

SCHOOL DISTRICT  
OF THE  
BOROUGH OF HAWORTH

Borough of Haworth  
Board of Education  
Haworth, New Jersey

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

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Financial Report

of the

Borough of Haworth  
Board of Education

Haworth, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Borough of Haworth  
Board of Education

HAWORTH BOARD OF EDUCATION  
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INTRODUCTORY SECTION  
(UNAUDITED)



Mr. Paul Wolford  
Superintendent

Mr. Kevin Lane  
Business Administrator/  
Middle School Supervisor

October 30, 2023

The Honorable President and Members of  
the Board of Education  
Haworth Board of Education  
County of Bergen, New Jersey

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Haworth Board of Education (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 Haworth Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Haworth Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Haworth Board of Education's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education, for handicapped youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 463 students, which is 25 students more than the prior year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Haworth is a small community within the County of Bergen. Its economic condition and population are stable. No new housing developments are expected within the near future. Therefore, no substantial increase to the annual daily enrollment is expected in the short term.
3. MAJOR INITIATIVES: Students continued to score above the state and national averages on the NJ SLA tests. We have established and met our goals in fiscal efficiency and special education, as well as student achievement and technology. We have a 0% drop out rate. One hundred percent of our children go on to secondary education.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal 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. This internal control system is also subject to periodic evaluation by the District's management.

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

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

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



6. ACCOUNTING SYSTEM 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 Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The 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 and *Government Auditing Standards* are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Haworth 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,

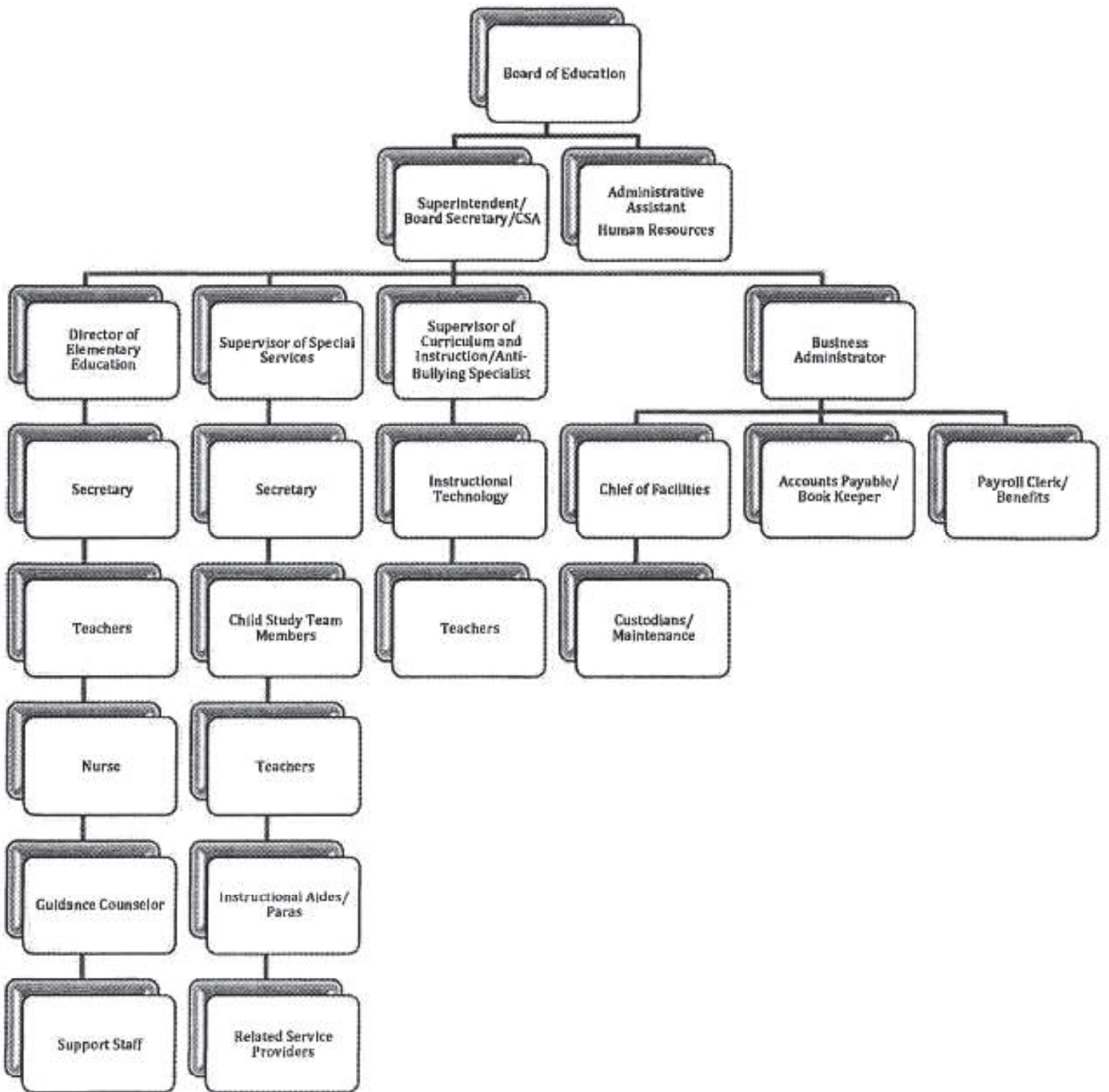


Mr. Paul Wolford  
Chief School Administrator



Mr. Kevin Lane  
Business Administrator/  
Middle School Supervisor

HAWORTH BOARD OF EDUCATION  
 ORGANIZATIONAL CHART  
 JUNE 30, 2023



HAWORTH BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Rodino, President	2023
Stacey Wunch, Vice President	2024
Tae Chang	2025
Charles Crowley	2024
Deborah Munoz-Maniscalco	2025
Danielle Insalaco-Egan	2025
Robert Rose	2023

<u>Other Officials</u>	<u>Title</u>
Dr. Peter J. Hughes	Chief School Administrator (to 12/31/22)
Paul Wolford	Chief School Administrator (from 1/1/23)
Kristi Giambona	Board Secretary
Paul Wolford	Business Administrator/Director of Elementary Education (to 12/31/22)
Kevin Lane	Business Administrator/Middle School Supervisor (from 1/1/23)

# **HAWORTH BOARD OF EDUCATION**

Consultants and Advisors  
Year Ended June 30, 2023

## **Audit Firm**

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

## **Attorney**

Fogarty & Hara, Esqs.  
21-00 Route 208 South  
Fairlawn, NJ 07410

## **Official Depository**

Valley National Bank  
243 Main Street  
New Milford, NJ 07646

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Haworth Board of Education  
County of Bergen, New Jersey

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

#### ***Opinions***

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

### ***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***


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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 30, 2023  
Mount Arlington, New Jersey

NISIVOCCIA LLP  
*Nisivoccia LLP*  
  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant



REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis  
For Fiscal Year Ended June 30, 2023**

This section of Haworth Borough School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

**Overview of the Financial Statements**

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as an aftercare program.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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

**Figure A-1**

**Organization of Borough of Haworth School District's Financial Report**

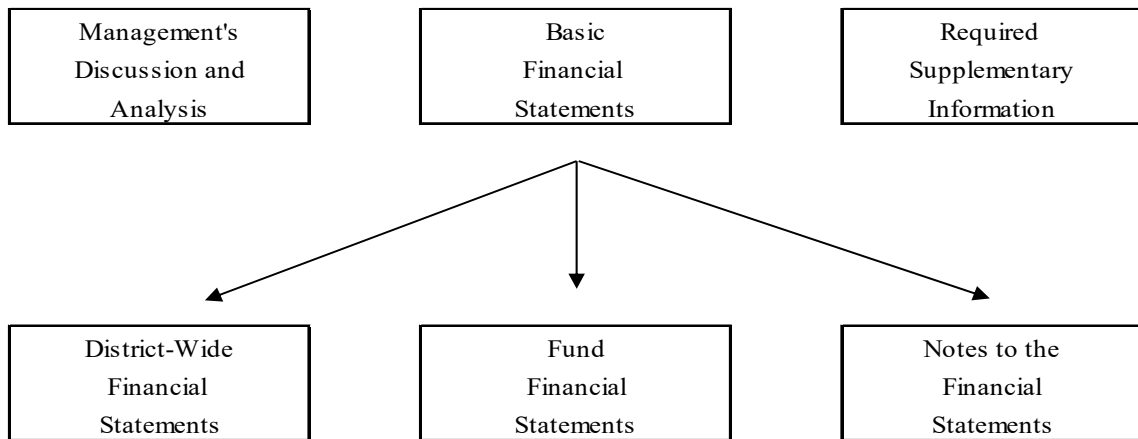


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**Figure A-2**

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

	Fund Financial Statements		
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; aftercare program
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenue, Expenses and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, Deferred Inflows and Outflows of Resources, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities are due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has two kinds of funds:

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

## Notes to the Basic 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 basic financial statements can be found immediately following the fund financial statements.

### Financial Analysis of the District as a Whole

Net Position. The District's net position is shown in Figure A-3. It is important to note here that depreciation of the District's capital assets is computed into the total. The depreciation factored into the District's net position for 2022-2023 is \$246,831. This same amount is also factored in as an expense.

**Figure A-3**

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Current and Other Assets	\$ 10,131,708	\$ 10,474,474	\$ 201,369	\$ 146,623	\$ 10,333,077	\$ 10,621,097	
Capital Assets, Net	9,950,167	9,543,454			9,950,167	9,543,454	
Lease Assets, Net	24,899	37,348			24,899	37,348	
Total Assets	20,106,774	20,055,276	201,369	146,623	20,308,143	20,201,899	0.53%
Deferred Outflows of Resources	532,289	393,896			532,289	393,896	35.13%
Other Liabilities	334,661	274,804	177	4,673	334,838	279,477	
Long-Term Liabilities	8,256,230	7,766,331			8,256,230	7,766,331	
Total Liabilities	8,590,891	8,041,135	177	4,673	8,591,068	8,045,808	6.78%
Deferred Inflows of Resources	369,952	1,017,493			369,952	1,017,493	-63.64%
Net Position:							
Net Investment in Capital							
Assets	9,781,412	9,408,532			9,781,412	9,408,532	
Restricted	3,287,882	3,231,937			3,287,882	3,231,937	
Unrestricted/(Deficit)	(1,391,074)	(1,249,925)	201,192	141,950	(1,189,882)	(1,107,975)	
Total Net Position	\$ 11,678,220	\$ 11,390,544	\$ 201,192	\$ 141,950	\$ 11,879,412	\$ 11,532,494	3.01%

*Changes in net position.* The District's combined net position was \$11,879,412 on June 30, 2023, \$346,918 or 3.01% more than it was the year before. (See Figure A-3). The net position of the business-type activities increased \$59,242 (see Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 245,306	\$ 45,337	\$112,294	\$ 93,115	\$ 357,600	\$ 138,452	
Operating Grants and Contributions	2,287,087	2,446,039			2,287,087	2,446,039	
General Revenue:							
Property Taxes	9,615,714	9,427,171			9,615,714	9,427,171	
Other	348,754	220,333	5,027	144	353,781	220,477	
Total Revenue	12,496,861	12,138,880	117,321	93,259	12,614,182	12,232,139	3.12%
Expenses:							
Instruction	7,396,336	7,502,919			7,396,336	7,502,919	
Pupil & Instruction Services	2,343,939	1,861,638			2,343,939	1,861,638	
Administrative and Business	887,327	951,196			887,327	951,196	
Maintenance & Operations	1,148,833	1,020,965			1,148,833	1,020,965	
Transportation	194,542	95,445			194,542	95,445	
Other	238,208	16,025	58,079	66,149	296,287	82,174	
Total Expenses	12,209,185	11,448,188	58,079	66,149	12,267,264	11,514,337	-6.54%
Change in Net Position	\$ 287,676	\$ 690,692	\$ 59,242	\$ 27,110	\$ 346,918	\$ 717,802	-51.67%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining current levels of regular and special programs and services for special needs pupils place great demands on the District’s resources. Careful management of expenses is essential for the District’s financial stability.

It has never been more challenging to balance the needs of the District with the financial resources available to the District. Thus, it is critical that the District remains steadfast to thoroughly examine its budget choices carefully.

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

**Figure A-5**  
**Net Cost of Governmental Activities**

	Total		Net	
	Cost of Services		Cost of Services	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 7,396,336	\$ 7,502,919	\$ 5,380,911	\$ 5,520,100
Pupil & Instruction Services	2,343,939	1,861,638	1,889,230	1,483,807
Administrative and Business	887,327	951,196	874,053	895,106
Maintenance & Operations	1,148,833	1,020,965	1,135,858	977,043
Transportation	194,542	95,445	158,532	64,731
Other	238,208	16,025	238,208	16,025
<b>Total</b>	<b>\$ 12,209,185</b>	<b>\$ 11,448,188</b>	<b>\$ 9,676,792</b>	<b>\$ 8,956,812</b>

**Business-Type Activities**

Net position from the District’s business-type activity increased by \$59,242 primarily due to the increase in operating revenue (refer to Figure A-4).

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

The District’s financial position decreased approximately \$382,567 in the General Fund. This was primarily the result of Capital Reserve funding the first interest payment related to Referendum Project bonds in the Debt Service Fund. Accordingly, the Haworth District has taken measures to reduce expenditures and not be dependent on excess fund balance going forward which has been a challenge during 2022-2023 and will continue to be a larger challenge going forward.

To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its annual operating budget several times due to the following:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and maintenance activities.

**Capital Asset and Long-Term Liabilities Administration**

**Figure A-6**  
**Capital Assets (net of depreciation)**

	Governmental Activities		Total School District		Total
					Percentage
	2022/2023	2021/2022	2022/2023	2021/2022	Change
Land	\$ 1,324,500	\$ 1,324,500	\$ 1,324,500	\$ 1,324,500	
Construction in Progress	439,769	92,974	439,769	92,974	
Site Improvements	256,302	272,801	256,302	272,801	
Buildings & Building					
Improvements	7,828,151	7,724,305	7,828,151	7,724,305	
Machinery and Equipment	101,445	128,874	101,445	128,874	
<b>Total</b>	<b>\$ 9,950,167</b>	<b>\$ 9,543,454</b>	<b>\$ 9,950,167</b>	<b>\$ 9,543,454</b>	<b>4.26%</b>

### Long-Term Liabilities

At year-end, the District had \$6,227,000 of bonds outstanding, \$1,878,643 of net pension liability and \$150,587 in other long-term liabilities outstanding – an increase of \$489,899 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-7**

Outstanding Long-Term Liabilities	Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023
General Obligation Bonds and Notes (Financed with Property Taxes)	\$ 6,227,000	\$ 6,227,000	
Other Long Term Liabilities	150,587	180,366	
Net Pension Liability - PERS	1,878,643	1,358,965	
Total	\$ 8,256,230	\$ 7,766,331	6.31%

- The District experienced an increase of \$519,678 in net pension liability.
- The District had \$102,330 in Compensated Absences Payable outstanding – an increase of \$1,260 from the prior year.
- The District had \$22,801 in financed purchases outstanding.
- The District had \$25,456 in leases payable.

### Factors Bearing on the District’s Future

The District closed the 2022-23 fiscal year with an Unassigned General Fund fund balance of \$277,306 on the budgetary basis of accounting, which is the maximum currently permitted by state law. The Capital Reserve represents funds set aside for capital building improvements and repairs in future years. The District is continuing construction of the referendum project which includes an addition to Haworth Public School.

### Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 205 Valley Road, Haworth, New Jersey 07641.



BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HAWORTH BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 8,465,201	\$ 203,924	\$ 8,669,125
Receivables:			
Federal	189,534		189,534
State	210,006		210,006
Internal Balances	2,555	(2,555)	
Restricted Assets:			
Cash and Cash Equivalents	1,264,412		1,264,412
Capital Assets Net:			
Sites (Land) and Construction in Progress	1,764,269		1,764,269
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	8,185,898		8,185,898
Lease Assets, Net	24,899		24,899
Total Assets	<u>20,106,774</u>	<u>201,369</u>	<u>20,308,143</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pensions	532,289		532,289
Total Deferred Outflows of Resources	<u>532,289</u>		<u>532,289</u>
<b>LIABILITIES:</b>			
Accounts Payable	294,936	177	295,113
Unearned Revenue	1,265		1,265
Accrued Interest Payable	38,460		38,460
Noncurrent Liabilities:			
Due Within One Year	289,101		289,101
Due Beyond One Year	7,967,129		7,967,129
Total Liabilities	<u>8,590,891</u>	<u>177</u>	<u>8,591,068</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Pensions	369,952		369,952
Total Deferred Inflows of Resources	<u>369,952</u>		<u>369,952</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	9,781,412		9,781,412
Restricted for:			
Capital Projects	3,177,810		3,177,810
Debt Service	23,470		23,470
Emergency	50,500		50,500
Student Activities	36,102		36,102
Unrestricted (Deficit)	(1,391,074)	201,192	(1,189,882)
Total Net Position	<u>\$ 11,678,220</u>	<u>\$ 201,192</u>	<u>\$ 11,879,412</u>

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

HAWORTH BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 5,708,039		\$ 1,200,034	\$ (4,508,005)		\$ (4,508,005)
Special Education	1,285,742		809,900	(475,842)		(475,842)
Other Special	402,555		5,491	(397,064)		(397,064)
Support Services:						
Tuition	672,472		121,796	(550,676)		(550,676)
Student & Instruction Related Services	1,671,467	\$ 245,306	87,607	(1,338,554)		(1,338,554)
General Administrative Services	357,886		5,029	(352,857)		(352,857)
School Administrative Services	139,787		8,245	(131,542)		(131,542)
Central Services	248,543			(248,543)		(248,543)
Administrative Technology Services	141,111			(141,111)		(141,111)
Plant Operations and Maintenance	1,148,833		12,975	(1,135,858)		(1,135,858)
Pupil Transportation	194,542		36,010	(158,532)		(158,532)
Interest on Long-Term Liabilities	238,208			(238,208)		(238,208)
Total Governmental Activities	12,209,185	245,306	2,287,087	(9,676,792)		(9,676,792)

HAWORTH BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities: Afterschool Program	\$ 58,079	\$ 112,294			\$ 54,215	\$ 54,215
Total Business-Type Activities	58,079	112,294			54,215	54,215
Total Primary Government	\$ 12,267,264	\$ 357,600	\$ 2,287,087	\$ (9,676,792)	54,215	(9,622,577)
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				9,615,714		9,615,714
Investment Earnings on Capital Reserve				82,643		82,643
Interest Earned on Current Expense Emergency Reserve				250		250
Miscellaneous Income				265,861	5,027	270,888
Total General Revenue				9,964,468	5,027	9,969,495
Change in Net Position				287,676	59,242	346,918
Net Position - Beginning				11,390,544	141,950	11,532,494
Net Position - Ending				\$ 11,678,220	\$ 201,192	\$ 11,879,412

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

FUND FINANCIAL STATEMENTS

HAWORTH BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 324,841		\$ 8,116,890	\$ 23,470	\$ 8,465,201
Interfund Receivable	222,738				222,738
Receivables From State Government	210,006				210,006
Receivables From Federal Government		\$ 189,534			189,534
Restricted Cash and Cash Equivalents	1,228,310	36,102			1,264,412
<b>Total Assets</b>	<b>\$ 1,985,895</b>	<b>\$ 225,636</b>	<b>\$ 8,116,890</b>	<b>\$ 23,470</b>	<b>\$ 10,351,891</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 147,563		\$ 3,373		\$ 150,936
Interfunds Payable		\$ 188,269	31,914		220,183
Unearned Revenue		1,265			1,265
<b>Total Liabilities</b>	<b>147,563</b>	<b>189,534</b>	<b>35,287</b>		<b>372,384</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	1,177,810				1,177,810
Emergency Reserve Account	50,500				50,500
Capital Projects Fund			8,081,603		8,081,603
Debt Service Fund				\$ 23,470	23,470
Student Activities		36,102			36,102
<b>Assigned:</b>					
Year-end Encumbrances	108,031				108,031
For Subsequent Year's Expenditures	267,862				267,862
Unassigned	234,129				234,129
<b>Total Fund Balances</b>	<b>1,838,332</b>	<b>36,102</b>	<b>8,081,603</b>	<b>23,470</b>	<b>9,979,507</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,985,895</b>	<b>\$ 225,636</b>	<b>\$ 8,116,890</b>	<b>\$ 23,470</b>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	9,950,167
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	24,899
Accrued liability for interest on long-term liability is not due and payable in the current period and is not reported as a liability in the funds.	(38,460)
Long-Term Liabilities, including Bonds Payable, Leases Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(6,377,587)
The net pension liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(1,878,643)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	388,289
Deferred Inflows	(369,952)
<b>Net Position of Governmental Activities</b>	<b>\$ 11,678,220</b>

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

HAWORTH BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 9,615,714				\$ 9,615,714
Interest Earned on Capital Reserve Funds	82,643				82,643
Interest Earned on Current Expense Emergency Reserve	250				250
Interest on Investments			\$ 191,004		191,004
Restricted Miscellaneous Revenue		\$ 245,306			245,306
Unrestricted Miscellaneous Revenue	74,857				74,857
Total - Local Sources	9,773,464	245,306	191,004		10,209,774
State Sources	2,822,670				2,822,670
Federal Sources		245,824			245,824
Total Revenues	12,596,134	491,130	191,004		13,278,268

**EXPENDITURES:**

Current:					
Regular Instruction	3,505,440	45,976			3,551,416
Special Education Instruction	804,812				804,812
Other Special Instruction	216,003				216,003
Support Services and Undistributed Costs:					
Tuition	550,676	121,796			672,472
Student & Instruction Related Services	1,274,818	209,974			1,484,792
General Administrative Services	298,387				298,387
School Administrative Services	113,859				113,859
Central Services	207,003				207,003
Administrative Information Technology	130,054				130,054
Plant Operations and Maintenance	1,045,210				1,045,210
Pupil Transportation	194,542				194,542
Unallocated Benefits	3,988,537				3,988,537
Debt Service:					
Interest and Other Charges				\$ 211,530	211,530



HAWORTH BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Capital Outlay	\$ 605,364	\$ 78,052	\$ 52,423		\$ 735,839
Total Expenditures	12,934,705	455,798	52,423	\$ 211,530	13,654,456
Excess/(Deficiency) of Revenue over/(under) Expenditures	(338,571)	35,332	138,581	(211,530)	(376,188)
OTHER FINANCING SOURCES/(USES):					
Transfers	(43,996)		(191,004)	235,000	
Total Other Financing Sources/(Uses)	(43,996)		(191,004)	235,000	
Net Change in Fund Balances	(382,567)	35,332	(52,423)	23,470	(376,188)
Fund Balance - July 1	2,220,899	770	8,134,026		10,355,695
Fund Balance - June 30	\$ 1,838,332	\$ 36,102	\$ 8,081,603	\$ 23,470	\$ 9,979,507

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

HAWORTH BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (376,188)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from the capital asset additions and construction in progress for the current year.

Depreciation Expense	\$ (246,831)
Construction in Progress	346,795
Capital Asset Additions	<u>306,749</u>
	406,713

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense	<u>(12,449)</u>
	(12,449)

In the statement of activities, interest on long-term liabilities in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Repayment of financed purchases in 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.

Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(519,678)
Change in Deferred Outflows	134,393
Change in Deferred Inflows:	<u>647,541</u>
	<u>\$ 287,676</u>

Change in Net Position of Governmental Activities (Exhibit A-2)

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

HAWORTH BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	<u>Business-Type Activities - Aftercare Program</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 203,924
Total Current Assets	<u>203,924</u>
Total Assets	<u>203,924</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Interfund Payable - General Fund	2,555
Accounts Payable	<u>177</u>
Total Current Liabilities	<u>2,732</u>
<u>NET POSITION:</u>	
Unrestricted	<u>201,192</u>
Total Net Position	<u><u>\$ 201,192</u></u>

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

HAWORTH BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Aftercare Program</u>
Operating Revenue:	
Charges for Services:	
Program Fees	\$ 112,294
Total Operating Revenue	<u>112,294</u>
Operating Expenses:	
Salaries and Payroll Taxes	47,725
General Supplies	9,287
Miscellaneous Purchased Services	<u>1,067</u>
Total Operating Expenses	<u>58,079</u>
Operating Income	<u>54,215</u>
Non-Operating Revenue:	
Local Sources:	
Interest Revenue	<u>5,027</u>
Total Non-Operating Revenue	<u>5,027</u>
Change in Net Position	59,242
Net Position - Beginning of Year	<u>141,950</u>
Net Position - End of Year	<u><u>\$ 201,192</u></u>

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

HAWORTH BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Aftercare Program</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 112,294
Payments to Employees	(47,725)
Payments to Vendors	(14,850)
	49,719
Net Cash Provided by Operating Activities	
Cash Flows by Noncapital Financing Activities:	
Interest Revenue	5,027
	5,027
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	54,746
Cash and Cash Equivalents, July 1	149,178
Cash and Cash Equivalents, June 30	\$ 203,924
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 54,215
Adjustment to Reconcile Operating Income to Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	(4,496)
	(4,496)
Net Cash Provided by Operating Activities	\$ 49,719

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds.)

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: (Cont'd)

The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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



HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,603,794	\$ 490,332
Differences - Budgetary:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		798
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	35,517	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(43,177)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 12,596,134	\$ 491,130
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,934,705	\$ 455,000
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		798
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 12,934,705	\$ 455,798

E. Cash and Cash Equivalents, and Investments:

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

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

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The District has reviewed its capital assets for impairment.

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

L. Lease Assets:

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2023.

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

Q. Lease Payable:

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

T. Fund Balance Appropriated:

General Fund: Of the \$1,838,332 General Fund fund balance at June 30, 2023, \$108,031 is assigned for encumbrances, \$267,862 is assigned for subsequent year's expenditures, \$1,177,810 is restricted in the capital reserve account; \$50,500 is restricted in the emergency reserve; and \$234,129 is unassigned which is \$43,177 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$36,102 and is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2023 is \$8,081,603 and is restricted.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2023 is \$23,470 and is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess surplus at June 30, 2023.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$43,177 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit in Net Position:

The District had a deficit in the governmental activities unrestricted net position at June 30, 2023 of \$1,391,074, which is primarily due to the net pension liability and the changes in deferred inflows and outflows related to pensions. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

V. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows at June 30, 2023 related to pensions. The District had deferred outflows at June 30, 2023 related to pensions.

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

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, an emergency reserve, student activities, Debt Service Fund, and Capital Projects Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and funds designated for the subsequent year's budget in the General Fund at June 30, 2023.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

Y. Operating Revenue and Expenses:

Operating revenue is revenue that is generated directly from the primary activity of the Enterprise Funds. For the School District, this revenue represents program fees for the aftercare program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.



HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following two pages.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents				
	Restricted			Unrestricted	Total
	Capital Reserve	Emergency Reserve	Student Activities		
Checking and Savings Accounts	\$ 1,177,810	\$ 50,500	\$ 36,102	\$ 8,669,125	\$ 9,933,537

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$9,933,537 and the bank balance was \$9,990,723. The District did not hold any investments during the fiscal year ended June 30, 2023.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Haworth Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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

Balance at June 30, 2022		\$ 1,180,917
Increased by:		
Interest Earned	\$ 82,643	
Deposit by Board Resolution	149,250	
		231,893
Decreased by:		
Budgeted Withdrawal		(235,000)
Balance at June 30, 2023		\$ 1,177,810

The June 30, 2023 LRFPP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2023. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFPP.

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in July 2020. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 % of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal that was included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

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

Balance at June 30, 2022		\$ 50,250
Increased by:		
Interest Earned		250
Balance at June 30, 2023		\$ 50,500

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,324,500			\$ 1,324,500
Construction in Progress	92,974	\$ 346,795		439,769
Total Capital Assets not Being Depreciated	1,417,474	346,795		1,764,269
Capital Assets Being Depreciated				
Site Improvements	927,795	31,100		958,895
Buildings and Building Improvements	12,484,294	265,449		12,749,743
Machinery and Equipment	784,133	10,200		794,333
Total Capital Assets Being Depreciated	14,196,222	306,749		14,502,971
Governmental Activities Capital Assets	15,613,696	653,544		16,267,240
Less Accumulated Depreciation for:				
Site Improvements	(654,994)	(47,599)		(702,593)
Buildings and Building Improvements	(4,759,989)	(161,603)		(4,921,592)
Machinery and Equipment	(655,259)	(37,629)		(692,888)
Total Accumulated Depreciation	(6,070,242)	(246,831)		(6,317,073)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 9,543,454	\$ 406,713	\$ -0-	\$ 9,950,167

The District expended \$653,544 on various capital projects during the fiscal year, which included \$346,795 of construction projects in progress. The District has \$8,227,000 in active construction projects, with an unexpended balance of \$8,081,603 as of June 30, 2023.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 189,961
Special Education Instruction	11,058
Other Special Instruction	17,303
Student and Instruction Related Services	4,418
School Administrative Services	4,418
General Administrative Services	14,366
Plant Operations and Maintenance	5,307
	<u>\$ 246,831</u>

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 7. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 62,246			\$ 62,246
Total Lease Assets Being Amortized	<u>62,246</u>			<u>62,246</u>
Governmental Activities Lease Assets	<u>62,246</u>			<u>62,246</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(24,898)</u>	<u>\$ (12,449)</u>		<u>(37,347)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 37,348</u>	<u>\$ (12,449)</u>	<u>\$ -0-</u>	<u>\$ 24,899</u>

Amortization expense was charged to governmental functions as follows:

General Administrative Services	\$ 4,108
School Administrative Services	4,108
Central Services	<u>4,233</u>
	<u>\$ 12,449</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2022</u>	<u>Issued/ Accrued</u>	<u>Retired/ Matured</u>	<u>Balance</u> <u>6/30/2023</u>
Serial Bonds Payable	\$6,227,000			\$ 6,227,000
Compensated Absences Payable	101,070	\$ 4,510	\$ 3,250	102,330
Net Pension Liability - PERS	1,358,965	519,678		1,878,643
Leases Payable	37,902		12,446	25,456
Financed Purchases Payable	<u>41,394</u>		<u>18,593</u>	<u>22,801</u>
	<u>\$7,766,331</u>	<u>\$ 524,188</u>	<u>\$ 34,289</u>	<u>\$ 8,256,230</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$257,000 and the long-term portion is \$5,970,000.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable (Cont'd)

On June 1, 2022, the District issued \$6,227,000 in school bonds which were authorized by voter referendum for the addition of a new wing at Haworth school. The bonds mature in serial installments due May 1, 2024 through May 1, 2042 at interest rates ranging from 3.00% to 4.00% over the life of the issue.

Serial Bonds Outstanding as of June 30, 2023

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds	5/1/2042	3.00%-4.00%	\$ 6,227,000

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

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2024	\$ 257,000	\$ 230,760	\$ 487,760
2025	265,000	223,050	488,050
2026	275,000	215,100	490,100
2027	280,000	206,850	486,850
2028	285,000	198,450	483,450
2029-2033	1,545,000	836,063	2,381,063
2034-2038	1,755,000	527,200	2,282,200
2039-2042	1,565,000	158,200	1,723,200
	\$ 6,227,000	\$ 2,595,673	\$ 8,822,673

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the District had \$479 bonds authorized but not issued.

C. Financed Purchases Payable:

The District has a financed purchase agreement for an energy savings improvement program in the amount of \$76,108 of which \$53,307 has been liquidated as of June 30, 2023. The financed purchase agreement is for 5 years in length and will be liquidated by the General Fund. The following is a schedule of the future minimum financed purchase payments under the financed purchase agreement, and the present value of the net minimum financed purchase payments at June 30, 2023.

Fiscal Year	Amount
2024	\$ 20,111
2025	3,352
Total Minimum Financed Purchase Payments	23,463
Less: Amount representing interest	662
Present value of net minimum financed purchase payments	\$ 22,801

The current portion of the financed purchase payable is \$19,468 and the long-term portion is \$3,333.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

D. Leases Payable

The District has leases outstanding as of June 30, 2023 as follows:

<u>Leases Payable</u>				
<u>Purpose</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Canon Copiers	Monthly	06/01/25	1.500%	<u>\$ 25,456</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 12,633	\$ 382
2025	<u>12,823</u>	<u>192</u>
	<u>\$ 25,456</u>	<u>\$ 574</u>

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds in the current year is \$0. The long-term liability balance of compensated absences is \$102,330. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$1,878,643. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

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



HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$156,861 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$3,953 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$1,878,643 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.012%, which was an increase of 0.0009% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$105,275 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$3,953 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 45,159
	2019	5.21		56,433
	2020	5.16		165,945
	2021	5.13		13,770
	2022	5.04	\$ 5,821	
			<u>5,821</u>	<u>281,307</u>
Changes in Proportion	2018	5.63		39,090
	2019	5.21		30,031
	2020	5.16	142,191	
	2021	5.13		7,567
	2022	5.04	148,963	
			<u>291,154</u>	<u>76,688</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2019	5.00	1,858	
	2020	5.00	55,846	
	2021	5.00	(348,332)	
	2022	5.00	368,383	
			<u>77,755</u>	
Difference Between Expected and Actual Experience	2018	5.63		1,719
	2019	5.21	4,314	
	2020	5.16	9,245	
	2021	5.13		4,629
	2022	5.04		5,609
			<u>13,559</u>	<u>11,957</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	144,000	
			<u>\$ 532,289</u>	<u>\$ 369,952</u>

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (161,148)
2024	(82,100)
2025	(40,038)
2026	87,349
2027	(192)
	\$ (196,129)

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:

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%

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

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

HAWORTH BOARD OF EDUCATION  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,413,506	\$ 1,878,643	\$ 1,423,453

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

HAWORTH BOARD OF EDUCATION  
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NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$1,458,851 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$514,581.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$19,120,303. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.037%, which was a decrease of 0.001% from its proportion measured as of June 30, 2021.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		19,120,303
Total	\$	19,120,303

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$514,581 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

	Period in Years	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			3,013,097,864	19,441,140,477
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83	699,820,974	
			18,009,041	122,664,916
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			1,172,371,073	
			\$ 4,885,289,911	\$ 19,563,805,393



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NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

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%

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

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

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 22,418,961	\$ 19,120,303	\$ 16,341,597

Pension Plan Fiduciary Net Position - TPAF

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

Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$2,050 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$6,146 for the fiscal year ended June 30, 2023.

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. DEFERRED COMPENSATION

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

The plan administrators are as follows:

TD Bank/Legend	Equitable
Metropolitan Life Insurance Company	Valic

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Haworth Board of Education is currently a member of the Northeast School Board Insurance Group (the “Group”). The Group provides Worker’s Compensation, Property Damage, Employer’s Liability, Automobile and Equipment Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

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

The June 30, 2023 financial information was not available as of the date of the audit. Selected summarized financial information for the Group as of June 30, 2022 is as follows:

	Northeast Bergen County School Board Insurance Group June 30, 2022
Total Assets	\$ 30,411,159
Net Position	\$ 17,613,833
Total Revenue	\$ 16,723,735
Total Expenses	\$ 18,301,852
Change in Net Position	\$ (1,578,117)
Members Dividends	\$ 2,231,474

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Financial statements for the Group are available at the Group's Executive Director's Office:

Northeast Bergen County  
 School Board Insurance Group  
 44 Bergen Street  
 PO Box 270  
 Westwood, NJ 07675  
 (201)664-0310

New Jersey Unemployment Compensation Insurance

The Board of Education has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Board is required to remit employee withholdings to the State on a quarterly basis. All of the Board of Education's claims are paid by the State.

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. TAX CALENDAR

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
\$ 108,031	\$ 108,031

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

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

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund payables or receivables on the various balance sheets as of June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 222,738	
Special Revenue Fund		\$ 188,269
Capital Projects Fund		31,914
Aftercare Program Enterprise Fund		2,555
	\$ 222,738	\$ 222,738

The General Fund is owed \$2,555 from the Enterprise Fund for funds forwarded to pay expenses and will be returned to the General Fund. The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund is to eliminate a deficit cash balance due to the timing of reimbursements for federal grants. The interfund receivable in the General Fund and the interfund payable in the Capital Projects Fund was for expenses paid by General Fund on behalf of the Capital Projects Fund, offset by interest earned by the Capital Projects Fund and not turned over to the General Fund.

NOTE 16. ACCOUNTS PAYABLE

At year end June 30, 2023, the District had the following accounts payable:

	Governmental Funds		Total Governmental Funds	District Contribution Subsequent to Measurement Date	Total Governmental Activities	Business-Type Activities
	General Fund	Capital Projects Fund				Proprietary Funds
Vendors	\$ 76,656	\$ 3,373	\$ 80,029		\$ 80,029	\$ 177
Payroll Deductions and Withholdings	70,907		70,907		70,907	
Due to:						
State of New Jersey				\$ 144,000	144,000	
	\$ 147,563	\$ 3,373	\$ 150,936	\$ 144,000	\$ 294,936	\$ 177

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 17. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$248,692 to the capital outlay accounts for facilities acquisition and construction services accounts for which County Superintendent approval was required.

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

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

HAWORTH BOARD OF EDUCATION  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.



HAWORTH BOARD OF EDUCATION  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 17,250,355
Changes for Year:	
Service Cost	917,922
Interest on the Total OPEB Liability	395,820
Differences between Expected and Actual Experience	758,092
Changes of Assumptions	(4,006,712)
Gross Benefit Payments by the State	(392,071)
Contributions from Members	12,578
Net Changes	(2,314,371)
Balance at June 30, 2022	\$ 14,935,984

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 17,555,678	\$ 14,935,984	\$ 12,836,430

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 12,345,504	\$ 14,935,984	\$ 18,338,737

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$551,417 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 775,492
	2018	9.51		740,040
	2019	9.29	\$ 104,482	
	2020	9.24	2,466,878	
	2021	9.24	13,681	
	2022	9.13		3,567,861
				2,585,041
Differences Between Expected and Actual Experience	2018	9.51		699,568
	2019	9.29		1,229,765
	2020	9.24	2,299,227	
	2021	9.24		2,630,796
	2022	9.13	367,439	
			2,666,666	4,560,129
Changes in Proportion	N/A	N/A	943,684	703,030
			\$ 6,195,391	\$ 10,346,552
N/A - Not Available				

HAWORTH BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2023	\$ (742,325)
2024	(742,325)
2025	(742,325)
2026	(641,555)
2027	(366,850)
Thereafter	<u>(1,156,435)</u>
	<u>\$ (4,391,815)</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

HAWORTH BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0060019245%	0.0102414497%	0.0112299194%	0.0121393379%	0.0105904700%	0.0100195801%	0.0115283194%	0.0114714490%	0.012448454%
District's proportionate share of the net pension liability	\$ 1,123,724	\$ 2,299,000	\$ 3,325,980	\$ 2,825,844	\$ 2,085,212	\$ 1,805,376	\$ 1,879,967	\$ 1,358,965	\$ 1,878,643
District's covered employee payroll	\$ 570,232	\$ 717,223	\$ 728,358	\$ 717,284	\$ 699,997	\$ 824,172	\$ 831,561	\$ 910,776	\$ 914,611
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	197.06%	320.54%	456.64%	393.96%	297.89%	219.05%	226.08%	149.21%	205.40%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

HAWORTH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 49,479	\$ 88,049	\$ 99,765	\$ 112,458	\$ 110,842	\$ 102,249	\$ 126,114	\$ 134,344	\$ 156,861
Contributions in relation to the contractually required contribution	(49,479)	(88,049)	(99,765)	(112,458)	(110,842)	(102,249)	(126,114)	(134,344)	(156,861)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 717,223	\$ 728,358	\$ 717,284	\$ 699,997	\$ 824,172	\$ 831,561	\$ 910,776	\$ 914,611	\$ 974,121
Contributions as a percentage of covered employee payroll	6.90%	12.09%	13.91%	16.07%	13.45%	12.30%	13.85%	14.69%	16.10%

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

HAWORTH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0374251988%	0.0363240299%	0.0390541479%	0.0400568115%	0.0374440018%	0.0348625407%	0.0401070038%	0.0379169874%	0.0370588609%
State's proportionate share of the net pension liability attributable to the District	\$ 20,002,551	\$ 22,958,338	\$ 30,722,479	\$ 27,007,747	\$ 23,821,070	\$ 23,821,070	\$ 26,409,979	\$ 18,228,663	\$ 19,120,303
District's covered employee payroll	\$ 3,766,281	\$ 3,779,559	\$ 3,951,013	\$ 3,636,435	\$ 3,711,490	\$ 4,076,006	\$ 4,113,437	\$ 4,187,292	\$ 4,523,260
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	531.10%	607.43%	777.58%	742.70%	641.82%	584.42%	642.04%	435.33%	422.71%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

HAWORTH BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE CONTRIBUTIONS  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2013
Contractually required contribution	\$727,021	\$3,302,561	\$2,308,367	\$1,870,960	\$1,388,685	\$1,261,962	\$1,642,285	\$428,928	\$514,581
Contributions in relation to the contractually required contribution	(196,381)	(312,683)	(434,806)	(551,418)	(685,662)	(879,700)	(1,102,201)	(1,525,586)	(1,458,851)
Contribution deficiency/(excess)	\$530,640	\$2,989,878	\$1,873,561	\$1,319,542	\$703,023	\$382,262	\$540,084	\$(1,096,658)	\$(944,270)
District's covered employee payroll	3,779,559	\$3,951,013	\$3,636,435	\$3,711,490	\$4,076,006	\$4,113,437	\$4,187,292	\$4,523,260	\$4,512,196
Contributions as a percentage of covered employee payroll	5.20%	7.91%	11.96%	14.86%	16.82%	21.39%	26.32%	33.73%	32.33%

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



HAWORTH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST SIX FISCAL YEARS

	Fiscal Years Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 773,360	\$ 643,353	\$ 546,384	\$ 617,883	\$ 1,074,547	\$ 917,922
Interest Cost	510,371	594,032	523,004	421,280	447,492	395,820
Changes of Benefit Terms					(18,361)	
Differences between Expected and Actual Experience		(2,369,574)	(2,459,451)	3,110,019	(2,780,056)	758,092
Changes in Assumptions	(2,119,242)	(1,507,734)	172,606	3,443,388	17,019	(4,006,712)
Member Contributions	13,747	12,142	10,534	9,947	11,440	12,578
Gross Benefit Payments	(373,323)	(351,325)	(355,362)	(328,176)	(352,499)	(392,071)
Net Change in Total OPEB Liability	(1,195,087)	(2,979,106)	(1,562,285)	7,274,341	(1,600,418)	(2,314,371)
Total OPEB Liability - Beginning	17,312,910	16,117,823	13,138,717	11,576,432	18,850,773	17,250,355
Total OPEB Liability - Ending	<u>\$ 16,117,823</u>	<u>\$ 13,138,717</u>	<u>\$ 11,576,432</u>	<u>\$ 18,850,773</u>	<u>\$ 17,250,355</u>	<u>\$ 14,935,984</u>
State's Covered Employee Payroll *	\$ 4,679,371	\$ 4,353,719	\$ 4,776,003	\$ 4,937,609	\$ 5,018,853	\$ 5,434,036
Total OPEB Liability as a Percentage of Covered Employee Payroll	344.44%	301.78%	242.39%	381.78%	343.71%	274.86%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 census data.

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

HAWORTH BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

HAWORTH BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 9,615,714		\$ 9,615,714	\$ 9,615,714	
Unrestricted Miscellaneous Revenues	22,000		22,000	74,857	\$ 52,857
Interest Earned on Current Expense Emergency Reserve	250		250	250	
Interest Earned on Capital Reserve Funds	5,000		5,000	82,643	77,643
Total Revenues from Local Sources	<u>9,642,964</u>		<u>9,642,964</u>	<u>9,773,464</u>	<u>130,500</u>
Revenues from State Sources:					
Categorical Transportation Aid	30,722		30,722	30,722	
Extraordinary Aid	166,926		166,926	188,938	22,012
Categorical Special Education Aid	369,801		369,801	369,801	
Categorical Security Aid	33,319		33,319	33,319	
Adjustment Aid	2,172		2,172	2,172	
Other State Aids				5,294	5,294
TPAF Post Retirement Contributions (Non-Budgeted)				388,554	388,554
TPAF Pension Contributions (Non-Budgeted)				1,458,851	1,458,851
TPAF Non-Contributory Insurance (Non-Budgeted)				20,240	20,240
TPAF Long-Term Disability Insurance (Non-Budgeted)				558	558
Reimbursed TPAF Social Security Contributions				331,881	331,881
Total Revenues from State Sources	<u>602,940</u>		<u>602,940</u>	<u>2,830,330</u>	<u>2,227,390</u>
TOTAL REVENUE	<u>10,245,904</u>		<u>10,245,904</u>	<u>12,603,794</u>	<u>2,357,890</u>

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 280,022	\$ (2,652)	\$ 277,370	\$ 277,370	
Grades 1-5 - Salaries of Teachers	1,161,446	(78,735)	1,082,711	1,082,711	
Grades 6-8 - Salaries of Teachers	1,429,771	54,856	1,484,627	1,484,627	
Regular Programs - Home Instruction:					
Other Salaries for Instruction	400	(400)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	358,589	25,608	384,197	384,197	
Purchased Professional-Educational Services	108,691		108,691	98,758	\$ 9,933
Purchased Technical Services	59,999	(46,822)	13,177	13,149	28
General Supplies	209,808	(105,733)	104,075	99,346	4,729
Textbooks	41,620		41,620	41,587	33
Other Objects	24,300	(250)	24,050	23,695	355
<b>Total Regular Programs - Instruction</b>	<b>3,674,646</b>	<b>(154,128)</b>	<b>3,520,518</b>	<b>3,505,440</b>	<b>15,078</b>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	782,566	20,553	803,119	803,119	
General Supplies	8,000	(5,930)	2,070	1,693	377
<b>Total Resource Room/Resource Center</b>	<b>790,566</b>	<b>14,623</b>	<b>805,189</b>	<b>804,812</b>	<b>377</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>790,566</b>	<b>14,623</b>	<b>805,189</b>	<b>804,812</b>	<b>377</b>

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 121,572		\$ 121,572	\$ 121,572	
General Supplies	1,500	(650)	850	797	\$ 53
Total Bilingual Education - Instruction	123,072	(650)	122,422	122,369	53
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	53,600	(9,123)	44,477	44,477	
Purchased Services (300-500 series)	3,000	(2,990)	10		10
Supplies and Materials	16,500	(10,957)	5,543	5,541	2
Other Objects	1,250	(1,250)			
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	74,350	(24,320)	50,030	50,018	12
Summer School - Instruction:					
Salaries of Teachers	49,000	(5,384)	43,616	43,616	
Total Summer School - Instruction	49,000	(5,384)	43,616	43,616	
Total Summer School	49,000	(5,384)	43,616	43,616	
TOTAL INSTRUCTION	4,711,634	(169,859)	4,541,775	4,526,255	15,520
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	383,194	170,038	553,232	550,676	2,556
Total Undistributed Expenditures - Instruction	383,194	170,038	553,232	550,676	2,556

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend. - Attendance & Social Work:					
Salaries	\$ 51,598	\$ 282	\$ 51,880	\$ 51,839	\$ 41
Purchased Professional and Technical Services	19,000		19,000	16,413	2,587
Total Undist. Expend. - Attendance and Social Work	70,598	282	70,880	68,252	2,628
Undistributed Expenditures - Health Services:					
Salaries	98,518	(2,651)	95,867	95,867	
Purchased Professional and Technical Services	13,750	(300)	13,450	12,849	601
Other Purchased Services (400-500 series)	1,000	(1,000)			
Supplies and Materials	2,547	(100)	2,447	2,419	28
Total Undist. Expenditures - Health Services	115,815	(4,051)	111,764	111,135	629
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	61,132		61,132	61,132	
Purchased Professional - Educational Services	116,755	(25,185)	91,570	88,557	3,013
Supplies and Materials	2,765		2,765	2,765	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	180,652	(25,185)	155,467	152,454	3,013
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	68,655	(11,448)	57,207	57,207	
Salaries of Secretarial and Clerical Assistants	60,210	595	60,805	60,805	
Purchased Professional - Educational Services	2,000	(1,688)	312	312	
Supplies and Materials	3,500	(1,943)	1,557	1,557	
Total Undist Expend. - Guidance	134,365	(14,484)	119,881	119,881	



HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 372,505	\$ (1,854)	\$ 370,651	\$ 370,651	
Salaries of Secretarial and Clerical Assistants	43,775		43,775	43,775	
Purchased Professional - Educational Services	92,630		92,630	92,630	
Other Purchased Prof. and Tech. Services	1,500		1,500	1,257	\$ 243
Supplies and Materials	13,118	(934)	12,184	10,956	1,228
Total Undist Expend. - Child Study Team	<u>523,528</u>	<u>(2,788)</u>	<u>520,740</u>	<u>519,269</u>	<u>1,471</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	44,355	445	44,800	44,800	
Salaries of Secretarial and Clerical Assistants	51,197		51,197	51,197	
Purchased Professional - Educational Services	40,900	(1,404)	39,496	39,496	
Other Purchased Prof. and Tech. Services	15,893	(3,255)	12,638	11,993	645
Other Purchased Services (400-500 series)	10,000	(750)	9,250	8,308	942
Total Undist. Expend.-Improv. of Inst. Serv.	<u>162,345</u>	<u>(4,964)</u>	<u>157,381</u>	<u>155,794</u>	<u>1,587</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	93,615		93,615	93,615	
Supplies and Materials	10,115	(300)	9,815	7,911	1,904
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>103,730</u>	<u>(300)</u>	<u>103,430</u>	<u>101,526</u>	<u>1,904</u>
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	56,675	(8,800)	47,875	44,072	3,803
Other Purchased Services (400-500 series)	3,000		3,000	2,435	565
Total Undist.Expend.-Instructional Staff Training Services	<u>59,675</u>	<u>(8,800)</u>	<u>50,875</u>	<u>46,507</u>	<u>4,368</u>

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 256,175	\$ (64,131)	\$ 192,044	\$ 192,035	\$ 9
Legal Services	23,681		23,681	22,793	888
Audit Fees	24,000		24,000	24,000	
Architectural/Engineering Services	5,000	(5,000)			
Other Purchased Professional Services	12,600	(1,647)	10,953	8,453	2,500
Communications / Telephone	20,574	(1,379)	19,195	17,772	1,423
BOE Other Purchased Services	11,100	(6,173)	4,927	4,927	
Other Purch. Serv. (400-500 series other than 530 & 585)	10,400	(3,161)	7,239	7,239	
General Supplies	11,400	(6,923)	4,477	4,477	
Judgments Against The School District	17,250	(17,250)			
Miscellaneous Expenditures	10,000	22,406	32,406	12,477	19,929
BOE Membership Dues and Fees	6,000	(1,756)	4,244	4,214	30
Total Undist. Expend.-Support Serv.-Gen. Admin.	408,180	(85,014)	323,166	298,387	24,779
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	132,613	(41,000)	91,613	91,613	
Purchased Professional and Technical Services	14,500	(514)	13,986	13,986	
Supplies and Materials	7,144	(594)	6,550	6,550	
Other Objects	3,775	(1,092)	2,683	1,710	973
Total Undist. Expend.-Support Serv.-School Adm.	158,032	(43,200)	114,832	113,859	973

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 168,256	\$ 7,959	\$ 176,215	\$ 176,215	
Purchased Technical Services	16,000		16,000	16,000	
Miscellaneous Purchased Services (400-500 series other than 594)	6,040	1,227	7,267	7,267	
Supplies and Materials	11,310	(5,000)	6,310	6,002	\$ 308
Other Objects	6,519	(5,000)	1,519	1,519	
Total Undist. Expend. - Central Services	208,125	(814)	207,311	207,003	308
Undist. Expend. - Admin. Info. Technology:					
Salaries	49,440	(2,435)	47,005	47,005	
Purchased Technical Services	19,822		19,822	19,822	
Supplies and Materials	67,864	(4,350)	63,514	63,227	287
Total Undist. Expend. - Admin. Info. Technology	137,126	(6,785)	130,341	130,054	287
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	67,626	(2,300)	65,326	63,461	1,865
General Supplies	67,120		67,120	61,974	5,146
Total Undist. Expend.- Required Maint. for School Facilities	134,746	(2,300)	132,446	125,435	7,011
Undist. Expend.-Custodial Services:					
Salaries	365,882	3,132	369,014	369,014	
Salaries of Non-Instructional Aides	103,662	22,765	126,427	126,427	
Cleaning, Repair, and Maintenance Services	19,995	(1,054)	18,941	18,941	
Lease Purchase Pymts - Energy Savings Impr Prog	20,250	(100)	20,150	20,111	39
Other Purchased Property Services	20,000	23,428	43,428	17,668	25,760
Insurance	103,000	40,603	143,603	143,603	
Miscellaneous Purchased Services		100	100	76	24
General Supplies	32,500	(300)	32,200	32,200	
Energy (Natural Gas)	66,608	(1,315)	65,293	65,293	
Energy (Electricity)	109,718	(9,633)	100,085	100,072	13
Other Objects	9,000		9,000	8,057	943
Total Undist. Expend.-Custodial Services	850,615	77,626	928,241	901,462	26,779

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 15,000		\$ 15,000	\$ 13,813	\$ 1,187
General Supplies	3,750		3,750	3,750	
Other Objects	750		750	750	
Total Care And Upkeep Of Grounds	<u>19,500</u>		<u>19,500</u>	<u>18,313</u>	<u>1,187</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,004,861	\$ 75,326	1,080,187	1,045,210	34,977
Undist. Expend.-Student Transportation Serv.:					
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	23,000		23,000	17,145	5,855
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	20,000	(2,049)	17,951	11,484	6,467
Contract. Serv.(Spl. Ed. Students)-Vendors	72,163	78,750	150,913	150,913	
Misc. Purchased Serv. - Transportation	15,000		15,000	15,000	
Total Undist. Expend.-Student Trans. Serv.	<u>130,163</u>	<u>76,701</u>	<u>206,864</u>	<u>194,542</u>	<u>12,322</u>
UNALLOCATED BENEFITS					
Social Security Contributions	100,000	24,776	124,776	124,776	
Other Retirement Contributions - PERS	140,000	16,947	156,947	156,861	86
Other Retirement Contributions - Regular	2,050		2,050	2,050	
Unemployment Compensation	21,000	279	21,279	21,279	
Workers Compensation	82,000	(31,166)	50,834	50,834	
Health Benefits	1,371,154	46,620	1,417,774	1,417,774	
Tuition Reimbursement	17,500	(5,871)	11,629	11,629	
Unused Sick Payment to Terminated/Retired Staff		3,250	3,250	3,250	
TOTAL UNALLOCATED BENEFITS	<u>1,733,704</u>	<u>54,835</u>	<u>1,788,539</u>	<u>1,788,453</u>	<u>86</u>

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)			\$ 388,554	\$ 388,554	\$ (388,554)
TPAF Pension Contributions (Non-Budgeted)			1,458,851	1,458,851	(1,458,851)
TPAF Non-Contributory Insurance (Non-Budgeted)			20,240	20,240	(20,240)
TPAF Long-Term Disability Insurance (Non-Budgeted)			558	558	(558)
Reimbursed TPAF Social Security Contributions			331,881	331,881	(331,881)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>			<u>2,200,084</u>	<u>2,200,084</u>	<u>(2,200,084)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	\$ 1,733,704	\$ 54,835	\$ 1,788,539	3,988,537	(2,199,998)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	5,514,093	180,797	5,694,890	7,803,086	(2,108,196)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>10,225,727</u>	<u>10,938</u>	<u>10,236,665</u>	<u>12,329,341</u>	<u>(2,092,676)</u>
<b>CAPITAL OUTLAY</b>					
Undistributed:					
Undist. Expend. - Required Maint for School Fac.	518,071	(164,142)	353,929	352,429	1,500
Total Equipment	<u>518,071</u>	<u>(164,142)</u>	<u>353,929</u>	<u>352,429</u>	<u>1,500</u>
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services		248,692	248,692	248,692	
Assessment for Debt Service on SDA Funding	4,243		4,243	4,243	
Total Facilities Acquisition and Const. Serv.	<u>4,243</u>	<u>248,692</u>	<u>252,935</u>	<u>252,935</u>	
<b>TOTAL CAPITAL OUTLAY</b>	<u>522,314</u>	<u>84,550</u>	<u>606,864</u>	<u>605,364</u>	<u>1,500</u>
<b>TOTAL EXPENDITURES</b>	<u>10,748,041</u>	<u>95,488</u>	<u>10,843,529</u>	<u>12,934,705</u>	<u>(2,091,176)</u>

HAWORTH BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (502,137)	\$ (95,488)	\$ (597,625)	\$ (330,911)	\$ 266,714
Other Financing Sources/(Uses):					
Transfers from Capital Projects Fund - Interest Earned	(235,000)		(235,000)	191,004	191,004
Capital Reserve - Transfer to Debt Service Fund	(235,000)		(235,000)	(43,996)	191,004
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(737,137)	(95,488)	(832,625)	(374,907)	457,718
Fund Balance, July 1	2,256,416		2,256,416	2,256,416	
Fund Balance, June 30	<u>\$ 1,519,279</u>	<u>\$ (95,488)</u>	<u>\$ 1,423,791</u>	<u>\$ 1,881,509</u>	<u>\$ 457,718</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$ 1,177,810	
Capital Reserve				50,500	
Emergency Reserve					
Assigned Fund Balance:					
Year End Encumbrances				108,031	
Designated for Subsequent Year's Expenditures				267,862	
Unassigned Fund Balance				277,306	
				<u>1,881,509</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(43,177)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,838,332</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 445,757	\$ 109,091	\$ 554,848	\$ 245,026	\$ (309,822)
Local Sources		245,306	245,306	245,306	
Total Revenues	445,757	354,397	800,154	490,332	(309,822)
<b>EXPENDITURES:</b>					
Instruction					
General Supplies	355,000		355,000	45,178	309,822
Tuition	90,757	31,039	121,796	121,796	
Total Instruction	445,757	31,039	476,796	166,974	309,822
Support Services					
Student Activities		209,974	209,974	209,974	
Total Support Services		209,974	209,974	209,974	
Facilities Acquisition and Construction Services:					
Instructional Equipment		78,052	78,052	78,052	
Total Facilities Acquisition and Construction Services		78,052	78,052	78,052	
Total Expenditures	445,757	319,065	764,822	455,000	309,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ 35,332	\$ 35,332	\$ 35,332	\$ -0-

HAWORTH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,603,794	\$ 490,332
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		798
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	35,517	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(43,177)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 12,596,134	\$ 491,130
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,934,705	\$ 455,000
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		798
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 12,934,705	\$ 455,798

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ending June 30, 2023, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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



SPECIAL REVENUE FUND

HAWORTH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA Act		American Rescue Plan Act		IDEA	IDEA	IDEA	Student Activities	Totals
	Mental Health	NonTitle I ESSER II	IDEA Part B, Basic	IDEA Part B, Preschool ARP	Non Title I	Part B, Basic	Part B, Preschool		
REVENUE:									
Federal Sources	\$ 12,083	\$ 33,095	\$ 16,578	\$ 1,416	\$ 78,052	\$ 101,656	\$ 2,146	\$ 245,026	\$ 245,026
Local Sources								\$ 245,306	245,306
Total Revenue	12,083	33,095	16,578	1,416	78,052	101,656	2,146	245,306	490,332
EXPENDITURES:									
Instruction:									
General Supplies	12,083	33,095							45,178
Tuition			16,578	1,416		101,656	2,146		121,796
Total Instruction	12,083	33,095	16,578	1,416		101,656	2,146		166,974
Support Services:									
Student Activities								209,974	209,974
Total Support Services								209,974	209,974
Facilities Acquisition:									
Instructional Equipment					78,052				78,052
Total Facilities Acquisition					78,052				78,052
Total Expenditures	\$ 12,083	\$ 33,095	\$ 16,578	\$ 1,416	\$ 78,052	\$ 101,656	\$ 2,146	\$ 209,974	\$ 455,000

CAPITAL PROJECTS FUND

HAWORTH 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

Revenue and Other Financing Sources:	
Investment Income	\$ 191,004
Total Revenues and Other Financing Sources	<u>191,004</u>
Expenditures:	
Other Purchased Professional Technical Services	<u>52,423</u>
Total Expenditures	<u>52,423</u>
Excess of Expenditures Over Revenue and Other Financing Sources	<u>138,581</u>
Other Financing Uses:	
Transfers Out:	
Transfer to General Fund	<u>191,004</u>
Total Other Financing Uses	<u>191,004</u>
Fund Balance - Beginning Balance	<u>8,134,026</u>
Fund Balance - Ending Balance	<u>\$ 8,081,603</u>
<u>Recapitulation:</u>	
Restricted Fund Balance	<u>\$ 8,081,603</u>
Fund Balance per Governmental Funds (GAAP)/Budgetary	<u>\$ 8,081,603</u>

HAWORTH BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS  
BUDGETARY BASIS  
VARIOUS RENOVATIONS, ALTERATIONS, IMPROVEMENTS, UPGRADES  
AND ADDITION TO HAWORTH PUBLIC SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,227,000		\$ 6,227,000	\$ 6,227,000
Capital Reserve	2,000,000		2,000,000	2,000,000
	8,227,000		8,227,000	8,227,000
Total Revenue and Other Financing Sources				
Expenditures:				
Other Purchased Professional Technical Services	92,974	\$ 52,423	145,397	150,000
Construction Services				8,077,000
	92,974	52,423	145,397	8,227,000
Total Expenditures				
Excess/(Deficit) of Revenue and Other Financing Sources Over Expenditures				
	\$ 8,134,026	\$ (52,423)	\$ 8,081,603	\$ -0-
Additional Project Information:				
Bonds Authorized Date		3/8/2022		
Bonds Authorized		\$ 6,227,479		
Bonds Issued		\$ 6,227,000		
Authorized Cost		\$ 8,227,000		
Percentage Completion		1.77%		
Target Completion Date		6/30/2024		

PROPRIETARY FUNDS

HAWORTH BOARD OF EDUCATION  
AFTERCARE PROGRAM ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2023

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 203,924
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Total Current Assets	203,924
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Total Assets	203,924
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## LIABILITIES:

## Current Liabilities:

Interfund Payable - General Fund	2,555
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Accounts Payable	177
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Total Liabilities	2,732
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## NET POSITION:

Unrestricted	201,192
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Total Net Position	\$ 201,192
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HAWORTH BOARD OF EDUCATION  
AFTERCARE PROGRAM ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Charges for Services:	
Program Fees	\$ 112,294
Total Operating Revenue	<u>112,294</u>
Operating Expenses:	
Salaries and Payroll Taxes	47,725
General Supplies	9,287
Miscellaneous Purchased Services	<u>1,067</u>
Total Operating Expenses	<u>58,079</u>
Operating Income	<u>54,215</u>
Non-Operating Revenue:	
Local Sources:	
Interest Revenue	<u>5,027</u>
Total Non-Operating Revenue	<u>5,027</u>
Change in Net Position	59,242
Net Position - Beginning of Year	<u>141,950</u>
Net Position - End of Year	<u><u>\$ 201,192</u></u>



HAWORTH BOARD OF EDUCATION  
AFTERCARE PROGRAM ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 112,294
Payments to Employees	(47,725)
Payments to Vendors	<u>(14,850)</u>
Net Cash Provided by Operating Activities	<u>49,719</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>5,027</u>
Net Cash Provided by Investing Activities	<u>5,027</u>
Net Increase in Cash and Cash Equivalents	54,746
Cash and Cash Equivalents, July 1	<u>149,178</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 203,924</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 54,215
Adjustment to Reconcile Operating Income to Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	<u>(4,496)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 49,719</u></u>

LONG-TERM LIABILITY

HAWORTH BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance June 30, 2022	Balance June 30, 2023
			Date	Amount			
School Bonds	6/1/2022	\$ 6,227,000	5/1/2024	\$ 257,000	3.00%		
			5/1/2025	265,000	3.00%		
			5/1/2026	275,000	3.00%		
			5/1/2027	280,000	3.00%		
			5/1/2028	285,000	3.50%		
			5/1/2029	295,000	3.50%		
			5/1/2030	300,000	3.50%		
			5/1/2031	310,000	3.50%		
			5/1/2032	315,000	3.75%		
			5/1/2033	325,000	3.75%		
			5/1/2034	335,000	4.00%		
			5/1/2035	340,000	4.00%		
			5/1/2036	350,000	4.00%		
			5/1/2037	360,000	4.00%		
			5/1/2038	370,000	4.00%		
		5/1/2039	380,000	4.00%			
		5/1/2040	385,000	4.00%			
		5/1/2041	395,000	4.00%			
		5/1/2042	405,000	4.00%			
						\$ 6,227,000	\$ 6,227,000
						\$ 6,227,000	\$ 6,227,000

HAWORTH BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Energy Savings Improvement Program	5.110%	\$ 76,108	\$ 41,394	\$ 18,593	\$ 22,801
			<u>\$ 41,394</u>	<u>\$ 18,593</u>	<u>\$ 22,801</u>

HAWORTH BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Canon Copiers	1.500%	\$ 62,245	\$ 37,902	\$ 12,446	\$ 25,456
			<u>\$ 37,902</u>	<u>\$ 12,446</u>	<u>\$ 25,456</u>

HAWORTH BOARD OF EDUCATION  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

NOT APPLICABLE

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

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest - Bonds	\$ 235,000		\$ 235,000	\$ 211,530	\$ 23,470
Total Regular Debt Service	235,000		235,000	211,530	23,470
Total Expenditures	235,000		235,000	211,530	23,470
Deficiency of Revenue (Under) Expenditures	(235,000)		(235,000)	(211,530)	(23,470)
Other Financing Sources/(Uses):					
Transfer In:					
General Fund - Transfer from Capital Reserve	235,000		235,000	235,000	
Total Other Financing Sources/(Uses)	235,000		235,000	235,000	
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				23,470	23,470
Fund Balance, July 1					
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 23,470	\$ 23,470
<u>Recapitulation of Fund Balance at June 30, 2023</u>					
Restricted				\$ 23,470	

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

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

**Contents**

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

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



HAWORTH BOARD OF EDUCATION  
NET ASSETS BY COMPONENT,  
LAST TEN FISCAL YEARS  
UNAUDITED  
 (accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 5,968,195	\$ 6,943,345	\$ 8,138,466	\$ 8,449,112	\$ 8,742,950	\$ 9,493,326	\$ 9,768,218	\$ 9,485,576	\$ 9,408,532	\$ 9,781,412
Restricted	1,041,364	660,167	1,331,391	1,753,425	1,714,042	1,586,794	2,445,550	2,881,813	3,231,937	3,287,882
Unrestricted/(Deficit)	(641,392)	(15,093)	(1,206,558)	(1,640,249)	(1,876,570)	(1,916,318)	(2,015,048)	(1,667,537)	(1,249,925)	(1,391,074)
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,368,167</b>	<b>\$ 7,588,419</b>	<b>\$ 8,263,299</b>	<b>\$ 8,562,288</b>	<b>\$ 8,580,422</b>	<b>\$ 9,163,802</b>	<b>\$ 10,198,720</b>	<b>\$ 10,699,852</b>	<b>\$ 11,390,544</b>	<b>\$ 11,678,220</b>
<b>Business-Type Activities</b>										
Unrestricted	\$ 22,533	\$ 33,675	\$ 55,204	\$ 79,630	\$ 100,203	\$ 114,605	\$ 122,897	\$ 114,840	\$ 141,950	\$ 201,192
<b>Total Business-Type Activities Net Position</b>	<b>\$ 22,533</b>	<b>\$ 33,675</b>	<b>\$ 55,204</b>	<b>\$ 79,630</b>	<b>\$ 100,203</b>	<b>\$ 114,605</b>	<b>\$ 122,897</b>	<b>\$ 114,840</b>	<b>\$ 141,950</b>	<b>\$ 201,192</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 5,968,195	\$ 6,943,345	\$ 8,138,466	\$ 8,449,112	\$ 8,742,950	\$ 9,493,326	\$ 9,768,218	\$ 9,485,576	\$ 9,408,532	\$ 9,781,412
Restricted	1,041,364	660,167	1,331,391	1,753,425	1,714,042	1,586,794	2,445,550	2,881,813	3,231,937	3,287,882
Unrestricted/(Deficit)	(618,859)	18,582	(1,151,354)	(1,560,619)	(1,776,367)	(1,801,713)	(1,892,151)	(1,552,697)	(1,107,975)	(1,189,882)
<b>Total District-Wide Net Position</b>	<b>\$ 6,390,700</b>	<b>\$ 7,622,094</b>	<b>\$ 8,318,503</b>	<b>\$ 8,641,918</b>	<b>\$ 8,680,625</b>	<b>\$ 9,278,407</b>	<b>\$ 10,321,617</b>	<b>\$ 10,814,692</b>	<b>\$ 11,532,494</b>	<b>\$ 11,879,412</b>

Source: School District Financial Reports

**HAWORTH BOARD OF EDUCATION**  
**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**  
**UNAUDITED**  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction:</b>										
Regular	\$ 3,923,628	\$ 4,980,945	\$ 5,430,627	\$ 6,407,853	\$ 6,465,551	\$ 5,659,259	\$ 5,312,029	\$ 5,764,481	\$ 5,687,380	\$ 5,708,039
Special Education	758,441	923,705	972,945	1,146,732	1,405,268	1,115,232	953,451	884,449	841,321	1,285,742
Other Instruction	219,615	256,156	277,702	197,640	210,511	709,096	749,879	742,565	974,218	402,555
<b>Support Services:</b>										
Tuition	440,516	257,840	259,668	388,094	544,940	528,491	420,706	624,743	699,776	672,472
Student & Instruction Related Services	1,286,442	1,366,370	1,560,594	1,792,492	1,803,943	1,394,347	1,287,723	1,516,728	1,161,862	1,671,467
General Administrative Services	351,255	350,864	365,582	376,497	470,174	510,087	481,293	516,873	425,221	357,886
School Administrative Services	234,090	265,121	332,214	237,453	226,257	194,316	194,119	195,654	181,522	139,787
Central Services	188,940	177,031	233,025	334,518	305,185	306,548	271,909	286,247	265,876	248,543
Administrative Technology Services	23,392	43,156	44,107	37,201	94,582	9,922	22,459	29,455	78,577	141,111
Plant Operations And Maintenance	834,823	844,668	876,764	902,058	1,043,945	1,037,278	938,792	1,066,858	1,020,965	1,148,833
Pupil Transportation	78,796	54,697	89,042	89,042	102,601	108,512	42,865	35,617	95,445	194,542
Special Schools	20,460									
Interest on Long-Term Liabilities	134,971	148,173	87,922	66,380	43,495	21,184	9,183	16,025		238,208
Capital Outlay	4,243	33,843	113,594	4,243	24,243			80,351		
<b>Total Governmental Activities Expenses</b>	<b>\$ 8,499,612</b>	<b>\$ 9,702,569</b>	<b>\$ 10,611,774</b>	<b>\$ 11,980,203</b>	<b>\$ 12,740,695</b>	<b>\$ 11,594,272</b>	<b>\$ 10,684,408</b>	<b>\$ 11,744,021</b>	<b>\$ 11,448,188</b>	<b>\$ 12,209,185</b>
<b>Business-Type Activities:</b>										
Aftercare Program	\$ 43,256	\$ 28,137	\$ 32,896	\$ 43,668	\$ 68,386	\$ 78,895	\$ 55,643	\$ 6,977	\$ 66,149	\$ 58,079
<b>Total Business-Type Activities Expenses</b>	<b>43,256</b>	<b>28,137</b>	<b>32,896</b>	<b>43,668</b>	<b>68,386</b>	<b>78,895</b>	<b>55,643</b>	<b>6,977</b>	<b>66,149</b>	<b>58,079</b>
<b>Total District Expenses</b>	<b>\$ 8,542,868</b>	<b>\$ 9,730,706</b>	<b>\$ 10,644,670</b>	<b>\$ 12,023,871</b>	<b>\$ 12,809,081</b>	<b>\$ 11,673,167</b>	<b>\$ 10,740,051</b>	<b>\$ 11,750,998</b>	<b>\$ 11,514,337</b>	<b>\$ 12,267,264</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Student & Instruction Related Services	\$ 1,010,506	\$ 2,045,127	\$ 2,439,317	\$ 3,296,181	\$ 3,583,493	\$ 2,796,294	\$ 2,294,428	\$ 53,232	\$ 45,337	\$ 245,306
Operating Grants and Contributions								2,802,942	2,446,039	2,287,087
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 1,010,506</b>	<b>\$ 2,045,127</b>	<b>\$ 2,439,317</b>	<b>\$ 3,296,181</b>	<b>\$ 3,583,493</b>	<b>\$ 2,796,294</b>	<b>\$ 2,294,428</b>	<b>\$ 2,856,174</b>	<b>\$ 2,491,376</b>	<b>\$ 2,532,393</b>

**HAWORTH BOARD OF EDUCATION**  
**CHANGES IN NET POSITION - LAST TEN FISCAL YEARS**  
**UNAUDITED**  
(accrual basis of accounting)  
(Continued)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-Type Activities:</b>										
Charges For Services	\$ 30,840	\$ 39,215	\$ 54,325	\$ 67,836	\$ 87,635	\$ 90,700	\$ 61,863	\$ 1,420	\$ 93,115	\$ 112,294
Total Business-Type Activities Program Revenues	\$ 30,840	\$ 39,215	\$ 54,325	\$ 67,836	\$ 87,635	\$ 90,700	\$ 61,863	\$ 1,420	\$ 93,115	\$ 112,294
Total District Program Revenues	\$ 1,041,346	\$ 2,084,342	\$ 2,493,642	\$ 3,364,017	\$ 2,620,028	\$ 2,623,093	\$ 61,863	\$ 1,420	\$ 93,115	\$ 112,294
<b>Net (Expenses)/Revenue</b>										
Governmental Activities	\$ (7,489,106)	\$ (7,657,442)	\$ (8,172,457)	\$ (8,684,022)	\$ (9,157,202)	\$ (8,797,978)	\$ (8,389,980)	\$ (8,887,847)	\$ (8,956,812)	\$ (9,676,792)
Business-Type Activities	(12,416)	11,078	21,429	24,168	19,249	11,805	6,220	(5,557)	26,966	54,215
Total District-Wide Net Expense	\$ (7,501,522)	\$ (7,646,364)	\$ (8,151,028)	\$ (8,659,854)	\$ (9,137,953)	\$ (8,786,173)	\$ (8,383,760)	\$ (8,893,404)	\$ (8,929,846)	\$ (9,622,577)
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 7,902,965	\$ 8,059,443	\$ 8,219,020	\$ 8,381,757	\$ 8,549,392	\$ 8,720,371	\$ 9,061,991	\$ 9,242,325	\$ 9,427,171	\$ 9,615,714
Taxes Levied for Debt Service	546,693	529,964	538,231	516,315	497,040	480,611	250,803			
Federal and State Aid not Restricted	221,028	240,742	80,859	76,883	73,528	71,416	19,334	1,010	2,475	82,893
Investment Earnings			11,376	11,376	11,376	25,332				
Miscellaneous Income	13,756	47,545	9,227	8,056	44,000	83,628	64,461	146,011	217,858	265,861
Total Governmental Activities	8,684,442	8,877,694	8,847,337	8,983,011	9,175,336	9,381,358	9,396,589	9,389,346	9,647,504	9,964,468
<b>Business-Type Activities:</b>										
Investment Earnings	60	64	100	258	1,324	2,597	2,072	100	144	5,027
Other Item								(2,600)		
Total Business-Type Activities	60	64	100	258	1,324	2,597	2,072	(2,500)	144	5,027
Total District-Wide	\$ 8,684,502	\$ 8,877,758	\$ 8,847,437	\$ 8,983,269	\$ 9,176,660	\$ 9,383,955	\$ 9,398,661	\$ 9,386,846	\$ 9,647,648	\$ 9,969,495
<b>Change in Net Position:</b>										
Governmental Activities	\$ 1,195,336	\$ 1,220,252	\$ 674,880	\$ 298,989	\$ 18,134	\$ 583,380	\$ 1,006,609	\$ 501,499	\$ 690,692	\$ 287,676
Business-Type Activities	(12,356)	11,142	21,529	24,426	20,573	14,402	8,292	(8,057)	27,110	59,242
Total District	\$ 1,182,980	\$ 1,231,394	\$ 696,409	\$ 323,415	\$ 38,707	\$ 597,782	\$ 1,014,901	\$ 493,442	\$ 717,802	\$ 346,918

Source: School District Financial Reports

HAWORTH BOARD OF EDUCATION  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 UNAUDITED  
 (modified accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	\$ 833,623	\$ 459,801	\$ 1,329,562	\$ 1,752,300	\$ 1,728,495	\$ 1,584,736	\$ 2,417,241	\$ 2,872,211	\$ 1,231,167	\$ 1,228,310
Assigned	471,981	559,147	1,050	32,644	33,928	81,045	389,193	507,387	375,893	375,893
Unassigned	249,559	269,442	308,635	244,478	246,229	371,365	336,391	453,634	482,345	234,129
<b>Total General Fund</b>	<b>\$ 1,555,163</b>	<b>\$ 1,288,390</b>	<b>\$ 1,639,247</b>	<b>\$ 1,996,778</b>	<b>\$ 2,007,368</b>	<b>\$ 1,990,029</b>	<b>\$ 2,834,677</b>	<b>\$ 3,715,038</b>	<b>\$ 2,220,899</b>	<b>\$ 1,838,332</b>
<b>All Other Governmental Funds</b>										
Restricted, Reported In:										
Capital Projects Fund	\$ 190,627	\$ 198,769	\$ 1,829	\$ 1,125	\$ 1,137	\$ 2,058	\$ 8,134,026	\$ 8,081,603	\$ 23,470	\$ 36,102
Debt Service Fund	17,114	1,597					770			
Student Activities										
Committed, Reported In:										
Capital Projects Fund	\$ 207,741	\$ 546,220	28,313	11,505						
Total All Other Governmental Funds	\$ 207,741	\$ 746,586	\$ 30,142	\$ 12,630	\$ 1,137	\$ 2,058	\$ 28,309	\$ 9,602	\$ 8,134,796	\$ 8,141,175
<b>Total Governmental Funds:</b>										
Restricted	\$ 1,041,364	\$ 660,167	\$ 1,331,391	\$ 1,753,425	\$ 1,729,632	\$ 1,586,794	\$ 2,417,241	\$ 2,881,813	\$ 9,365,963	\$ 9,369,485
Assigned	471,981	1,105,367	29,363	11,505	32,644	33,928	81,045	389,193	507,387	375,893
Unassigned	249,559	269,442	308,635	244,478	246,229	371,365	336,391	453,634	482,345	234,129
<b>Total Governmental Funds:</b>	<b>\$ 1,762,904</b>	<b>\$ 2,034,976</b>	<b>\$ 1,669,389</b>	<b>\$ 2,009,408</b>	<b>\$ 2,008,505</b>	<b>\$ 1,992,087</b>	<b>\$ 2,834,677</b>	<b>\$ 3,724,640</b>	<b>\$ 10,355,695</b>	<b>\$ 9,979,507</b>

Source: School District Financial Reports

HAWORTH BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 8,449,658	\$ 8,589,407	\$ 8,757,251	\$ 8,898,072	\$ 9,046,432	\$ 9,200,982	\$ 9,312,794	\$ 9,242,325	\$ 9,427,171	\$ 9,615,714
Interest Earnings-Capital Reserve	1,077	500	216	1,802	12,148	25,332	19,334	1,010	2,225	82,643
Interest Earnings-Emergency Reserve									250	250
Miscellaneous	32,679	47,045	9,011	6,254	43,228	83,629	64,461	199,243	263,195	511,167
State Sources	1,119,961	1,314,728	1,338,297	1,426,194	1,561,753	1,799,502	1,962,165	2,278,580	2,858,384	2,822,670
Federal Sources	91,573	91,197	92,748	89,063	87,127	90,113	76,596	130,656	135,527	245,824
<b>Total Revenue</b>	<b>9,694,948</b>	<b>10,042,877</b>	<b>10,197,523</b>	<b>10,421,385</b>	<b>10,750,688</b>	<b>11,199,558</b>	<b>11,435,350</b>	<b>11,851,814</b>	<b>12,686,752</b>	<b>13,278,268</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,836,129	2,901,190	3,004,135	3,123,175	3,209,086	3,238,210	3,175,058	3,346,809	3,642,306	3,551,416
Special Education Instruction	558,069	542,041	531,503	541,511	675,253	625,300	560,443	499,109	535,388	804,812
Other Instruction	155,027	168,237	180,103	118,731	119,481	196,311	207,618	154,648	216,246	216,003
<b>Support Services:</b>										
Tuition	440,516	257,840	259,668	389,655	546,470	528,491	420,706	624,743	699,776	672,472
Student & Instruction Related Services	982,490	1,092,208	1,161,229	1,208,511	1,228,489	1,158,857	1,135,286	1,335,741	1,329,385	1,484,792
General Administrative Services	318,864	298,418	293,274	287,356	349,796	365,716	372,703	403,091	358,536	298,387
School Administrative Services	174,416	211,154	244,320	150,361	147,521	131,932	141,671	141,834	150,096	113,859
Central Services	161,308	157,710	185,482	231,123	199,243	209,431	198,378	212,752	225,055	207,003
Administrative Information Technology	23,392	37,809	35,301	28,759	64,552	8,597	22,459	29,455	68,297	130,054
Plant Operations And Maintenance	727,687	771,955	752,590	739,845	840,363	924,745	771,332	944,061	925,605	1,045,210
Pupil Transportation	78,796	54,697	57,030	89,042	102,601	108,512	42,865	35,617	95,445	194,542
Unallocated Benefits	1,774,072	1,960,340	2,254,843	2,558,116	2,673,165	2,823,093	3,029,585	3,253,638	3,794,671	3,988,537
Special Schools	15,029									
Capital Outlay	914,558	687,201	983,877	21,051	24,243	344,088	262,716	84,770	241,891	735,839
<b>Debt service:</b>										
Principal	498,378	515,000	525,000	520,000	520,000	525,000	247,000			
Interest And Other Charges	134,971	115,005	94,755	74,130	51,328	27,693	4,940			
<b>Total Expenditures</b>	<b>9,793,702</b>	<b>9,770,805</b>	<b>10,563,110</b>	<b>10,081,366</b>	<b>10,751,591</b>	<b>11,215,976</b>	<b>10,592,760</b>	<b>11,066,268</b>	<b>12,282,697</b>	<b>13,654,456</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>(98,754)</b>	<b>272,072</b>	<b>(365,587)</b>	<b>340,019</b>	<b>(903)</b>	<b>(16,418)</b>	<b>842,590</b>	<b>785,546</b>	<b>404,055</b>	<b>(376,188)</b>

HAWORTH BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED  
(modified accrual basis of accounting)  
(Continued)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
School Bonds Issued								\$ 76,108	\$ 6,227,000	
Financed Purchases (Non-Budgeted)								17	1,999,979	\$ 235,000
Transfers In	\$ 750,665	\$ 1,341,503	\$ 551,691	\$ 228	\$ 12,277	\$ 341,432	\$ 1,597	(17)	(1,999,979)	
Transfers Out	(750,665)	(1,341,503)	(551,691)	(228)	(12,277)	(341,432)	(1,597)	(17)		(235,000)
Total Other Financing Sources (Uses)								76,108	6,227,000	
Net Change In Fund Balances	\$ (98,754)	\$ 272,072	\$ (365,587)	\$ 340,019	\$ (903)	\$ (16,418)	\$ 842,590	\$ 861,654	\$ 6,631,055	\$ (376,188)
Debt Service As A Percentage Of Nonecapital Expenditures	7.13%	6.94%	6.47%	5.91%	5.33%	5.08%	2.44%	0.00%	0.00%	1.64%

Source: School District Financial Reports

HAWORTH BOARD OF EDUCATION  
OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

Fiscal Year Ended June 30,	Interest on Investments	Other	Total
2014	\$ 1,077	\$ 12,014	\$ 13,091
2015	2,758	23,855	26,613
2016	216	8,114	8,330
2017	1,802	6,026	7,828
2018	24,896	29,708	54,604
2019	46,354	61,020	107,374
2020	38,673	44,784	83,457
2021	2,697	144,307	147,004
2022	2,475	217,837	220,312
2023	82,893	74,857	157,750

Source: Haworth Board of Education records

HAWORTH BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land		Residential		Commercial		Total Assessed Value		Tax-Exempt Property		Public Utilities <sup>a</sup>		Net Valuation Taxable		Total Direct School Tax Rate <sup>b</sup>		Estimated Actual (County Equalized Value)	
2013	\$	15,354,600	\$	681,765,000	\$	97,638,300	\$	794,757,900			\$	577,488	\$	795,335,388	\$	1.05	\$	988,226,052
2014		15,027,000		683,331,400		94,794,900		793,153,300				571,705		793,725,005		1.07		927,314,313
2015		13,886,600		684,502,500		92,027,800		790,416,900	\$	73,545,200		572,378		790,989,278		1.06		947,007,450
2016		12,288,800		688,316,600		91,150,400		791,755,800		75,473,000		581,033		792,336,833		1.15		938,535,971
2017		12,100,500		691,773,000		91,150,400		795,023,900		76,290,500		613,996		795,637,896		1.13		918,832,229
2018		12,041,100		699,524,400		91,125,400		802,690,900		76,210,800		584,214		803,275,114		1.14		937,029,912
2019		11,304,000		703,395,900		91,125,400		805,825,300		76,210,800		589,249		806,414,549		1.15		935,150,231
2020		10,346,000		709,836,000		84,689,800		804,871,800		76,691,100		589,673		805,461,473		1.15		935,652,660
2021		11,949,300		716,453,100		82,831,200		811,233,600		76,410,800		592,973		811,826,573		1.16		944,901,562
2022		11,684,300		721,570,400		83,127,000		816,381,700		76,115,000		572,451		816,954,151		1.18		987,567,998

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100



HAWORTH BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

*(rate per \$100 of assessed value)*

Year Ended December 31,	Haworth Board of Education				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Borough of Haworth	Regional High School	Bergen County		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>						
2013	\$ 0.97	\$ 0.08	\$ 1.05	\$ 0.70	\$ 0.66	\$ 0.29	\$ 2.70	
2014	1.00	0.07	1.07	0.71	0.69	0.27	2.74	
2015	1.00	0.07	1.06	0.73	0.72	0.28	2.79	
2016	1.08	0.07	1.15	0.76	0.72	0.28	2.91	
2017	1.07	0.06	1.13	0.77	0.69	0.29	2.88	
2018	1.08	0.06	1.14	0.77	0.67	0.29	2.86	
2019	1.12	0.03	1.15	0.78	0.69	0.28	2.91	
2020	1.15		1.15	0.79	0.70	0.29	2.92	
2021	1.16		1.16	0.81	0.69	0.29	2.96	
2022	1.18		1.18	0.82	0.70	0.29	2.99	

Source: Municipal Tax Collector and School Business Administrator

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

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

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

HAWORTH BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2023			2014		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Suez C/O Altus Group Inc		\$ 51,789,000	6.45%	United Water	\$ 51,789,000	6.51%
Haworth Country Club		18,000,000	2.24%	Haworth Country Club LLC	14,002,500	2.12%
White Beeches Country Club		9,000,000	1.12%	White Beeches Country Club	10,479,000	1.32%
Individual Tax Payer #1		2,207,500	0.27%	Haworth Country Club LLC	9,997,500	1.26%
Lakeshore Estates, LLC		1,825,000	0.23%	White Beeches Realty Corp.	5,462,100	0.69%
Individual Tax Payer #2		1,564,600	0.19%	Individual Tax Payer #1	1,859,800	0.25%
Individual Tax Payer #3		1,553,800	0.19%	Individual Tax Payer #2	1,651,200	0.23%
Individual Tax Payer #4		1,514,900	0.19%	Terrach Street Holdings Co.	1,621,900	0.21%
Individual Tax Payer #5		1,487,100	0.18%	Individual Tax Payer #3	1,553,800	0.20%
Individual Tax Payer #6		1,464,100	0.18%	Individual Tax Payer #4	1,534,600	0.20%
Total		\$ 90,406,000	11.25%	Total	\$ 99,951,400	12.99%

Notes: Individual taxpayers may be different in 2023 and 2014.

Source: Municipal Tax Assessor

HAWORTH BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy<sup>a</sup></u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2014	\$ 8,449,658	\$ 8,449,658	100.00%	\$ -0-
2015	8,589,407	8,589,407	100.00%	-0-
2016	8,757,251	8,757,251	100.00%	-0-
2017	8,898,072	8,898,072	100.00%	-0-
2018	9,046,432	9,046,432	100.00%	-0-
2019	9,200,982	9,200,982	100.00%	-0-
2020	9,312,794	8,381,515	90.00%	931,279
2021	9,242,325	9,242,325	100.00%	-0-
2022	9,427,171	9,427,171	100.00%	-0-
2023	9,615,714	9,615,714	100.00%	-0-

Source: Haworth Board of Education records including the Certificate and Report of School Taxes (A4F form)

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

HAWORTH BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases	Leases			
2014	\$ 2,852,000	\$ -0-	\$ -0-	\$ 2,852,000	1.13%	\$ 835
2015	2,337,000	-0-	-0-	2,337,000	0.88%	684
2016	1,812,000	-0-	-0-	1,812,000	0.67%	530
2017	1,292,000	-0-	-0-	1,292,000	0.46%	377
2018	772,000	-0-	-0-	772,000	0.27%	226
2019	247,000	-0-	-0-	247,000	0.08%	73
2020	-0-	-0-	-0-	-0-	0.00%	-0-
2021	-0-	59,150	50,164	109,314	0.03%	33
2022	6,227,000	41,394	37,902	6,306,296	1.96%	1,904
2023	6,227,000	22,801	25,456	6,275,257	1.95%	1,894

Source: School District Financial Reports

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

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

HAWORTH BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Net Valuation <sup>a</sup>  Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2014	\$ 2,852,000	\$ 2,852,000	0.36%	\$ 835
2015	2,337,000	2,337,000	0.29%	684
2016	1,812,000	1,812,000	0.23%	530
2017	1,292,000	1,292,000	0.16%	377
2018	772,000	772,000	0.10%	226
2019	247,000	247,000	0.03%	73
2020	-0-	-0-	0.00%	-0-
2021	-0-	-0-	0.00%	-0-
2022	6,227,000	6,227,000	0.77%	1,880
2023	6,227,000	6,227,000	0.76%	1,880

Source: School District Financial Reports

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

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

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

HAWORTH BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Haworth	\$ 7,717,621	100.00%	\$ 7,717,621
Bergen County General Obligation Debt (Borough Share)	977,925,631	0.49%	4,761,037
Northern Valley Regional High School District	9,097,000	100.00%	9,097,000
Other Debt:			
Bergen County Utilities Authority (Water Pollution)	86,458,384	0.57%	494,283
Subtotal, Overlapping Debt			22,069,940
Haworth School District Direct Debt			6,227,000
Total Direct And Overlapping Debt			<u>\$ 28,296,940</u>

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

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

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

HAWORTH BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

2022	\$ 1,030,577,119
2021	979,987,437
2020	936,115,143
	\$ 2,946,679,699

Average Equalized Valuation of Taxable Property	\$ 982,226,566
Debt Limit (3% of average equalization value)	29,466,797
Net Bonded School Debt	6,227,000
Legal Debt Margin	\$ 23,239,797

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 29,516,698	\$ 28,640,660	\$ 28,120,737	\$ 27,980,115	\$ 27,758,593
Total Net Debt Applicable to Limit	2,852,000	2,337,000	1,812,000	1,292,000	772,000
Legal Debt Margin	\$ 26,664,698	\$ 26,303,660	\$ 26,308,737	\$ 26,688,115	\$ 26,986,593
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	9.66%	8.16%	6.44%	4.62%	2.78%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 27,704,609	\$ 27,922,009	\$ 28,016,068	\$ 28,514,773	\$ 29,466,797
Total Net Debt Applicable to Limit	247,000			6,227,000	6,227,000
Legal Debt Margin	\$ 27,457,609	\$ 27,922,009	\$ 28,016,068	\$ 22,287,773	\$ 23,239,797
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.89%	0.00%	0.00%	21.84%	21.13%

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

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

HAWORTH BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	3,415	\$ 252,310,445	\$ 73,883	4.00%
2015	3,417	264,212,691	77,323	3.30%
2016	3,416	269,303,776	78,836	3.10%
2017	3,430	277,912,320	81,024	2.70%
2018	3,414	290,842,074	85,191	2.40%
2019	3,393	299,401,713	88,241	2.30%
2020	3,374	310,313,528	91,972	6.70%
2021	3,309	322,107,987	97,343	4.60%
2022	3,313	322,497,359 ***	97,343 *	2.40%
2023	3,313 **	322,497,359 ***	97,343 *	N/A

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

\*\* - Latest population data available (2022) was used for calculation purposes.

\*\*\* - Latest population data available (2022) and latest available Bergen County per capita personal income (2021) was used for calculation purposes.

N/A - Not Available

Source: School District Reports

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development



HAWORTH BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS, BERGEN COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2023			2014			Percentage of Total Employment
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment	
Hackensack University Medical Center		9,000	N/A	N/A	N/A	N/A	N/A
Valley Health Systems, Inc		4,660	N/A	N/A	N/A	N/A	N/A
Bio-Reference Laboratories, Inc.		2,900	N/A	N/A	N/A	N/A	N/A
Express Scripts		2,676	N/A	N/A	N/A	N/A	N/A
County of Bergen		2,390	N/A	N/A	N/A	N/A	N/A
Quest Diagnostics, Inc.		2,700	N/A	N/A	N/A	N/A	N/A
KPMG LLP		2,100	N/A	N/A	N/A	N/A	N/A
Englewood Hospital and Medical Center		2,002	N/A	N/A	N/A	N/A	N/A
Englewood Home Health Care Services		1,985	N/A	N/A	N/A	N/A	N/A
Unilever Best Foods		1,900	N/A	N/A	N/A	N/A	N/A
		<u>32,313</u>	<u>N/A</u>		<u>N/A</u>		<u>N/A</u>

N/A - Information not available  
 Source: Bergen County Economic Development Corporation

HAWORTH 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	47.0	47.0	48.0	48.0	50.0	50.0	48.0	50.0	50.0	51.0
Special Education	10.0	10.0	11.0	11.0	12.0	12.0	12.0	12.0	13.0	14.0
Support Services:										
Health Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administrative Services	3.0	3.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Guidance-Professional/Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Child Study Team/Support	4.0	4.0	5.0	4.5	4.5	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	1.0	1.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	5.5
Media Services Technology	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principal/School Administration	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>72.0</b>	<b>72.0</b>	<b>78.0</b>	<b>78.5</b>	<b>81.5</b>	<b>83.0</b>	<b>81.0</b>	<b>83.5</b>	<b>84.5</b>	<b>86.5</b>

Source: District Personnel Records

HAWORTH BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) <sup>c</sup>	Attendance (ADA) <sup>c</sup>		
2014	432	\$ 8,245,795	\$ 19,087	2.33%	45	9:2.1	434	417	0.93%	96.08%
2015	404	8,453,599	20,925	9.63%	45	9:1.1	408	394	-5.99%	96.57%
2016	424	8,959,478	21,131	0.98%	45	9:1.0	424	408	3.92%	96.23%
2017	422	9,466,185	22,432	6.16%	45	9:1.1	422	412	-0.47%	97.63%
2018	404	10,051,002	24,879	10.91%	50	9:1.1	418	411	-0.95%	98.33%
2019	409	10,319,194	25,230	1.41%	51	8:1	407	390	-2.63%	95.82%
2020	398	10,078,104	25,322	0.36%	48	8:1	395	385	-2.95%	97.47%
2021	430	10,981,498	25,538	0.85%	50	8:1	430	418	8.86%	97.21%
2022	438	11,244,454	25,672	0.52%	51	8:1	438	429	1.86%	97.95%
2023	463	12,707,087	27,445	6.91%	65	7:1	463	451	5.71%	97.41%

Source: Haworth Board of Education records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

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

d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil Calculations.

HAWORTH BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
Haworth School:										
Square Feet	75,230	75,230	75,230	75,230	75,230	75,230	75,230	75,230	75,230	75,230
Capacity (students)	544	544	544	544	544	544	544	544	544	544
Enrollment	432	404	424	422	404	409	398	430	438	463

Number of Schools at June 30, 2023  
 Elementary = 1

Source: Haworth Board of Education Facilities Office

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

HAWORTH BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures:  
 Required Maintenance for School Facilities  
 11-000-261-XXX

School Facilities *	Projects #	2014	2015	2016	2017	2018
Haworth School	N/A	\$ 58,080	\$ 113,898	\$ 99,340	\$ 122,262	\$ 132,504
		\$ 58,080	\$ 113,898	\$ 99,340	\$ 122,262	\$ 132,504
School Facilities *	Projects #	2019	2020	2021	2022	2023
Haworth School	N/A	\$ 146,324	\$ 64,339	\$ 148,520	\$ 77,195	\$ 125,435
		\$ 146,324	\$ 64,339	\$ 148,520	\$ 77,195	\$ 125,435

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

Source: Haworth Board of Education records

HAWORTH BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Selective Insurance Company	Property	\$ 15,423,903	\$ 5,000
	Flood and Earthquake	5,000,000	50,000
	Flood - within Special Flood Hazard Area Zone B Zones A and V	1,000,000	500,000
	Automobile Coverage	1,000,000	1,000
	Comprehensive General Liability	1,000,000	
	Crime (Non-Statutory Bonds) Per Employee Excess	100,000 400,000	5,000
	Boiler and Machinery	15,423,903	5,000
ACE	Environmental	4,000,000	15,000
		20,000,000 Group Aggregate	
Darwin	Educator's Legal Liability	1,000,000	25,000
	Employment Practices		50,000
XL	Cyber Liability	1,000,000/2,000,000 Each Claim	15,000/25,000
	XL Group Insurance	6,000,000 Group Aggregate	
Firemen's Fund	Commercial Umbrella - Selective Ins. Co.	9,000,000	10,000
	Excess Umbrella	50,000,000 Group Aggregate	
Safety National	Worker's Compensation	Self Insured - NESBIG	1,000,000
	Excess Worker's Compensation	Statutory	
	Employers Liability Each Accident	1,000,000	
	Employers Liability Each Employee Employers Liability Policy Limit	1,000,000 1,000,000	
Selective Insurance Company	Surety Bonds		
	Board Secretary	200,000	
AIG	Compulsory Student Accident	1,000,000	
Chubb	Volunteer Accident Policy	250,000	
Bollinger	Voluntary Student Accident (excluding football)	500,000	
	Voluntary Dental Accident	5,000	

SINGLE AUDIT SECTION



Mount Arlington, NJ  
 Newton, NJ  
 Bridgewater, NJ  
 973.298.8500  
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 Independent Member  
 BKR International

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

Independent Auditors' Report

The Honorable President and Members of  
 the Board of Education  
 Haworth Board of Education  
 County of Bergen, New Jersey

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

**Report on Internal Control Over Financial Reporting**

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

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

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



The Honorable President and Members of  
the Board of Education  
Haworth Board of Education  
Page 2

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

October 30, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant



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

Independent Auditors' Report

The Honorable President and Members of  
 the Board of Education  
 Haworth Board of Education  
 County of Bergen, New Jersey

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

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

We have audited the Board of Education of the Howarth Borough School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state program for the fiscal year ended June 30, 2023. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

***Basis for Opinion on Each Major State Program***

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

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

The Honorable President and Members of  
 the Board of Education  
 Haworth Board of Education  
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### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

The Honorable President and Members of  
the Board of Education  
Haworth Board of Education  
Page 3

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

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

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

October 30, 2023  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2022		Balance 6/30/2023	
					Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary (Accounts Receivable)	Budgetary Unearned Revenue
U.S. Department of Education								
Passed-through State Department of Education:								
Special Education Cluster:								
I.D.E.A. Part B, Preschool	84.173	IDEA-2090-23	7/1/22-9/30/23	\$ 2,146				
I.D.E.A. Part B, Preschool	84.173	IDEA-2090-22	7/1/21-9/30/22	1,695	\$ (1,695)	\$ (2,146)	\$ (2,146)	
I.D.E.A. Part B, Basic	84.027	IDEA-2090-23	7/1/22-9/30/23	95,899		(95,899)	(95,899)	
I.D.E.A. Part B, Basic	84.027	IDEA-2090-22	7/1/21-9/30/22	89,062	\$ 1,695	(5,757)	(5,757)	
COVID 19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDEA-2090-22	7/1/21-9/30/23	16,578		(16,578)	(16,578)	
COVID 19 - ARP - I.D.E.A. Part B, Preschool	84.173X	IDEA-2090-22	7/1/21-9/30/23	1,416		(1,416)	(1,416)	
Total Special Education Cluster				23,751	(1,695)	(121,796)	(98,045)	
Education Stabilization Fund:								
COVID 19 - Non Title I ARP	84.425U	S425U210027	3/13/20-9/30/24	158,052		(78,052)	(78,052)	\$ 1,265
COVID 19 - CRRSA - ESSER II Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(30,412)	(12,083)	(42,495)	
COVID 19 - CRRSA - ESSER II Non-Title I	84.425D	S425D210027	3/13/20-9/30/23	79,026	(15,899)	(33,095)	(48,994)	
Total Education Stabilization Fund				79,317	(46,311)	(123,230)	(91,489)	1,265
Total Special Revenue/U.S. Department of Education				103,068	(48,006)	(245,026)	(189,534)	1,265
Total Federal Financial Awards				\$ 103,068	\$ (48,006)	\$ (245,026)	\$ (189,534)	\$ 1,265
								\$ -0-

N/A - Not Available/Applicable

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

HAWORTH BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance (Accounts Receivable) 6/30/2022	Cash Received	Budgetary Expenditures	MEMO	
							Balance 6/30/2023 GAAP (Accounts Receivable)	Budgetary Receivable
NJ Department of Education:								
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	\$ 188,938		\$ (188,938)	\$ (188,938)	\$ (188,938)	\$ 188,938
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	5,294		(5,294)	(5,294)	(5,294)	5,294
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	331,881		\$ 316,107	(331,881)	(15,774)	331,881
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	369,801		333,181	(369,801)	(36,620)	369,801
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	33,319		30,019	(33,319)	(3,300)	33,319
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	2,172		1,957	(2,172)	(215)	2,172
Categorical Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	30,722		27,680	(30,722)	(3,042)	30,722
TPAF Pension Contributions (non-budgeted)	23-495-034-5094-002	7/1/22-6/30/23	1,458,851		1,458,851	(1,458,851)		1,458,851
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	23-495-034-5094-001	7/1/22-6/30/23	388,554		388,554	(388,554)		388,554
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/22-6/30/23	20,240		20,240	(20,240)		20,240
TPAF Long Term Liability Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/21-6/30/23	558		558	(558)		558
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	262,414	\$ (262,414)	262,414			262,414
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	2,648	(2,648)	2,648			2,648
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	330,728	(16,489)	16,489			330,728
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	293,195	(28,974)	28,974			293,195
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	33,319	(3,292)	3,292			33,319
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	2,172	(215)	215			2,172
Categorical Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	30,722	(3,036)	3,036			30,722
Total General Fund State Aid				(317,068)	2,894,215	(2,830,330)	(253,183)	3,785,528
Total State Awards				\$ (317,068)	\$ 2,894,215	\$ (2,830,330)	\$ (253,183)	\$ 3,785,528
Less: On-Behalf TPAF Pension System Contributions:								
TPAF Pension Contributions (non-budgeted)	23-495-034-5094-002	7/1/22-6/30/23	\$ (1,458,851)			\$ 1,458,851		
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	23-495-034-5094-001	7/1/22-6/30/23	(388,554)			388,554		
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/22-6/30/23	(20,240)			20,240		
TPAF Long Term Liability Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/22-6/30/23	(558)			558		
Subtotal - On-Behalf TPAF Pension System Contributions						1,868,203		
Total State Awards (Net of On-Behalf TPAF Pension System Contributions)						\$ (962,127)		

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

HAWORTH BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Haworth Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(7,660) for the general fund and \$798 for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HAWORTH BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,822,670	\$ 2,822,670
Special Revenue Fund	\$ 245,824		245,824
Total Financial Awards	<u>\$ 245,824</u>	<u>\$ 2,822,670</u>	<u>\$ 3,068,494</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.



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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance* required by NJOMB 15-08.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on each major state program.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2023 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State Awards:</u>				
<u>General State Aid:</u>				
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 369,801	\$ 369,801
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	33,319	33,319
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	2,172	2,172

- The threshold for distinguishing between Type A and Type B state programs was \$750,000.
- The District was not determined to be a "low-risk auditee" for state programs.

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

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

HAWORTH BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

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

HAWORTH BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year findings.