	29,021,438	100.00	
2019	29,964,369	29,964,369	100.00	
2020	30,728,088	30,728,088	100.00	
2021	31,465,821	31,465,821	100.00	
2022	32,159,979	29,556,124	91.90	\$ 2,603,855
2023	32,807,079	30,162,721	91.94	2,644,358

Source: District records.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population (E)	Per Capita
	General Obligation Bonds	Financing Agreements/ Leases Payable	Bond Anticipation Note			
2014	\$ 5,855,000	\$ 135,474		\$ 5,990,474	12,088	\$ 496
2015	7,065,000	399,530		7,464,530	12,115	616
2016	6,210,000	321,177		6,531,177	12,091	540
2017	5,540,000	440,190		5,980,190	12,116	494
2018	4,850,000	694,507		5,544,507	12,054	460
2019	4,140,000	462,442		4,602,442	11,992	384
2020	3,405,000	432,543		3,837,543	11,912	322
2021	2,645,000	1,271,844		3,916,844	12,051	325
2022	5,755,000	1,064,779		6,819,779	12,018	567
2023	4,815,000	767,463		5,582,463	12,018 E	465

Source: District records

(E) Estimated

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Ratio of Bonded Debt to Assessed Value	Per Capita
2014	\$ 5,855,000		\$ 5,855,000	0.38%	\$ 484.36
2015	7,065,000		7,065,000	0.46%	583.16
2016	6,210,000		6,210,000	0.40%	513.61
2017	5,540,000		5,540,000	0.33%	457.25
2018	4,850,000		4,850,000	0.28%	402.36
2019	4,140,000		4,140,000	0.23%	345.23
2020	3,405,000		3,405,000	0.19%	285.85
2021	2,645,000		2,645,000	0.14%	219.48
2022	5,755,000		5,755,000	0.29%	478.87
2023	4,815,000		4,815,000	0.22%	400.65

Source: District records

**HASBROUCK HEIGHTS BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)**

Hasbrouck Heights Board of Education	<u>Total Debt</u>
Borough of Hasbrouck Heights	\$ 10,990,239
Hasbrouck Heights Board of Education	<u>4,815,000</u>
	<u>15,805,239</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) & (3)	
County of Bergen (A)	15,823,734
Bergen County Utilities Authority (B)	<u>3,443,421</u>
	<u>19,267,155</u>
Total Direct and Overlapping Debt	<u><u>\$ 35,072,394</u></u>

Sources:

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 68,495,560	\$ 68,446,161	\$ 69,483,035	\$ 72,839,841	\$ 73,428,499	\$ 74,309,531	\$ 75,257,166	\$ 78,572,589	\$ 78,572,589	\$ 83,137,544
Total Net Debt Applicable to Limit	<u>5,855,000</u>	<u>7,065,000</u>	<u>6,210,000</u>	<u>5,540,000</u>	<u>4,850,000</u>	<u>4,140,000</u>	<u>3,405,000</u>	<u>2,645,000</u>	<u>5,755,000</u>	<u>4,815,000</u>
Legal Debt Margin	<u>\$ 62,640,560</u>	<u>\$ 61,381,161</u>	<u>\$ 63,273,035</u>	<u>\$ 67,299,841</u>	<u>\$ 68,578,499</u>	<u>\$ 70,169,531</u>	<u>\$ 71,852,166</u>	<u>\$ 75,927,589</u>	<u>\$ 72,817,589</u>	<u>\$ 78,322,544</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.55%	10.32%	8.94%	7.61%	6.61%	5.57%	4.52%	3.37%	7.32%	5.79%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis	
2022	\$ 2,251,437,928
2021	2,065,662,329
2020	<u>1,918,215,567</u>
	<u>\$ 6,235,315,824</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,078,438,608</u>
Debt Limit (4 % of Average Equalization Value)	\$ 83,137,544
Total Net Debt Applicable to Limit	<u>4,815,000</u>
Legal Debt Margin	<u>\$ 78,322,544</u>

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

**HASBROUCK HEIGHTS BOARD OF EDUCATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (Unaudited)**

<u>Year Ended June 30</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2014	5.00%	\$ 73,883	12,088
2015	6.50%	77,323	12,115
2016	4.60%	78,836	12,091
2017	4.20%	81,024	12,116
2018	3.90%	85,191	12,054
2019	5.96%	88,241	11,992
2020	8.15%	91,972	11,912
2021	4.48%	97,343	12,051
2022	3.40%	N/A	12,018
2023	N/A	N/A	12,018 E

Source: New Jersey Department of Labor
 United States Bureau of Census
 School District Records

(E) Estimated
 (1) County of Bergen

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

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<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	104.6	104.4	106.4	106.0	106.2	105.0	106.0	110.2	108.2	108.0
Special Education	27.4	32.4	34.4	32.4	33.0	37.6	37.0	37.6	37.8	39.0
Other Instruction	26.0	29.0	29.0	31.0	40.0	28.0	26.0	27.0	29.0	29.0
Support Services:										
Attendance & Social Work	1.0	1.0	1.0	1.0	1.0	2.2	3.1	3.1	3.1	3.0
Health Services	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	4.0	4.0
Student and Instruction Related Services	3.0	3.0	3.0	3.0	3.0	2.6	2.6	2.6	2.6	3.0
Extraordinary Services	17.0	15.0	15.0	14.5	14.0	15.5	14.0	13.0	16.0	16.0
Support Services - Students Regular	6.0	6.0	6.0	6.0	5.0	6.0	7.0	8.0	9.0	9.0
Support Services - Students Special	8.8	8.4	8.4	9.0	9.0	9.0	9.0	9.0	9.2	9.0
Improvement of Instructional Services	-	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0
Educational Media/School Library	4.8	4.8	4.8	4.8	3.8	3.8	3.8	3.8	3.8	4.0
General Administration	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	10.6	10.6	10.6	12.1	12.1	13.8	12.4	11.7	11.7	12.0
Central Services	4.0	4.0	4.0	4.0	4.0	4.0	4.2	4.3	4.3	4.0
Administrative Information Technology	0.3	0.3	0.3	1.3	1.3	1.2	1.2	1.3	1.3	1.0
Plant Operations And Maintenance	14.0	14.0	14.0	15.0	14.3	14.3	14.3	15.0	15.0	15.0
Pupil Transportation	0.5	0.5	0.5	-	0.5	1.0	1.0	1.0	1.0	1.0
Other Support Services	-	-	-	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Total	<u>234.6</u>	<u>241.0</u>	<u>245.0</u>	<u>248.7</u>	<u>254.8</u>	<u>252.6</u>	<u>251.2</u>	<u>257.2</u>	<u>262.0</u>	<u>263.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2014	1892.0	\$ 26,675,523	\$ 14,099	8.86%	132	14.33	14.33	14.33	1883.5	1811.6	-0.74%	96.18%
2015	1875.0	27,615,185	14,728	4.46%	137	13.69	13.71	13.71	1869.6	1796.8	-0.48%	96.11%
2016	1866.0	28,523,853	15,286	3.79%	142	13.14	13.14	13.14	1859.0	1787.7	-0.59%	96.16%
2017	1849.0	29,472,818	15,940	4.28%	141	13.11	13.11	13.11	1850.1	1771.9	-0.48%	95.77%
2018	1805.0	29,839,905	16,532	3.71%	139	12.99	12.97	12.97	1799.6	1727.2	-2.73%	95.98%
2019	1786.0	32,110,038	17,979	8.75%	143	12.52	12.49	12.49	1780.0	1709.4	-1.09%	96.03%
2020	1763.0	33,049,969	18,746	4.27%	143	12.33	12.33	12.33	1752.1	1700.8	-1.58%	97.07%
2021	1739.5	33,374,626	19,186	2.35%	148	11.77	11.77	11.77	1710.3	1675.4	-2.39%	97.96%
2022	1740.0	34,489,422	19,822	3.31%	146	11.92	11.92	11.92	1704.5	1625.5	-0.34	95.37%
2023	1727.5	43,946,938	25,440	28.34%	147	11.75	11.75	11.8	1720.6	1633.	0.94%	94.91%

Sources: District records

Note: a Enrollment based on annual October district count.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	455	439	439	387	387	387	353	342	356	356
<u>Elementary</u>										
Square Feet	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	455	446		414	414	414	386	384	387	387
<u>Middle/High School</u>										
Square Feet	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681	103,681
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	989	990	990	1,048	1,048	1,036	1,024	983	961	961
Number of Schools at June 30, 2023										
Elementary = 1	2	2	2	2	2	2	2	2	2	2
Middle School = 1	1	1	1	1	1	1	1	1	1	1
Senior High School = 1	1	1	1	1	1	1	1	1	1	1

Source: District Records

**HASBROUCK HEIGHTS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS**

* School Facilities	<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>
Hasbrouck Heights Middle/High School	\$ 211,204	\$ 176,635	\$ 254,185	\$ 286,350	\$ 252,529	\$ 389,590	\$ 840,442	\$ 485,336	\$ 452,673	\$ 584,027
Euclid	70,401	58,878	84,728	95,450	84,176	129,863	94,443	199,654	143,989	187,672
Lincoln	70,401	58,878	84,728	95,450	84,176	129,863	179,239	161,779	246,704	170,773
Other Facilities	-	-	-	-	-	-	-	-	20,687	-
Total School Facilities	\$ 352,006	\$ 294,391	\$ 423,641	\$ 477,250	\$ 420,881	\$ 649,316	\$ 1,114,124	\$ 846,769	\$ 864,053	942,472

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

Source: School District's records

HASBROUCK HEIGHTS BOARD OF EDUCATION
 INSURANCE SCHEDULE
 JUNE 30, 2023
 (Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Ins. Fund (SAIF)		
Commercial Property - Blanket Building and Contents, Flood, Earthquake	58,736,568	2,500
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Commercial Inland Marine Coverage	Various	
Board of Education Legal Liability-Darwin National-PGU	5,000,000	5,000
Crime Coverage (Blanket Dishonesty)	500,000	1,000
Auto Physical Damage Coverage		1,000
Umbrella Liability - SAIF Insurance AL/GL Only	15,000,000	
Boiler and Machinery - SAIF (Hartford Steam)	100,000,000	2,500
Environmental Impairment Liability Ace Illinois Insurance Company	1,000,000 10,000,000	1,000 Policy Aggregate
Student and Athletic Insurance Full Excess	25,000 5,000,000	
Additional Excess Liability Policy New Jersey Unshared Excess Program	30,000,000	
Foreign Liability	1,000,000	
Workers Compensation - Sober VII JIF	Pool Limits	
Official Bonds Robert Brown	350,000	
Student Accident Accident Medical Excess Limit	6,000,000 25,000	Max Amount Per Accident
Catastrophic Cash Benefit	1,000,000	
Boiler & Machinery	1,000,000	Fund Limit (Deductibles Vary)

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hasbrouck Heights Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Hasbrouck Heights Board of Education's basic financial statements and have issued our report thereon dated March 7, 2023.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

However, we also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Hasbrouck Heights Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 7, 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 Hasbrouck Heights Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hasbrouck Heights Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
March 7, 2024



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Hasbrouck Heights Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Hasbrouck Heights Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The Hasbrouck Heights 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 Hasbrouck Heights Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hasbrouck Heights Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hasbrouck Heights Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Hasbrouck Heights 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hasbrouck Heights Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 7, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
March 7, 2024

HASBROUCK HEIGHTS BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal		Grant Period	Award Amount	Balance at July 1, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Memo GAAP Receivable
	AL Number	FAIN			(Account Receivable)	Unearned Revenue			(Account Receivable)	Unearned Revenue	
U.S. Department of Education											
Passed-through State Department of Education											
General Fund:											
Medical Assistance Program	93.778	2005NJ5MAP	7/1/22-6/30/23	\$ 47,443	-	-	\$ 47,443	\$ 47,443	-	-	-
Medical Assistance Program - FFCRA	93.778	2005NJ5MAP	7/1/22-6/30/23	1,630	-	-	1,630	1,630	-	-	-
Total General Fund					-	-	49,073	49,073	-	-	-
Special Revenue Fund:											
IDEA Consolidated											
IDEA Part B - Basic	84.027	H027A210100	7/01/21-9/30/22	474,709	\$ (94,957)	-	94,957	-	-	-	-
IDEA Part B - Basic	84.027	H027A220100	7/01/22-9/30/23	527,501	-	-	341,563	398,335	\$ (185,938)	\$ 129,166	\$ (56,772)
IDEA Part B - Preschool	84.173	H173A220114	7/01/22-9/30/23	40,822	-	-	4,322	40,822	(36,500)	-	(36,500)
ARP IDEA Part B - Basic	84.027X	H027X210100	7/01/21-9/30/22	90,394	-	-	20,987	29,862	(69,407)	60,532	(8,875)
ARP IDEA Part B - Preschool	84.173X	H173A220114	7/01/21-9/30/22	7,711	-	-	-	-	(7,711)	7,711	-
Subtotal IDEA Consolidated Cluster					(94,957)	-	461,829	469,019	(299,556)	197,409	# (102,147)
ESEA Consolidated											
Title I, Part A	84.010A	S010A210030	7/01/21-9/30/22	110,191	(20,549)	-	20,549	-	-	-	-
Title I, Part A	84.010A	SO10A220030	7/01/22-9/30/23	207,807	-	-	133,224	171,915	(74,583)	35,892	(38,691)
Title II, Part A	84.367A	S367A220029	7/01/22-9/30/23	56,792	-	-	12,227	48,843	(44,565)	7,949	(36,616)
Title III	84.365A	S365A210030	7/01/21-9/30/22	39,250	(27,537)	-	27,537	-	-	-	-
Title III	84.365A	S365A220030	7/01/22-9/30/23	42,413	-	-	-	12,475	(42,413)	29,938	(12,475)
Title III - Immigrant	84.365A	S365A220030	7/01/22-9/30/23	5,562	-	-	-	620	(5,562)	4,942	(620)
Title IV	84.424	S424A210031	7/01/21-9/30/22	29,420	(835)	-	835	-	-	-	-
Title IV	84.424	S424A220031	7/01/22-9/30/23	20,722	-	-	3,300	15,485	(17,422)	5,237	(12,185)
Subtotal ESEA Consolidated Cluster					(48,921)	-	197,672	249,338	(184,545)	83,958	- (100,587)
Elementary and Secondary School Emergency Relief (ESSER) Cluster:											
ESSER I - CARES Emergency Relief Grant	84.425D	S425D210027	3/13/20-9/30/22	136,368	(299)	-	299	-	-	-	-
ESSER II - Coronavirus Supplemental Approp	84.425D	S425D210027	3/13/20-9/30/23	456,612	(277,308)	\$ 165,931	262,952	164,532	(14,356)	1,399	(12,957)
ESSER II - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	30,898	(19,285)	19,285	-	2,600	(19,285)	16,685	(2,600)
ESSER II - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000	45,000	45,000	-	-	-
ESSER III - ARP ESSER	84.425U	S425U210027	3/13/21-9/30/24	1,082,061	-	-	102,747	609,067	(979,314)	472,994	(506,320)
ESSER III - Accelerated Learning	84.425U	S425U210027	3/13/21-9/30/24	146,263	-	-	-	-	(146,263)	146,263	-
ESSER III - Summer Learning	84.425U	S425U210027	3/13/21-9/30/24	40,000	-	-	25,114	25,114	(14,886)	14,886	-
ESSER III - Comprehensive Beyond the School	84.425U	S425U210027	3/13/21-9/30/24	40,000	-	-	-	-	(40,000)	40,000	-
ESSER III - Mental Health	84.425U	S425U210027	3/13/21-9/30/24	45,000	-	-	14,500	45,000	(30,500)	-	(30,500)
Subtotal of ESSER Cluster					(341,892)	230,216	450,612	891,313	(1,244,604)	692,227	(552,377)
COVID 19 - CRF - Cluster											
COVID 19 - CRF - Grant Program	21.019	C8220COVID19	3/13/20-9/30/22	77,908	-	373	-	-	-	373	-
Total Special Revenue Fund					(485,770)	230,589	1,110,113	1,609,670	(1,728,705)	973,967	(755,111)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

HASBROUCK HEIGHTS BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN	Grant Period	Award Amount	Balance at July 1, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue			(Account Receivable)	Unearned Revenue	
Capital Projects Fund											
Corona Virus State and Local Fiscal Recovery Fund											
School and Small Business Ventilation and Energy Efficiency Repair Program											
Lincoln Elementary School - SSB-VEEVR -68390	21.027	SLFRFDOE15ES	1/1/2023-12/23/2023	\$ 628,200					\$ (628,200)	\$ 628,200	\$ (628,200)
Euclid Elementary School - SSB-VEEVR -68392	21.027	SLFRFDOE15ES	1/1/2023-12/23/2023	732,900	-	-	-	\$ 21,188	(732,900)	711,712	(732,900)
					-	-	-	21,188	(1,361,100)	1,339,912	(1,361,100)
U.S. Department of Agriculture											
Passed-through State Department of Agriculture											
Enterprise Fund:											
Child Nutrition Cluster:											
National School Lunch Program	10.555	221NJ304NI099	7/01/21-6/30/22	655,618	\$ (54,225)		\$ 54,225		-	-	
National School Lunch Program	10.555	231NJ304N1099	7/01/22-6/30/23	182,870			169,255	182,870	(13,615)	-	(13,615)
National School PB Lunch Program	10.555	231NJ304N1099	7/01/22-6/30/23	8,874			8,221	8,874	(653)	-	(653)
COVID Supply Chain Award	10.555	231NJ304N1099	7/01/22-6/30/23	90,655	-	-	90,655	90,655	-	-	-
Food Donations Program (NC)	10.555	231NJ304N1099	7/01/22-6/30/23	47,850	-	-	47,850	46,695	-	1,155	-
Subtotal Child Nutrition Cluster					(54,225)	-	370,206	329,094	(14,268)	1,155	(14,268)
Total Federal Financial Awards					\$ (539,995)	\$ 230,589	\$ 1,529,392	\$ 2,009,025	\$ (3,104,073)	\$ 2,315,034	\$ (2,130,479)

HASBROUCK HEIGHTS BOARD OF EDUCATION
 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 July 1, 2022					Balance June 30, 2023			MEMO		
				(Accts Rec)	Unearned Revenue	Due To Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,572,195				\$ 1,430,757	\$ 1,572,195		\$ (141,438)			*	\$ 1,572,195
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	1,568,259	\$ (146,815)			146,815						*	
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	1,438,890				1,309,444	1,438,890		(129,446)			*	1,438,890
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	1,028,603	(96,294)			96,294						*	-
Stabilization Aid							3,661	3,661		-			*	3,661
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	185,508				168,819	185,508		(16,689)			*	185,508
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	185,508	(17,367)			17,367						*	-
Total State Aid - Public Cluster				(260,476)	-	-	3,173,157	3,200,254	-	(287,573)	-	-	*	3,200,254
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	143,130				130,254	143,130		(12,876)			*	143,130
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	143,130	(13,399)			13,399						*	-
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	417,883					417,883		(417,883)			*	417,883
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	298,317	(298,317)			298,317						*	-
On-Behalf TPAF Contributions														
Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	5,327,144				5,327,144	5,327,144					*	5,327,144
NCGI Pension Contributions	23-495-034-5094-004	7/1/22-6/30/23	73,908				73,908	73,908					*	73,908
Post Retirement Medical Contrib.	23-495-034-5094-001	7/1/22-6/30/23	1,418,843				1,418,843	1,418,843					*	1,418,843
LTDI	23-495-034-5094-004	7/1/22-6/30/23	1,817				1,817	1,817					*	1,817
Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,155,328				1,043,738	1,155,328		(111,590)			*	\$ (111,590) 1,155,328
Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,128,196	(55,084)	-	-	55,084						*	-
Total General Fund				(627,276)	-	-	11,535,661	11,738,307	-	(829,922)	-	-	#	(111,590) 11,738,307
Special Revenue Funds														
NJ Nonpublic Aid														
Auxiliary Services														
Compensatory Education	22-100-034-5120-065	7/1/21-6/30/22	121,381					\$ 8,421	\$ 8,421				*	-
Compensatory Education	23-100-034-5120-066	7/1/22-6/30/23	119,388				119,388	97,644		-	\$ 21,744		*	97,644
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	9,135					9,135					*	-
English as a Second Language	23-100-034-5120-068	7/1/22-6/30/23	4,009				4,009	1,203		-	2,806		*	1,203
Home Instruction	23-100-034-5120-067	7/1/22-6/30/23	321	-	-	-	-	321		(321)			*	(321) 321
Total Non Public Aux. Service Aid (Chap. 192) Cluster				-	-	17,556	123,397	99,168	17,556	(321)	-	24,550	-	(321) 99,168
Handicapped Services:														
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	39,436					18,388					*	-
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	12,865				27,865	11,757			16,108		*	11,757
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	54,870					22,878					*	-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	37,200				37,200	26,598		-	10,602		*	26,598
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	28,910					7,764					*	-
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	23,954	-	-	-	23,954	12,143		-	11,811		*	12,143
Total Non Public Hand. Service Aid (Chap. 193) Cluster				-	-	49,030	89,019	50,498	49,030	-	-	38,521	-	50,498
SDA Emergency Needs and Capital Maintenance	N/A	7/1/21-6/30/22	43,584		\$ 34,489			32,235			\$ 2,254		*	32,235
Teachers' STEM Grant	N/A	7/1/21-6/30/22	15,606	(9,472)			9,472						*	-
Teachers' STEM Grant	N/A	7/1/22-6/30/23	18,000				8,899	16,112		(7,213)			*	(7,213) 16,112
Climate Awareness Grant	N/A	4/1/23-6/30/23	6,660					6,205		(6,205)			*	(6,205) 6,205
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	16,986							256			*	-
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	19,338				19,338	19,325			13		*	19,325
Nursing Services	23-100-034-5120-079	7/1/22-6/30/23	33,152				33,152	33,149			3		*	33,149
Technology	22-100-034-5120-373	7/1/21-6/30/22	11,886				1,453		1,453				*	-
Technology	23-100-034-5120-373	7/1/22-6/30/23	12,306				12,306	12,090			216		*	12,090
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	49,525				1,720		1,651		69		*	-
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	60,680				60,680	30,057			30,623		*	30,057
Total Special Revenue Funds				(9,472)	34,489	70,015	356,263	298,839	69,946	(13,739)	2,254	93,995	#	(13,739) 298,839

HASBROUCK HEIGHTS BOARD OF EDUCATION
 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 July 1, 2022			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2023			MEMO	
				(Accts Rec)	Unearned Revenue	Due To Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<u>Capital Projects Fund</u>														
SDA Alyssa's Law School Security Grant	20E00312			\$ (69,208)	-	-	-	-	-	\$ (69,208)	-	-	\$ (69,208)	-
Total Capital Projects Fund			101,796	(69,208)	-	-	-	-	-	(69,208)	-	-	(69,208)	-
<u>Debt Service Fund:</u>														
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	240,155	-	-	-	\$ 240,155	\$ 240,155	-	-	-	-	-	\$ 240,155
Total Debt Service Fund				-	-	-	240,155	240,155	-	-	-	-	-	240,155
<u>State Department of Agriculture</u>														
<u>Enterprise Fund:</u>														
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	16,145	(1,248)	-	-	1,248	-	-	-	-	-	-	-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	9,065	-	-	-	8,405	9,065	-	(660)	-	-	(660)	9,065
Total Enterprise Fund				(1,248)	-	-	9,653	9,065	-	(660)	-	-	(660)	9,065
Total State Financial Assistance				\$ (707,204)	\$ 34,489	\$ 70,015	\$ 12,141,732	\$ 12,286,366	\$ 69,946	\$ (913,529)	\$ 2,254	\$ 93,995	\$ (195,197)	\$ 12,286,366
General Fund - On Behalf TPAF														
Pension Contributions														
							(5,327,144)	(5,327,144)						
NCGI Pension Contributions														
							(73,908)	(73,908)						
Post Retirement Medical Contrib.														
							(1,418,843)	(1,418,843)						
LTDF														
							(1,817)	(1,817)						
							\$ 5,320,020	\$ 5,464,654						

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Hasbrouck Heights Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$444,457 for the general fund and a decrease of \$219,582 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 49,073	\$ 11,293,850	\$ 11,342,923
Special Revenue Fund	1,390,088	231,539	1,621,627
Capital Projects Fund	21,188		21,188
Debt Service Fund		240,155	240,155
Food Service Enterprise Fund	<u>329,094</u>	<u>9,065</u>	<u>338,159</u>
Total Awards Financial Assistance	<u>\$ 1,789,443</u>	<u>\$ 11,774,609</u>	<u>\$ 13,564,052</u>

**HASBROUCK HEIGHTS BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,155,328 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$5,401,052, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,418,843 and TPAF Long-Term Disability Insurance in the amount of \$1,817 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

HASBROUCK HEIGHTS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D/84.425U</u>	<u>ESSER Program Cluster</u>

Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**HASBROUCK HEIGHTS BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There were none.