

**SCHOOL DISTRICT
OF
SOUTH HACKENSACK**

**South Hackensack School District
South Hackensack, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

South Hackensack School District

South Hackensack, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**South Hackensack School District
Board of Education**

SOUTH HACKENSACK SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditors’ Report.....	9
Required Supplementary Information.....	12
Management’s Discussion and Analysis.....	13
Basic Financial Statements (Sections A. and B.).....	20
A. District-Wide Financial Statements.....	21
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements	25
B-1 Balance Sheet – Governmental Funds.....	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
B-4 Statement of Net Position – Proprietary Funds	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
B-6 Statement of Cash Flows – Proprietary Funds	33
Notes to the Basic Financial Statements	34

Required Supplementary Information

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	74
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	74
L-2 Schedule of District’s Contributions – Public Employees Retirement System	75
L-3 Schedule of State Proportionate Share of the Net Pension Liability Associated with the District – Teachers’ Pension and Annuity Fund	76
L-4 Schedule of State Contributions – Teachers’ Pension and Annuity Fund	77
L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	78
Notes to Required Supplementary Information.....	79

SOUTH HACKENSACK SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C. Budgetary Comparison Schedules.....	81
C-1 Budgetary Comparison Schedule – General Fund.....	82
C-2 Combining Budgetary Schedule – Special Revenue Fund	91
C-3 Budgetary Comparison Schedule- Note to Required Supplementary Information	92

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	93
E. Special Revenue Fund	94
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	95
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund (Not Applicable)	98
G. Proprietary Funds	99
Enterprise Fund:	
G-1 Combining Statement of Net Position	100
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position	101
G-3 Combining Statement of Cash Flows	102
H. Fiduciary Activities (Not Applicable).....	103
I. Long-Term Liabilities	104
I-1 Schedule of Serial Bonds.....	105
I-2 Schedule of Obligations Under Financed Purchases	106
I-3 Schedule of Obligations Under Leases (Not Applicable)	
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule.....	107

STATISTICAL SECTION

J. Statistical Section (Unaudited).....	108
J-1 Net Position by Component.....	109
J-2 Changes in Net Position	110
J-3 Fund Balances – Governmental Funds	112
J-4 Changes in Fund Balances – Governmental Funds	113
J-5 General Fund Other Local Revenue by Source	115
J-6 Assessed Value and Actual Value of Taxable Property	116
J-7 Direct and Overlapping Property Tax Rates.....	117
J-8 Principal Property Tax Payers	118
J-9 Property Tax Levies and Collections.....	119
J-10 Ratios of Outstanding Debt by Type	120

SOUTH HACKENSACK SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

STATISTICAL SECTION (Cont'd)

J-11 Ratios of Net General Bonded Debt Outstanding..... 121
J-12 Ratios of Overlapping Governmental Activities Debt..... 122
J-13 Legal Debt Margin Information..... 123
J-14 Demographic and Economic Statistics 124
J-15 Principal Employers 125
J-16 Full-Time Equivalent District Employees by Function/Program 126
J-17 Operating Statistics..... 127
J-18 School Building Information 128
J-19 Schedule of Required Maintenance for School Facilities..... 129
J-20 Insurance Schedule 130

K. SINGLE AUDIT SECTION 132

K-1 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* 133
K-2 Independent Auditor's Report on Compliance For Each Major State
Program; Report on Internal Control Over Compliance Required by the NJOMB 15-08 135
K-3 Schedule of Expenditures of Federal Awards 138
K-4 Schedule of Expenditures of State Awards 140
K-5 Notes to the Schedules of Expenditures of Federal and State Awards 142
K-6 Schedule of Findings and Questioned Costs 144
K-7 Summary Schedule of Prior Audit Findings..... 146

INTRODUCTORY SECTION
(UNAUDITED)

**SOUTH HACKENSACK BOARD OF EDUCATION
MEMORIAL SCHOOL
DYER AVENUE
SOUTH HACKENSACK, NJ 07606**

Jason Chirichella
Superintendent

201-440-1817 phone
201-440-9156 fax

December 18, 2023

The Honorable President and Members of
the Board of Education
South Hackensack School District
County of Bergen, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, 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 financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on 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 South Hackensack School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The South Hackensack School District and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 254 students, which is a decrease of 5 students from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK: The Township of South Hackensack is almost fully developed and has not experienced and does not expect to experience any significant growth in the immediate future. The South Hackensack School District is continuing to work diligently, aggressively and prudently in its efforts to provide a thorough and efficient education. Striking an acceptable balance between being thorough while at the same time being efficient has been particularly challenging because of several factors which include but are not limited to the following: greater state demands for a variety of programs and services which the state is unable to fund or to fully fund; a sagging economy and a reduction in state aid.

State legislation has fixed the maximum allowable unassigned General Fund fund balance at 2% of expenditures. Unanticipated, emergency expenses and/or an unanticipated increase in out-of-district special education placements could still place a serious burden on the District and still requires administration to monitor the activity of the District very closely.

3) MAJOR INITIATIVES: For the 2022-2023 school year, the South Hackensack School District endeavored to implement and achieve the following Board of Education approved Educational Goals:

- 1) Implementation of the Wilson Foundations Phonics Program (Year 2 of a 2-year full program implementation). This includes ongoing professional development throughout the school year.

Objectives:

1. Improvement in foundational literacy skills including letter knowledge, phonological and phonemic awareness, decoding and oral reading fluency.
2. Support a Multi-tiered System of Support as both a Tier 1 (prevention) and Tier 2 (early intervention) supplemental or intervention program.

- Groups responsible: Grades Pre-Kindergarten through Second.
- Timeline: 2022-2023 (Year 2 of a 2-year implementation process)

- 2) Implementation of the LinkIt![®] Assessment and Data Analytics Program to support data driven instructional goals and objectives.

Objectives:

1. Identify student strengths/weaknesses by standard, skill, and topic
2. Differentiate instruction to reflect data
3. Provide tailored interventions to students
4. Create a Data Review/Implementation PLC that will collaborate on program training, data analysis, targeted interventions, and differentiation.

- Groups responsible: Grades Kindergarten through Eight.
- Timeline: End of the 2022-2023 academic year

- 3) Develop a Multi-tiered system of support (MTSS) to accelerate learning for all students in order to increase student achievement and reduce achievement gaps

Objectives:

1. Establish a committee to develop Universal Screening rubrics for initial identification and monitoring of students needed support
 2. Analyze data including but not limited to NJSLA, LinkIt!, Start Strong to identify achievement gaps
 3. Organize and coordinate high-quality instruction and evidence-based interventions to match student need
 4. Coordinate and employ tiered supports based on student need to enable the acquisition of missing skills while continuing grade-level instruction
- Groups responsible: Administration, Teaching Staff
 - Timeline: End of the 2022-2023 academic year

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be 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 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 and contents, and fidelity bonds.

The Board is a member of the School Alliance Insurance Fund (the "SAIF"). The SAIF is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the SAIF is included in Note 9 to the Basic Financial Statements.

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 are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

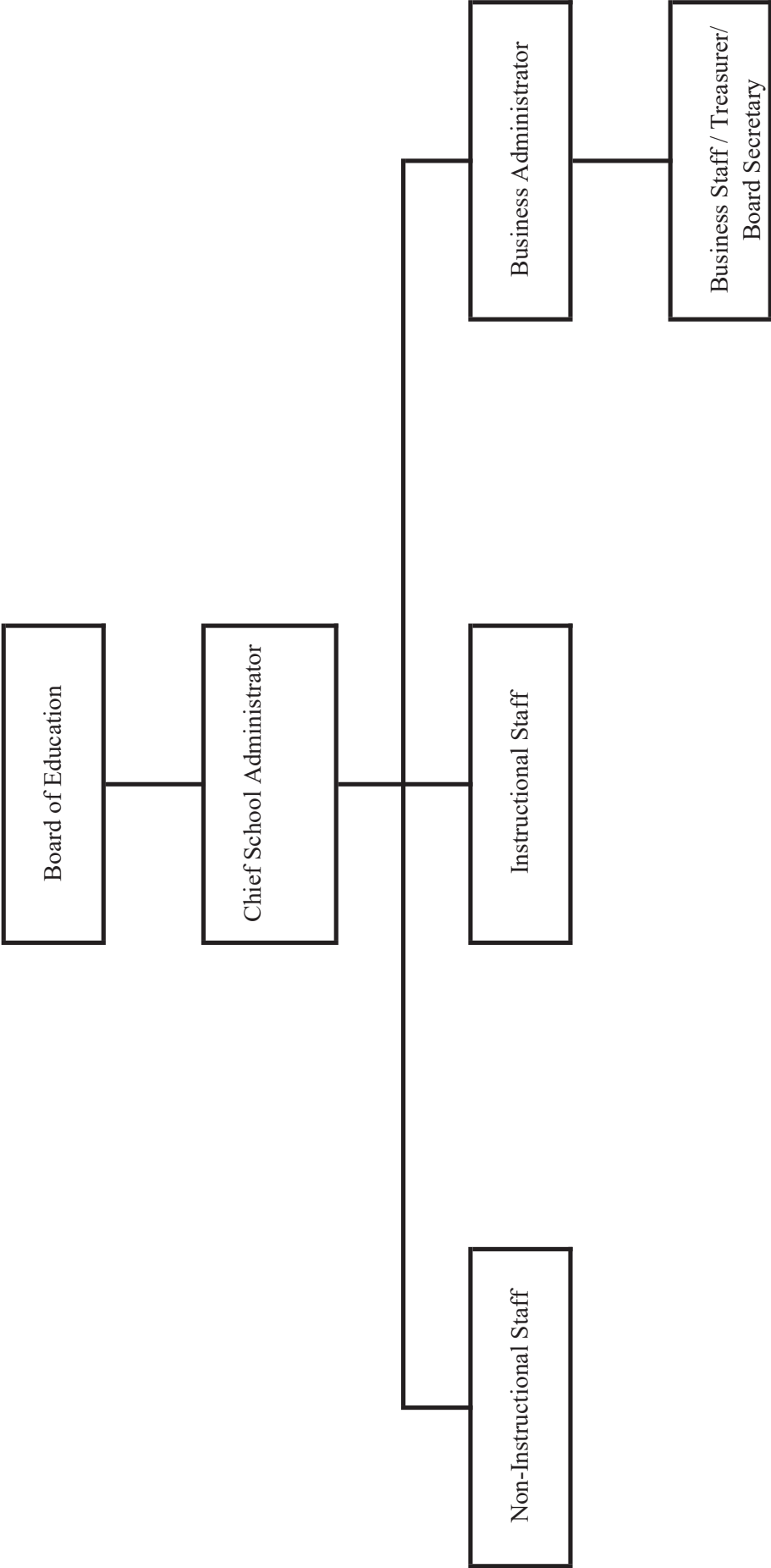


Jason Chirichella
Superintendent



Robert Brown
Interim Business Administrator

SOUTH HACKENSACK BOARD OF EDUCATION
Organizational Chart
(Unit Control)



**SOUTH HACKENSACK SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education 2022-2023

Term

Anika Davis	2021-2023
James Donatello	2023-2025
Ashley Paladino	2023-2025
Lawrance Paladino	2022-2024
Salvatore Tornambe	2022-2024
Thomas Yannetti	2022-2023
Henry Yannetti	2022-2024

Other Officials

Jason Chirichella - Superintendent/Principal

Dina Messery – Business Administrator – July 1, 2022 – April 30, 2023

Robert Brown – Interim Business Administrator – May 1, 2023 – December 31, 2023

**SOUTH HACKENSACK SCHOOL DISTRICT
Consultants and Advisors**

Attorney

Fogarty and Hara
21-00 Route 208 South
Fair Lawn NJ, 07410

Audit Firm

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

Official Depository

Valley National Bank
20 Court Street
Hackensack, NJ 07601

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
South Hackensack School District
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 South Hackensack 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 December 18, 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.

Mount Arlington, New Jersey
December 18, 2023

NISIVOCCIA LLP


Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SOUTH HACKENSACK SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section of South Hackensack 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.

Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

Overview of the Financial Statements

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

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

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 the Board of Education of the Township of South Hackensack’s Financial Report**

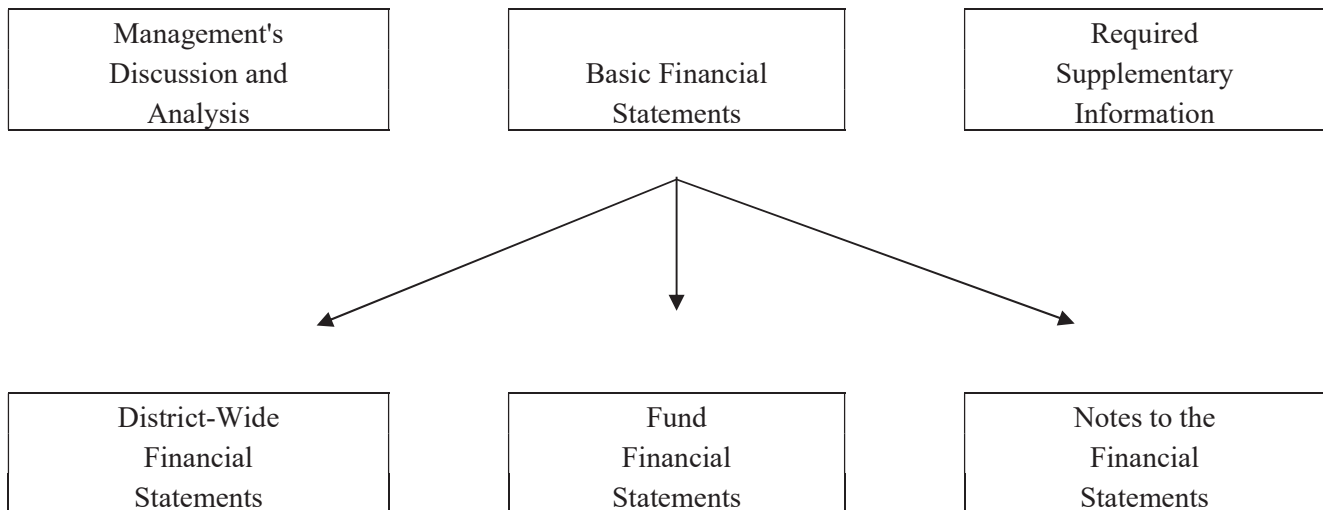


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: Food Services and the After School Program
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, 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 liability is 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 they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and 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. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to Basic Financial Statements

Provide additional information essential to full understanding of District-wide and 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 totals. The depreciation factored into the District's net position for 2022/2023 is \$310,900 in governmental activities and \$187 in business-type activities. This same amount is also factored in as an expense in the current year's financial statements. A second factor affecting the net position was the paydown of long-term liabilities in the amount of \$651,098 which decreased debt and increased net position. The restricted net position increased in the current year primarily due to the increases in excess surplus, capital reserve and maintenance reserve. The unrestricted net position decreased primarily due to an increase in the net pension liability.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Current and							
Other Assets	\$ 2,540,991	\$ 2,933,668	\$ 35,246	\$ 30,826	\$ 2,576,237	\$ 2,964,494	
Capital Assets, Net	12,574,763	12,536,141	430	617	12,575,193	12,536,758	
Total Assets	15,115,754	15,469,809	35,676	31,443	15,151,430	15,501,252	-2.26%
Deferred Outflows of Resources	283,941	289,535			283,941	289,535	-1.93%
Other Liabilities	161,050	402,199			161,050	402,199	
Long-Term Liabilities	2,252,524	2,692,754			2,252,524	2,692,754	
Total Liabilities	2,413,574	3,094,953			2,413,574	3,094,953	-22.02%
Deferred Inflows of Resources	345,046	702,560			345,046	702,560	-50.89%
Net Position:							
Net Investment in							
Capital Assets	11,735,865	11,129,339	430	617	11,736,295	11,129,956	
Restricted	2,094,609	1,792,066			2,094,609	1,792,066	
Unrestricted/ (Deficit)	(1,189,399)	(959,574)	35,246	30,826	(1,154,153)	(928,748)	
Total Net Position	\$ 12,641,075	\$ 11,961,831	\$ 35,676	\$ 31,443	\$ 12,676,751	\$ 11,993,274	5.70%

Changes in Net Position. The changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (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 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Revenue:							
Program Revenue:							
Charges for Services	\$ 27,992	\$ 8,287	\$ 72,641	\$ 52,445	\$ 100,633	\$ 60,732	
Grants and Contributions:							
Operating	1,855,845	1,931,711	54,406	93,973	1,910,251	2,025,684	
General Revenue:							
Property Taxes	9,036,223	8,672,986			9,036,223	8,672,986	
Federal and State Aid Not Restricted	37,349	36,539			37,349	36,539	
Other	407,784	294,921	1,764	37	409,548	294,958	
Total Revenue	<u>11,365,193</u>	<u>10,944,444</u>	<u>128,811</u>	<u>146,455</u>	<u>11,494,004</u>	<u>11,090,899</u>	3.63%
Expenses:							
Instruction	4,202,619	4,186,153			4,202,619	4,186,153	
Pupil and Instruction Services	4,010,305	3,858,779			4,010,305	3,858,779	
Administrative and Business	460,954	485,410			460,954	485,410	
Maintenance and Operations	868,807	914,990			868,807	914,990	
Transportation	603,854	427,153			603,854	427,153	
Other	526,568	542,711	137,420	149,471	663,988	692,182	
Total Expenses	<u>10,673,107</u>	<u>10,415,196</u>	<u>137,420</u>	<u>149,471</u>	<u>10,810,527</u>	<u>10,564,667</u>	2.33%
Transfers	<u>(12,842)</u>	<u>(23,020)</u>	<u>12,842</u>	<u>23,020</u>	<u>-0-</u>	<u>-0-</u>	0.00%
Increase/(Decrease) in Net Position	<u>\$ 679,244</u>	<u>\$ 506,228</u>	<u>\$ 4,233</u>	<u>\$ 20,004</u>	<u>\$ 683,477</u>	<u>\$ 526,232</u>	29.88%

Governmental Activities

As discussed elsewhere in this commentary, greater state demands for a variety of programs and services which the state is unable to fund or to fully fund and a severe reduction in state aid has significantly affected the Board's continuing efforts to work diligently, aggressively and prudently to provide a thorough and efficient education.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented or continued during the year were:

- The District has utilized aides to assist the special education students and provide more support for those students;
- Standard practice has been to maintain lower costs by seeking competitive proposals for services even if they are below the established quote threshold.

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 Cost of Services		Net Cost of Services	
	2022/23	2021/22	2022/23	2021/22
Instruction	\$ 4,202,619	\$ 4,186,153	\$ 2,483,155	\$ 2,459,378
Pupil and Instruction Services	4,010,305	3,858,779	3,920,295	3,722,520
Administrative and Business	460,954	485,410	437,944	458,502
Maintenance and Operations	868,807	914,990	868,807	914,990
Transportation	603,854	427,153	552,501	377,097
Other	526,568	542,711	526,568	542,711
	<u>\$ 10,673,107</u>	<u>\$ 10,415,196</u>	<u>\$ 8,789,270</u>	<u>\$ 8,475,198</u>

Business-Type Activities

Net position from the District’s business-type activity increased \$4,233 (Refer to Figure A-4). This was primarily due to an increase in daily sales and a decrease in operating expenses offset by a decrease in operating grants and contributions.

Capital Assets

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Land	\$ 4,870,146	\$ 4,870,146			\$ 4,870,146	\$ 4,870,146	
Construction in Progress		398,291				398,291	
Site Improvements	7,630	9,359			7,630	9,359	
Buildings and Building Improvements	7,617,835	7,166,952			7,617,835	7,166,952	
Machinery and Equipment	79,152	91,393	\$ 430	\$ 617	79,582	92,010	
Total Capital Assets, Net	<u>\$ 12,574,763</u>	<u>\$ 12,536,141</u>	<u>\$ 430</u>	<u>\$ 617</u>	<u>\$ 12,575,193</u>	<u>\$ 12,536,758</u>	0.31%

The current year depreciation was \$311,087 and the District had \$349,522 of additions during the fiscal year. More detailed information about the District’s capital assets is presented in Note 5 to the Basic Financial Statements.

Long-term Liabilities

At year-end, the District had \$590,000 in general obligation bonds – a decrease of \$520,000 from last year – as shown in Figure A-7. More detailed information about the District’s long-term liabilities is presented in Note 7 to the Basic Financial Statements.

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2022/23	2021/22	2022/23
General Obligation Bonds	\$ 590,000	\$ 1,110,000	
Net Pension Liability	984,875	879,437	
Financed Purchases	248,898	296,802	
Other Long Term Liabilities	428,751	406,515	
	<u>\$ 2,252,524</u>	<u>\$ 2,692,754</u>	-16.35%

- The District continued to pay down its existing debt, retiring \$520,000 of bonded debt.
- The District had a net increase of \$22,236 with regard to compensated absences payable as well as an increase of \$105,438 in net pension liability.
- The District entered into \$83,194 of financed purchase agreements and paid down \$131,098 in financed purchase agreement principal during the fiscal year.

Factors Bearing on the District’s Future Revenue/Expense Changes

Several factors which impact the District's future revenue/expense changes include but are not limited to the following: the amount of state aid allocated to our District; unanticipated costs associated with special education; the negotiation of individual and group contracts and health care premiums.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers and customers 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, 1 Dyer Avenue, South Hackensack, New Jersey 07606.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 448,455	\$ 34,199	\$ 482,654
Receivables from Federal Government	63,696	1,009	64,705
Receivables from State Government	267,499	38	267,537
Restricted Cash and Cash Equivalents	1,761,341		1,761,341
Capital Assets, Net:			
Sites (Land) and Construction in Progress	4,870,146		4,870,146
Depreciable Buildings and Building Improvements and Site Improvements, Machinery and Equipment	7,704,617	430	7,705,047
Total Assets	<u>15,115,754</u>	<u>35,676</u>	<u>15,151,430</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	283,941		283,941
Total Deferred Outflows of Resources	<u>283,941</u>		<u>283,941</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	110,648		110,648
Accrued Interest Payable	9,074		9,074
Unearned Revenue	41,328		41,328
Noncurrent Liabilities:			
Due Within One Year	296,917		296,917
Due Beyond One Year	1,955,607		1,955,607
Total Liabilities	<u>2,413,574</u>		<u>2,413,574</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	345,046		345,046
Total Deferred Inflows of Resources	<u>345,046</u>		<u>345,046</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	11,735,865	430	11,736,295
Restricted for:			
Maintenance	362,226		362,226
Capital Projects	1,345,644		1,345,644
Excess Surplus	333,268		333,268
Unemployment Compensation	23,118		23,118
Student Activities	7,393		7,393
Scholarships	22,960		22,960
Unrestricted/(Deficit)	(1,189,399)	35,246	(1,154,153)
Total Net Position	<u>\$ 12,641,075</u>	<u>\$ 35,676</u>	<u>\$ 12,676,751</u>

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			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	\$ 3,143,180	\$ 1,600	\$ 909,878	\$ (2,231,702)		\$ (2,231,702)
Special Education	576,222		717,468	141,246		141,246
Other Special Instruction	321,516		63,604	(257,912)		(257,912)
Other Instruction	161,701		26,914	(134,787)		(134,787)
Support Services:						
Tuition	2,987,131			(2,987,131)		(2,987,131)
Student & Instruction Related Services	1,023,174	26,392	63,618	(933,164)		(933,164)
General Administrative Services	234,830			(234,830)		(234,830)
School Administrative Services	115,295		23,010	(92,285)		(92,285)
Central Services	110,829			(110,829)		(110,829)
Plant Operations and Maintenance	774,543			(774,543)		(774,543)
Administration Information Technology	94,264			(94,264)		(94,264)
Pupil Transportation	603,854		51,353	(552,501)		(552,501)
Capital Outlay	172,806			(172,806)		(172,806)
Transfer of Funds to Charter School	17,908			(17,908)		(17,908)
Interest on Long-Term Liabilities	37,195			(37,195)		(37,195)
Unallocated Depreciation	298,659			(298,659)		(298,659)
Total Governmental Activities	\$ 10,673,107	\$ 27,992	\$ 1,855,845	\$ (8,789,270)		\$ (8,789,270)

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			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:						
Food Service Program	\$ 78,956	\$ 6,164	\$ 54,406		\$ (18,386)	\$ (18,386)
After School Program	58,464	66,477			8,013	8,013
Total Business-Type Activities	137,420	72,641	54,406		(10,373)	(10,373)
Total Primary Government	\$ 10,810,527	\$ 100,633	\$ 1,910,251	\$ (8,789,270)	\$ (10,373)	\$ (8,799,643)
General Revenues and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 8,471,228	\$	\$ 8,471,228
Taxes Levied for Debt Service				564,995		564,995
Federal and State Aid not Restricted				37,349		37,349
Interest and Miscellaneous Income				407,784	\$ 1,764	409,548
Transfers				(12,842)	12,842	
Total General Revenues and Transfers				9,468,514	14,606	9,483,120
Change in Net Position				679,244	4,233	683,477
Net Position - Beginning				11,961,831	31,443	11,993,274
Net Position - Ending				\$ 12,641,075	\$ 35,676	\$ 12,676,751

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

FUND FINANCIAL STATEMENTS

SOUTH HACKENSACK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 448,455		\$ 448,455
Interfund Receivables	22,368		22,368
Receivables from Federal Government		\$ 63,696	63,696
Receivables from State Government	267,499		267,499
Restricted Cash and Cash Equivalents	<u>1,730,988</u>	<u>30,353</u>	<u>1,761,341</u>
Total Assets	<u>\$ 2,469,310</u>	<u>\$ 94,049</u>	<u>\$ 2,563,359</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 12,737		\$ 12,737
Interfund Payable		\$ 22,368	22,368
Unearned Revenue		<u>41,328</u>	<u>41,328</u>
Total Liabilities	<u>12,737</u>	<u>63,696</u>	<u>76,433</u>
Fund Balances:			
Restricted:			
Maintenance Reserve	362,226		362,226
Capital Reserve	1,345,644		1,345,644
Unemployment Compensation	23,118		23,118
Student Activities		7,393	7,393
Scholarships		22,960	22,960
Excess Surplus - 2024-2025	201,844		201,844
Excess Surplus - 2023-2024	131,424		131,424
Assigned:			
Designated for Subsequent Year's Expenditures	68,576		68,576
Unassigned	<u>323,741</u>		<u>323,741</u>
Total Fund Balances	<u>2,456,573</u>	<u>30,353</u>	<u>2,486,926</u>
Total Liabilities and Fund Balances	<u>\$ 2,469,310</u>	<u>\$ 94,049</u>	<u>\$ 2,563,359</u>

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

Total Fund Balances From Above	\$ 2,486,926
Capital Assets Used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	12,574,763
Interest on Long-Term Liabilities is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(9,074)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(984,875)

SOUTH HACKENSACK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

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	\$ 186,030
Deferred Inflows	(345,046)

Long-Term Liabilities, including Bonds Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	<u>(1,267,649)</u>
--	--------------------

Net Position of Governmental Activities	<u>\$ 12,641,075</u>
---	----------------------

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 8,471,228		\$ 564,995	\$ 9,036,223
Tuition	1,600			1,600
Restricted Miscellaneous Revenue	6,484	\$ 38,502		44,986
Unrestricted Miscellaneous Revenue	389,190			389,190
Total - Local Sources	<u>8,868,502</u>	<u>38,502</u>	<u>564,995</u>	<u>9,471,999</u>
State Sources	2,148,033			2,148,033
Federal Sources		341,396		341,396
Total Revenues	<u>11,016,535</u>	<u>379,898</u>	<u>564,995</u>	<u>11,961,428</u>
EXPENDITURES				
Current:				
Regular Instruction	2,074,552	273,658		2,348,210
Special Education Instruction	326,216	73,905		400,121
Other Special Instruction	214,043			214,043
Other Instruction	116,222			116,222
Support Services and Undistributed Costs:				
Tuition	2,987,131			2,987,131
Student & Instruction Related Services	806,700	26,392		833,092
General Administrative Services	207,185			207,185
School Administrative Services	75,217			75,217
Central Services	94,137			94,137
Plant Operations and Maintenance	786,958			786,958
Pupil Transportation	603,854			603,854

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES				
Unallocated Benefits	\$ 2,406,890			\$ 2,406,890
Debt Service:				
Principal			\$ 520,000	520,000
Interest and Other Charges			44,995	44,995
Capital Outlay	522,328			522,328
Transfer of Funds to Charter Schools	17,908			17,908
Total Expenditures	<u>11,239,341</u>	<u>\$ 373,955</u>	<u>564,995</u>	<u>12,178,291</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(222,806)</u>	<u>5,943</u>		<u>(216,863)</u>
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(12,842)			(12,842)
Financed Purchases (Non-Budgeted)	83,194			83,194
Total Other Financing Sources/(Uses)	<u>70,352</u>			<u>70,352</u>
Net Change in Fund Balances	<u>(152,454)</u>	<u>5,943</u>		<u>(146,511)</u>
Fund Balance—July 1	<u>2,609,027</u>	<u>24,410</u>		<u>2,633,437</u>
Fund Balance—June 30	<u>\$ 2,456,573</u>	<u>\$ 30,353</u>	<u>\$ -0-</u>	<u>\$ 2,486,926</u>

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

SOUTH HACKENSACK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (146,511)

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit 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 capital outlays differ from depreciation in the period.

Depreciation expense	\$ (310,900)
Capital Asset Additions	349,522
	38,622

Repayment of bond principal and financed purchases 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. 651,098

In the statement of activities, interest on long-term liabilities in the statement of activities is 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 (+). 7,800

Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities. (83,194)

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	(105,438)
Changes in Deferred Outflows	(18,411)
Changes in Deferred Inflows	357,514

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(22,236)

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 679,244

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities- Enterprise Funds
	Non-Major Funds
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 34,199
Accounts Receivable:	
Federal	1,009
State	38
	35,246
Total Current Assets	35,246
Capital Assets:	
Machinery and Equipment	2,960
Less: Accumulated Depreciation	(2,530)
	430
Total Capital Assets	430
Total Assets	35,676
NET POSITION:	
Investment in Capital Assets	430
Unrestricted	35,246
	35,676
Total Net Position	\$ 35,676

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds <u>Non-Major Funds</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 6,164
After School Program	66,477
	<hr/>
Total Operating Revenue	72,641
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	29,416
Salaries, Benefits & Payroll Taxes	85,282
Depreciation	187
Miscellaneous Expenses	22,535
	<hr/>
Total Operating Expenses	137,420
	<hr/>
Operating Loss	(64,779)
Non-Operating Revenue:	
Federal Sources:	
School Breakfast Program	1,148
National School Lunch Program	25,320
Supply Chain Assistance	26,922
State Sources:	
School Breakfast Program	4
School Lunch Program	1,012
Local Sources:	
Interest Revenue	1,764
	<hr/>
Total Non-Operating Revenue	56,170
	<hr/>
Change in Net Position before Transfers	(8,609)
Transfers In:	
General Fund - Board Contribution	12,842
	<hr/>
Change in Net Position after Transfers	4,233
Net Position - Beginning of Year	31,443
	<hr/>
Net Position - End of Year	\$ 35,676
	<hr/> <hr/>

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds Non-Major Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 72,641
Payments to Employees	(85,282)
Payments to Suppliers	(51,951)
	(64,592)
Net Cash Used for Operating Activities	(64,592)
Cash Flows from Investing Activities:	
Interest Revenue	1,764
	1,764
Net Cash Provided by Investing Activities	1,764
Cash Flows from Noncapital Financing Activities:	
Board Contribution	12,842
Federal Sources	57,117
State Sources	1,071
	71,030
Net Cash Provided by Noncapital Financing Activities	71,030
Net Increase in Cash and Cash Equivalents	8,202
Cash and Cash Equivalents, July 1	25,997
Cash and Cash Equivalents, June 30	\$ 34,199
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (64,779)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	187
	187
Net Cash Used for Operating Activities	\$ (64,592)

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

SOUTH HACKENSACK SCHOOL DISTRICT
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)

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:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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)

The District reports the following governmental funds: (Cont'd)

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). 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 (Food Service and After School Program) Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria and after school operations. The food service fund and after school program fund are 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. Nonexchange 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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 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 and scholarships. 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 11,014,759	\$ 379,898
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	26,009	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(24,233)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 11,016,535	\$ 379,898
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,239,341	\$ 373,955
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 11,239,341	\$ 373,955

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.

SOUTH HACKENSACK SCHOOL DISTRICT
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.

SOUTH HACKENSACK SCHOOL DISTRICT
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. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	30 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 is 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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 premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. 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 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. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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 \$2,456,573 General Fund fund balance at June 30, 2023, \$362,226 is restricted in the maintenance reserve account; \$1,345,644 is restricted in the capital reserve account; \$23,118 is restricted in the unemployment compensation reserve account; \$201,844 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$131,424 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024, \$68,576 is assigned for subsequent year's expenditures and \$323,741 is unassigned fund balance which is \$24,233 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until fiscal year ended June 30, 2024.

Special Revenue Fund: Of the \$30,353 Special Revenue Fund fund balance at June 30, 2023, \$7,393 is restricted for student activities and \$22,960 is restricted for scholarships.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance 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 has excess surplus in the fiscal year ending June 30, 2023 as noted above.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related 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 these last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amount 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

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

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 designated for subsequent year's expenditures in the General Fund at June 30, 2023.

V. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,189,399 in governmental activities, which is primarily a result of accrued interest payable, compensated absences payable, net pension liability, and the related deferred inflows and outflows. This deficit does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

W. Net Position:

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
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 are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for milk, breakfast and lunch as well as for after school program fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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 Board 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 formal cash management plan, the Board 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 Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed in the Investment section of this note.

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 permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board 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 District 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;

SOUTH HACKENSACK SCHOOL DISTRICT
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;

SOUTH HACKENSACK SCHOOL DISTRICT
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)

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

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

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 482,654</u>	<u>\$ 1,761,341</u>	<u>\$ 2,243,995</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$2,243,995 and the bank balance was \$2,720,765.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District did not make any transfers to the capital outlay accounts.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,870,146			\$ 4,870,146
Construction in Progress	398,291	\$ 349,522	\$ (747,813)	
Total Capital Assets Not Being Depreciated	<u>5,268,437</u>	<u>349,522</u>	<u>(747,813)</u>	<u>4,870,146</u>
Capital Assets Being Depreciated:				
Site Improvements	78,914			78,914
Buildings and Building Improvements	12,402,462		747,813	13,150,275
Machinery and Equipment	801,928			801,928
Total Capital Assets Being Depreciated	<u>13,283,304</u>		<u>747,813</u>	<u>14,031,117</u>
Governmental Activities Capital Assets	<u>18,551,741</u>	<u>349,522</u>		<u>18,901,263</u>
Less Accumulated Depreciation for:				
Site Improvements	(69,555)	(1,729)		(71,284)
Buildings and Building Improvements	(5,235,510)	(296,930)		(5,532,440)
Machinery and Equipment	(710,535)	(12,241)		(722,776)
	<u>(6,015,600)</u>	<u>(310,900)</u>		<u>(6,326,500)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,536,141</u>	<u>\$ 38,622</u>	<u>\$ -0-</u>	<u>\$ 12,574,763</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 2,960			\$ 2,960
Less Accumulated Depreciation	(2,343)	\$ (187)		(2,530)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 617</u>	<u>\$ (187)</u>	<u>\$ -0-</u>	<u>\$ 430</u>
Total Governmental & Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,536,758</u>	<u>\$ 38,435</u>	<u>\$ -0-</u>	<u>\$ 12,575,193</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,669
Student and Instruction Related Services	192
General Administrative Services	419
Plant Operations and Maintenance	9,961
Unallocated	<u>298,659</u>
	<u>\$ 310,900</u>

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$300,000 was established by the South Hackensack School District by board resolution on June 28, 2011. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

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

Balance at June 30, 2022	\$	329,726
Increased by Board Resolution June 2023		100,000
Interest Earnings		500
Less: Budgeted Withdrawal		(50,000)
Less: Board Approved Withdrawal		(18,000)
Balance at June 30, 2023	\$	362,226

NOTE 7. LONG-TERM LIABILITIES

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

	Balance 6/30/2022	Added	Retired	Balance 6/30/2023	Due within One Year
Serial Bonds Payable	\$ 1,110,000		\$ 520,000	\$ 590,000	\$ 190,000
Net Pension Liability	879,437	\$ 105,438		984,875	
Financed Purchases Payable	296,802	83,194	131,098	248,898	106,917
Compensated Absences Payable	406,515	22,236		428,751	
	\$ 2,692,754	\$ 210,868	\$ 651,098	\$ 2,252,524	\$ 296,917

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

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 are liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds of 2006	02/15/26	4.000% - 4.150%	<u>\$ 590,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 190,000	\$ 24,195	\$ 214,195
2025	200,000	16,500	216,500
2026	200,000	8,300	208,300
	<u>\$ 590,000</u>	<u>\$ 48,995</u>	<u>\$ 638,995</u>

B. Bonds Authorized But Not Issued:

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

C. Financed Purchase Payable

The District has financed purchases agreements for various technology equipment. The finance purchase agreements are for terms of five years. The following is a schedule of the future minimum finance purchase payments under these financed purchases, and the present value of the net minimum financed purchases payments at June 30, 2023.

<u>Year</u>	<u>Amount</u>
2024	\$ 121,257
2025	81,891
2026	57,972
2027	15,127
Total Minimum Finance Purchase Payments	<u>276,247</u>
Less: Amount representing interest	<u>(27,349)</u>
Present value of net minimum financed purchase payments	<u>\$ 248,898</u>

The current portion of financed purchases payable at June 30, 2023 is \$106,917, the long term portion payable is \$141,981. Financed Purchase agreements will be liquidated through the General Fund.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. There is no current portion of the liability for compensated absences. The entire \$428,751 is a long-term portion.

There was no liability for compensated absences payable in the District's Enterprise Funds at June 30, 2023.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the 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 \$984,875. See Note 8 for more information on the PERS.

NOTE 8. 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.

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.

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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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. 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 \$85,384 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$2,072 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District's liability was \$984,875 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 0.00653%, which was a decrease 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 in the amount of \$151,368 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 \$2,072 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.

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Year of</u> <u>Deferral</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions	2018	5.63		\$ 23,674
	2019	5.21		29,585
	2020	5.16		86,996
	2021	5.13		7,220
	2022	5.04	\$ 3,051	
			<u>3,051</u>	<u>147,475</u>
Difference Between Expected and Actual Experience	2018	5.63		902
	2019	5.21	2,261	
	2020	5.16	4,847	
	2021	5.13		2,427
	2022	5.04		2,940
			<u>7,108</u>	<u>6,269</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	975	
	2020	5.00	29,277	
	2021	5.00	(182,613)	
	2022	5.00	193,124	
				<u>40,763</u>
Changes in Proportion	2018	5.63		49,835
	2019	5.21		4,623
	2020	5.16	53,786	
	2021	5.13	81,322	
	2022	5.04		136,844
			<u>135,108</u>	<u>191,302</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	97,911	
			<u>\$ 283,941</u>	<u>\$ 345,046</u>

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 measurement date) related to pensions will be recognized in the pension benefit as shown on the following page.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (84,482)
2024	(43,041)
2025	(20,990)
2026	45,792
2027	(101)
	\$ (102,822)

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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,265,276	\$ 984,875	\$ 746,243

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.

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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 2 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching 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 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 member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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 \$949,436 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$252,875.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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 \$10,209,462. 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 0.0198%, which was a decrease of 0.001% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	10,209,462
Total	<u>\$ 10,209,462</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$252,875 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 sources on the following page.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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)

	Year of Deferral	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
	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		18,009,041
			699,820,974	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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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 TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. 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	\$ 11,970,812	\$ 10,209,462	\$ 8,725,747

Pension Plan Fiduciary Net Position

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

NOTE 9. 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 Benefit Plan.

Property and Liability Insurance

The District maintains commercial insurance coverage for surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared. Selected financial information for the SAIF as of June 30, 2023 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 55,099,784
Net Position	\$ 19,896,776
Total Revenue	\$ 53,694,497
Total Expenses	\$ 54,788,356
Change in Net Position	\$ (1,093,859)
Member Dividends	\$ -0-

Financial Statements for SAIF are available at SAIF's Executive Director's Office:

Risk and Loss Managers Inc.
51 Everett Drive, Suite B-40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2022-2023	\$ -0-	\$ 852	\$ 5,632	\$ 12,498	\$ 23,118
2021-2022	-0-	45	5,472	29	29,132
2020-2021	-0-	12	5,684	4,908	23,644

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. 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 11. 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:

Lincoln Investment Planning Inc.
Fidelity Investments

NOTE 12. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the School District on a predetermined, agreed-upon schedule.

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2023 were as follows:

	Governmental Funds	District Contribution	Total
	General Fund	Subsequent to Measurement Date	Governmental Activities
Vendors	\$ 7,374		\$ 7,374
Payroll Deductions and Withholdings	5,363		5,363
Due to State of New Jersey		\$ 97,911	97,911
	\$ 12,737	\$ 97,911	\$ 110,648

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in claims or lawsuits arising in the normal course of business, including a claim regarding employment matters. The Board does not believe that the ultimate outcome of these cases will have a material adverse effect on the District’s financial position.

Grant Programs

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

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its \$5,290,000 School Bonds dated February 15, 2003, its \$3,195,000 School Bonds dated February 15, 2006. The amount of liability at June 30, 2023, if any, is unknown.

Encumbrances

At June 30, 2023, there were no encumbrances in the governmental funds. All of the governmental funds are considered to be major funds.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

	Interfund Receivable	Interfund Payable
General Fund	\$ 22,368	
Special Revenue		\$ 22,368
	\$ 22,368	\$ 22,368

The interfund receivable in the General Fund is due to the cash deficit in the Special Revenue Fund due to the delay between the request and receipt of reimbursements on federal grants.

NOTE 16. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$50,000 on June 9, 2014 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. CAPITAL RESERVE ACCOUNT (Cont'd)

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

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

Balance July 1, 2022	\$	1,040,644
Increased by Board Resolution June 2023		375,000
Interest Earnings		1,000
Less: Budgeted Withdrawal		<u>(71,000)</u>
 Balance June 30, 2023	 \$	 <u>1,345,644</u>

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

NOTE 17. 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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>.

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	213,148
Total	364,817

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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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

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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 10,766,445
Changes for Year:	
Service Cost	603,761
Interest on the Total OPEB Liability	235,924
Differences between Expected and Actual Experiences	(89,346)
Changes of Assumptions	(2,388,158)
Gross Benefit Payments by the State	(233,690)
Contributions from Members	7,497
Net Changes	(1,864,012)
Balance at June 30, 2022	\$ 8,902,433

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	\$ 10,463,874	\$ 8,902,433	\$ 7,651,016

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:

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate (Cont'd)

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 7,358,405	\$ 8,902,433	\$ 10,930,608
<u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>			

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$331,311 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		\$ 462,224
	2018	9.51		441,093
	2019	9.29	\$ 62,276	
	2020	9.24	1,470,356	
	2021	9.24	8,154	
	2022	9.13		2,126,585
				1,540,786
Differences between Expected and Actual Experience	2018	9.51		416,970
	2019	9.29		732,988
	2020	9.24	1,370,430	
	2021	9.24		1,568,058
	2022	9.13	219,007	
				1,589,437
Changes in Proportion	N/A	N/A	147,207	564,487
			\$ 3,277,430	\$ 6,312,405

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (442,455)
2024	(442,455)
2025	(442,455)
2026	(382,392)
2027	(218,657)
Thereafter	(689,281)
	\$ (2,617,695)

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH HACKENSACK SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S 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	0.0082734344%	0.0089647725%	0.0090441571%	0.0083041413%	0.0063296935%	0.0062417663%	0.0068124713%	0.0074236014%	0.0065260798%	
District's proportionate share of the net pension liability	\$ 1,549,013	\$ 2,012,412	\$ 2,678,620	\$ 1,933,071	\$ 1,246,285	\$ 1,124,672	\$ 1,110,936	\$ 879,437	\$ 984,875	
District's covered employee payroll	\$ 602,220	\$ 614,510	\$ 598,518	\$ 464,668	\$ 565,500	\$ 487,782	\$ 498,576	\$ 413,878	\$ 565,858	
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	257.22%	327.48%	447.54%	416.01%	220.39%	230.57%	222.82%	212.49%	174.05%	
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%	58.32%	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.

SOUTH HACKENSACK SCHOOL DISTRICT
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	\$ 68,205	\$ 79,814	\$ 84,488	\$ 83,466	\$ 62,960	\$ 63,929	\$ 77,375	\$ 123,893	\$ 85,384
Contributions in relation to the contractually required contribution	(68,205)	(79,814)	(84,488)	(83,466)	(62,960)	(63,929)	(77,375)	(123,893)	(85,384)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 614,510	\$ 598,518	\$ 464,668	\$ 565,500	\$ 487,782	\$ 498,576	\$ 413,878	\$ 565,858	\$ 543,222
Contributions as a percentage of covered employee payroll	11.10%	13.34%	18.18%	14.76%	12.91%	12.82%	18.70%	21.89%	15.72%

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

SOUTH HACKENSACK SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY ASSOCIATED WITH 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	0.0187787499%	0.0199339075%	0.0181713221%	0.0188570801%	0.0188747089%	0.0187086873%	0.0201925020%	0.0208326023%	0.0197879213%
State's proportionate share of the net pension liability attributable to the District	\$ 10,036,631	\$ 12,599,081	\$ 14,294,719	\$ 12,714,123	\$ 12,007,684	\$ 11,481,698	\$ 13,296,520	\$ 10,015,313	\$ 10,209,462
District's covered employee payroll	\$ 1,814,797	\$ 1,851,834	\$ 1,926,453	\$ 1,923,384	\$ 2,020,583	\$ 2,302,881	\$ 2,384,871	\$ 2,623,409	\$ 2,846,743
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	553.04%	680.36%	742.02%	661.03%	594.27%	498.58%	557.54%	381.77%	358.64%
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.

SOUTH HACKENSACK SCHOOL DISTRICT
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	2023
Contractually required contribution	\$ 540,065	\$ 769,287	\$ 1,074,049	\$ 880,770	\$ 700,006	\$ 677,221	\$ 826,834	\$ 235,665	\$ 274,765
Contributions in relation to the contractually required contribution	(107,770)	(139,991)	(145,486)	(277,959)	(367,955)	(442,899)	(605,578)	(814,600)	(949,436)
Contribution deficiency/(excess)	\$ 432,295	\$ 629,296	\$ 928,563	\$ 602,811	\$ 332,051	\$ 234,322	\$ 221,256	\$ (578,935)	\$ (674,671)
District's covered employee payroll	\$ 1,851,834	\$ 1,926,453	\$ 1,923,384	\$ 2,020,583	\$ 2,302,881	\$ 2,384,871	\$ 2,623,409	\$ 2,846,743	\$ 2,847,924
Contributions as a percentage of covered employee payroll	5.82%	7.27%	7.56%	13.76%	15.98%	18.57%	23.08%	28.62%	33.34%

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

SOUTH HACKENSACK SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 529,173	\$ 437,893	\$ 355,077	\$ 354,307	\$ 690,394	\$ 603,761
Interest Cost	317,753	369,998	336,994	274,876	279,293	235,924
Changes of Benefit Terms					(11,460)	
Differences between Expected and Actual Experiences		(1,158,624)	(1,444,293)	1,772,823	(1,978,789)	(89,346)
Changes in Assumptions	(1,349,058)	(971,390)	113,311	2,190,024	10,622	(2,388,158)
Member Contributions	8,534	7,823	6,915	6,326	7,140	7,497
Gross Benefit Payments	(231,750)	(226,348)	(233,286)	(208,723)	(220,005)	(233,690)
Net Change in Total OPEB Liability	(725,348)	(1,540,648)	(865,282)	4,389,633	(1,222,805)	(1,864,012)
Total OPEB Liability - Beginning	10,730,895	10,005,547	8,464,899	7,599,617	11,989,250	10,766,445
Total OPEB Liability - Ending	<u>\$ 10,005,547</u>	<u>\$ 8,464,899</u>	<u>\$ 7,599,617</u>	<u>\$ 11,989,250</u>	<u>\$ 10,766,445</u>	<u>\$ 8,902,433</u>
District's Covered Employee Payroll *	\$ 2,388,052	\$ 2,485,251	\$ 2,868,381	\$ 2,872,653	\$ 3,121,985	\$ 3,260,621
Total OPEB Liability as a Percentage of Covered Employee Payroll	394%	429%	398%	395%	395%	395%

* - 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.

SOUTH HACKENSACK SCHOOL DISTRICT
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.

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.

SOUTH HACKENSACK SCHOOL DISTRICT
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 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

SOUTH HACKENSACK SCHOOL DISTRICT
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	\$ 8,471,228		\$ 8,471,228	\$ 8,471,228	
Tuition From Individuals	1,600		1,600	1,600	
Unrestricted Miscellaneous Revenues	244,600		244,600	387,690	\$ 143,090
Interest Earned on Capital Reserve	1,000		1,000	1,000	
Interest Earned on Maintenance Reserve	500		500	500	
Other Restricted Miscellaneous Revenues				6,484	6,484
Total Revenues from Local Sources	8,718,928		8,718,928	8,868,502	149,574
Revenues from State Sources:					
Categorical Transportation Aid	47,149		47,149	47,149	
Extraordinary Aid	150,000		150,000	244,230	94,230
Categorical Special Education Aid	295,991		295,991	295,991	
Equalization Aid	99,417		99,417	99,417	
Categorical Security Aid	36,988		36,988	36,988	
Other State Aids				3,744	3,744
TPAF Post Retirement Contributions (Non-Budgeted)				252,875	252,875
TPAF Pension Contributions (Non-Budgeted)				949,436	949,436
TPAF Non-Contributory Insurance (Non-Budgeted)				13,172	13,172
TPAF Long-Term Disability Insurance (Non-Budgeted)				333	333
Reimbursed TPAF Social Security Contributions				202,922	202,922
Total Revenues from State Sources	629,545		629,545	2,146,257	1,516,712
TOTAL REVENUE	9,348,473		9,348,473	11,014,759	1,666,286

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 95,682	\$ (9,912)	\$ 85,770	\$ 85,770	
Kindergarten - Salaries of Teachers	185,847	(6,106)	179,741	161,049	\$ 18,692
Grades 1-5 - Salaries of Teachers	838,448	(6,214)	832,234	786,976	45,258
Grades 6-8 - Salaries of Teachers	596,463	22,883	619,346	609,396	9,950
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000		2,000	1,000	1,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	79,619	(8,700)	70,919	66,467	4,452
Purchased Professional-Educational Services	137,182		137,182	131,907	5,275
Purchased Technical Services	64,949	26,510	91,459	90,843	616
Other Purchased Services (400-500 series)	99,805	(3,932)	95,873	95,525	348
General Supplies	75,500	(36,483)	39,017	36,490	2,527
Textbooks	30,000	(21,695)	8,305	7,923	382
Other Objects	5,500	(2,400)	3,100	1,206	1,894
Total Regular Programs - Instruction	2,210,995	(46,049)	2,164,946	2,074,552	90,394
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	336,216		336,216	326,216	10,000
Total Resource Room/Resource Center	336,216		336,216	326,216	10,000
TOTAL SPECIAL EDUCATION - INSTRUCTION	336,216		336,216	326,216	10,000
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	115,099	8,048	123,147	123,147	
Total Basic Skills/Remedial - Instruction	115,099	8,048	123,147	123,147	

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 90,896		\$ 90,896	\$ 90,896	\$ 500
General Supplies	500		500		500
Total Bilingual Education - Instruction	91,396		91,396	90,896	
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	66,000	\$ 11,600	77,600	77,600	
Purchased Services (300-500 series)	28,500	(6,009)	22,491	18,220	4,271
Supplies and Materials	20,000	(5,591)	14,409	13,054	1,355
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	114,500		114,500	108,874	5,626
Summer School - Instruction:					
Salaries of Teachers	15,000		15,000	7,348	7,652
Total Summer School - Instruction	15,000		15,000	7,348	7,652
TOTAL INSTRUCTION	2,883,206	(38,001)	2,845,205	2,731,033	114,172
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	1,301,586	(389,561)	912,025	900,336	11,689
Tuition to Other LEAs Within the State-Special	1,406,602	11,659	1,418,261	1,418,261	
Tuition to County Voc. School Dist.-Regular	99,540	65,295	164,835	154,077	10,758
Tuition to County Voc. School Dist.-Special	149,976	(9,990)	139,986	139,986	
Tuition to CSSD & Reg. Day Schools	180,854	125,082	305,936	304,613	1,323
Tuition to Priv. Sch. for the Handicap. W/I State		76,393	76,393	69,858	6,535
Total Undistributed Expenditures - Instruction	3,138,558	(121,122)	3,017,436	2,987,131	30,305
Undistributed Expend. - Attend. & Social Work:					
Salaries	6,463		6,463	6,462	1
Total Undist. Expend. - Attendance and Social Work	6,463		6,463	6,462	1

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 91,399	\$ (88,096)	\$ 3,303	\$ 3,255	\$ 48
Purchased Professional and Technical Services	7,000	112,324	119,324	119,324	20
Other Purchased Services (400-500 series)	500		500	480	1,307
Supplies and Materials	3,000		3,000	1,693	1,375
Total Undist. Expenditures - Health Services	101,899	24,228	126,127	124,752	
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	65,630		65,630	65,630	1,783
Purchased Professional - Educational Services	90,300		90,300	88,517	352
Supplies and Materials	500		500	148	2,135
Total Undist. Expend. - Speech, OT, PT, Related Svcs	156,430		156,430	154,295	
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	113,405		113,405	97,809	15,596
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	113,405		113,405	97,809	15,596
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	178,688		178,688	178,688	9,928
Other Purchased Prof. and Tech. Services	60,000	4,544	64,544	54,616	717
Supplies and Materials	4,000	(1,100)	2,900	2,183	5
Other Objects		1,100	1,100	1,095	
Total Undist Expend. - Child Study Team	242,688	4,544	247,232	236,582	10,650
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	120,000		120,000	110,500	9,500
Salaries of Secretarial and Clerical Assistants	29,966		29,966	29,966	3,155
Supplies and Materials	5,000	(1,845)	3,155	1,845	
Other Objects		1,845	1,845	1,845	
Total Undist. Expend.-Improv. of Inst. Serv.	154,966		154,966	142,311	12,655
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	93,372		93,372	37,349	56,023
Supplies and Materials	1,000		1,000	127	873
Total Undist Expend.-Edu. Media Serv./Sch. Library	94,372		94,372	37,476	56,896

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Service	\$ 7,445		\$ 7,445	\$ 7,013	\$ 432
Total Undist. Expend. - Instructional Staff Training Services	7,445		7,445	7,013	432
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	121,861		121,861	121,861	
Legal Services	10,000	\$ 13,530	23,530	21,525	2,005
Audit Fees	30,000	365	30,365	30,365	
Other Purchased Professional Services	17,860	2,951	20,811	16,265	4,546
Communications / Telephone	7,927	(2,219)	5,708	5,705	3
Other Purch. Serv. (400-500 series other than 530 & 585)	5,200	(2,846)	2,354	2,354	
General Supplies	1,000	(563)	437	425	12
Judgments Against The School District		4,415	4,415	837	3,578
Miscellaneous Expenditures	5,000	(1,101)	3,899	3,899	
BOE Membership Dues and Fees	4,000	(50)	3,950	3,949	1
Total Undist. Expend. - Support Serv. - Gen. Admin.	202,848	14,482	217,330	207,185	10,145
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	72,624		72,624	72,624	
Other Purchased Services (400-500 series)	8,000	(4,191)	3,809		3,809
Supplies and Materials	2,000	607	2,607	2,593	14
Total Undist. Expend. - Support Serv. - School Adm.	82,624	(3,584)	79,040	75,217	3,823
Undist. Expend. - Central Services:					
Salaries	76,198	180	76,378	76,378	
Purchased Professional Services	500	(165)	335	335	
Purchased Technical Services	17,744	(1,614)	16,130	13,868	2,262
Miscellaneous Purchased Services (400-500 series other than 594)	1,500	1,550	3,050	3,050	
Supplies and Materials	1,500	(850)	650	506	144
Other Objects	500		500		500
Total Undist. Expend. - Central Services	97,942	(899)	97,043	94,137	2,906
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	1,500		1,500		1,500
Supplies and Materials	1,500		1,500		1,500
Total Undist. Expend. - Admin. Info. Technology	3,000		3,000		3,000

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	\$ 173,201	\$ 9,258	\$ 182,459	\$ 168,303	\$ 14,156
General Supplies	10,000	(2,441)	7,559	7,186	373
Total Undist. Expend.- Required Maint. for School Facilities	<u>183,201</u>	<u>6,817</u>	<u>190,018</u>	<u>175,489</u>	<u>14,529</u>
Undist. Expend.-Custodial Services:					
Salaries	316,627	481	317,108	304,704	12,404
Salaries of Non-Instructional Aides	23,625	(23,625)			
Purchased Professional and Technical Services	1,000	1,500	2,500	2,175	325
Cleaning, Repair, and Maintenance Services	10,000	4,159	14,159	14,020	139
Other Purchased Property Services	19,000	(4,000)	15,000	14,426	574
Insurance	57,818	15,422	73,240	73,240	
Miscellaneous Purchased Services	5,000	(909)	4,091	3,719	372
General Supplies	15,000	2,670	17,670	16,809	861
Energy (Electricity)	120,000	(12,202)	108,565	104,975	3,590
Other Objects	2,000	(12,199)	2,200	2,014	186
Total Undist. Expend.-Custodial Services	<u>570,070</u>	<u>(15,537)</u>	<u>554,533</u>	<u>536,082</u>	<u>18,451</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	8,000	1,307	9,307	9,142	165
General Supplies	2,500	(2,307)	193	193	
Total Care And Upkeep Of Grounds	<u>10,500</u>	<u>(1,000)</u>	<u>9,500</u>	<u>9,142</u>	<u>358</u>
Security:					
Salaries		24,640	24,640	24,640	
Purchased Professional and Technical Services	31,420	2,227	33,647	33,646	1
Cleaning, Repair, and Maintenance Services	2,500	2,059	4,559	4,165	394
General Supplies	5,000	(1,206)	3,794	3,794	
Total Security	<u>38,920</u>	<u>27,720</u>	<u>66,640</u>	<u>66,245</u>	<u>395</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>802,691</u>	<u>18,000</u>	<u>820,691</u>	<u>786,958</u>	<u>33,733</u>

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Contract Serv. - Aid in Lieu of Payments-Nonpublic Studis	\$ 18,000	\$ (5,600)	\$ 12,400	\$ 12,400	\$ 4,930
Contract Serv.(Bet. Home & Sch.)-Vendors	194,488	31,185	225,673	220,743	8,216
Contract Serv.(Oth. than Bet. Home & Sch.)-Vend.	15,000		15,000	6,784	1,005
Contract Serv.(Reg. Students)-ESCs & CTSA	51,347	54,342	105,689	104,684	
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA	176,021	83,222	259,243	259,243	
Total Undist. Expend.-Student Trans. Serv.	<u>454,856</u>	<u>163,149</u>	<u>618,005</u>	<u>603,854</u>	<u>14,151</u>
UNALLOCATED BENEFITS					
Social Security Contributions	65,000	(1,443)	63,557	54,801	8,756
Other Retirement Contributions - PERS	94,917	(9,533)	85,384	85,384	
Unemployment Compensation	5,000	(5,000)			
Workers Compensation	28,350	1,563	29,913	29,913	
Health Benefits	833,008	(36,181)	796,827	751,556	45,271
Tuition Reimbursement	10,000	(6,400)	3,600	3,600	
Other Employee Benefits	22,904	39,996	62,900	62,898	2
TOTAL UNALLOCATED BENEFITS	<u>1,059,179</u>	<u>(16,998)</u>	<u>1,042,181</u>	<u>988,152</u>	<u>54,029</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				252,875	(252,875)
TPAF Pension Contributions (Non-Budgeted)				949,436	(949,436)
TPAF Non-Contributory Insurance (Non-Budgeted)				13,172	(13,172)
TPAF Long-Term Disability Insurance (Non-Budgeted)				333	(333)
Reimbursed TPAF Social Security Contributions				202,922	(202,922)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>1,418,738</u>	<u>(1,418,738)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>1,059,179</u>	<u>(16,998)</u>	<u>1,042,181</u>	<u>2,406,890</u>	<u>(1,364,709)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>6,719,366</u>	<u>81,800</u>	<u>6,801,166</u>	<u>7,968,072</u>	<u>(1,166,906)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>9,602,572</u>	<u>43,799</u>	<u>9,646,371</u>	<u>10,699,105</u>	<u>(1,052,734)</u>

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.:					
Construction Services	\$ 349,522	\$ (349,522)	\$	\$	\$
Supplies and Materials	71,000	349,522	420,522	420,178	344
Assessment for Debt Service on SDA Funding	18,956		18,956	18,956	
Total Facilities Acquisition and Const. Serv.	439,478		439,478	439,134	344
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				83,194	(83,194)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				83,194	(83,194)
TOTAL CAPITAL OUTLAY	439,478		439,478	522,328	(82,850)
Transfer of Funds to Charter Schools	43,707	(25,799)	17,908	17,908	
	43,707	(25,799)	17,908	17,908	
TOTAL EXPENDITURES	10,085,757	18,000	10,103,757	11,239,341	(1,135,584)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(737,284)	(18,000)	(755,284)	(224,582)	530,702
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				83,194	83,194
Transfers to Cover Deficit (Enterprise Fund)	(26,867)		(26,867)	(12,842)	14,025
Total Other Financing Sources/(Uses):	(26,867)		(26,867)	70,352	97,219
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(764,151)	(18,000)	(782,151)	(154,230)	627,921

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 2,635,036		\$ 2,635,036	\$ 2,635,036	
Fund Balance, June 30	\$ 1,870,885	\$ (18,000)	\$ 1,852,885	\$ 2,480,806	\$ 627,921
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 201,844	
Excess Surplus - Restricted For 2023-2024				131,424	
Capital Reserve				1,345,644	
Maintenance Reserve				362,226	
Unemployment Compensation				23,118	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				68,576	
Unassigned Fund Balance				347,974	
				2,480,806	
				(24,233)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				\$ 2,456,573	
Fund Balance per Governmental Funds (GAAP)				\$ 2,456,573	

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 26,392	\$ 26,392	\$ 38,502	12,110
Federal Sources	\$ 1,007,060	59,970	1,067,030	341,396	(725,634)
Total Revenues	1,007,060	86,362	1,093,422	379,898	(713,524)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	525,099	(67,685)	457,414	188,575	268,839
Purchased Professional and Technical Services	36,000		36,000	1,100	34,900
Other Purchased Services	40,000		40,000		40,000
Tuition	71,000	2,905	73,905	73,905	
General Supplies	28,579	85,838	114,417	42,981	71,436
Total Instruction	700,678	21,058	721,736	306,561	415,175
Support Services:					
Salaries of Other Professional Staff	3,600		3,600		3,600
Personal Services - Employee Benefits	130,728	42,895	173,623	10,294	163,329
Purchased Professional and Technical Services	98,250	(150)	98,100	24,541	73,559
Supplies and Materials	11,804	2,110	13,914	12,110	1,804
Scholarships Awarded		1,000	1,000	1,000	
Student Activities		19,449	19,449	19,449	
Total Support Services	244,382	65,304	309,686	67,394	242,292
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	62,000		62,000		62,000
Total Facilities Acquisition and Construction Services	62,000		62,000		62,000
Total Expenditures	\$ 1,007,060	\$ 86,362	\$ 1,093,422	\$ 373,955	\$ 719,467
Excess of Revenue Over Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 5,943	\$ 5,943

SOUTH HACKENSACK SCHOOL DISTRICT
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	\$ 11,014,759	\$ 379,898
Difference - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	26,009	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(24,233)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 11,016,535	\$ 379,898
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,239,341	\$ 373,955
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 11,239,341	\$ 373,955

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, 2024 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/scholarships. 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 basic 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.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	I.D.E.A. Part B		Elementary and Secondary Education Act		
	Basic	Preschool	Title IA	Title II - Part A	Title III
REVENUES:					
Local Sources					
State Sources					
Federal Sources	\$ 70,855	\$ 3,050	\$ 53,800	\$ 9,418	\$ 1,001
Total Revenues	70,855	3,050	53,800	9,418	1,001
EXPENDITURES:					
Instruction:					
Salaries of Teachers			50,697	8,748	
Purchased Professional and Technical Services					
Tuition	70,855	3,050			1,001
General Supplies					
Total Instruction	70,855	3,050	50,697	8,748	1,001
Support Services:					
Personal Services - Employee Benefits			3,103	670	
Purchased Professional and Technical Services					
Supplies and Materials					
Scholarships Awarded					
Student Activities					
Total Support Services			3,103	670	
Total Expenditures	\$ 70,855	\$ 3,050	\$ 53,800	\$ 9,418	\$ 1,001

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA		ARP					
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Learning Acceleration	Summer Learning and Enrichment	Comprehensive Beyond the School Day	Mental Health
REVENUES:								
Local Sources								
State Sources	\$ 41,130	\$ 17,418	\$ 300	\$ 84,166	\$ 800	\$ 23,410	\$ 11,507	\$ 24,541
Federal Sources	41,130	17,418	300	84,166	800	23,410	11,507	24,541
Total Revenues								
EXPENDITURES:								
Instruction:								
Salaries of Teachers		17,418		80,472		22,560	8,680	
Purchased Professional and Technical Services			300		800			
Tuition						850		
General Supplies	41,130							
Total Instruction	41,130	17,418	300	80,472	800	23,410	8,680	
Support Services:								
Personal Services - Employee Benefits				3,694			2,827	24,541
Purchased Professional and Technical Services								
Supplies and Materials								
Scholarships Awarded								
Student Activities								
Total Support Services				3,694			2,827	24,541
Total Expenditures	\$ 41,130	\$ 17,418	\$ 300	\$ 84,166	\$ 800	\$ 23,410	\$ 11,507	\$ 24,541

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Local</u>	<u>Student</u>	<u>Scholarship</u>	<u>Totals</u>
	<u>Grants</u>	<u>Activities</u>		
REVENUES:				
Local Sources	\$ 12,110	\$ 25,552	\$ 840	\$ 38,502
Federal Sources				341,396
Total Revenues	<u>12,110</u>	<u>25,552</u>	<u>840</u>	<u>379,898</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				188,575
Purchased Professional and Technical Services				1,100
Tuition				73,905
General Supplies				42,981
Total Instruction				<u>306,561</u>
Support Services:				
Personal Services - Employee Benefits				10,294
Purchased Professional and Technical Services				24,541
Supplies and Materials	12,110			12,110
Scholarships Awarded			1,000	1,000
Student Activities		19,449		19,449
Total Support Services	<u>12,110</u>	<u>19,449</u>	<u>1,000</u>	<u>67,394</u>
Total Expenditures	<u>\$ 12,110</u>	<u>\$ 19,449</u>	<u>\$ 1,000</u>	<u>\$ 373,955</u>

**CAPITAL PROJECTS FUND
(NOT APPLICABLE)**

PROPRIETARY FUNDS

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	After School Program	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 20,094	\$ 14,105	\$ 34,199
Accounts Receivable:			
Federal	1,009		1,009
State	38		38
Total Current Assets	21,141	14,105	35,246
Capital Assets:			
Machinery and Equipment	2,960		2,960
Less: Accumulated Depreciation	(2,530)		(2,530)
Total Capital Assets	430		430
Total Assets	21,571	14,105	35,676
NET POSITION:			
Investment in Capital Assets	430		430
Unrestricted	21,141	14,105	35,246
Total Net Position	\$ 21,571	\$ 14,105	\$ 35,676

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	After School Program	Total
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 6,164		\$ 6,164
After School Program Fees		\$ 66,477	66,477
Total Operating Revenue	6,164	66,477	72,641
Operating Expenses:			
Cost of Sales - Reimbursable Programs	29,416		29,416
Salaries, Benefits & Payroll Taxes	26,818	58,464	85,282
Depreciation	187		187
Miscellaneous Expenses	22,535		22,535
Total Operating Expenses	78,956	58,464	137,420
Operating Income/(Loss)	(72,792)	8,013	(64,779)
Non-Operating Revenue:			
Federal Sources:			
School Breakfast Program	1,148		1,148
National School Lunch Program	25,320		25,320
Supply Chain Assistance	26,922		26,922
State Sources:			
School Breakfast Program	4		4
School Lunch Program	1,012		1,012
Local Sources:			
Interest Revenue	1,764		1,764
Total Non-Operating Revenue	56,170		56,170
Change in Net Position before Transfers	(16,622)	8,013	(8,609)
Transfers In:			
General Fund - Board Contribution	12,842		12,842
Change in Net Position	(3,780)	8,013	4,233
Net Position - Beginning of Year	25,351	6,092	31,443
Net Position - End of Year	\$ 21,571	\$ 14,105	\$ 35,676

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Enterprise Funds		
	Non-Major Funds		
	Food Service Program	After School Program	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 6,164	\$ 66,477	\$ 72,641
Payments to Employees	(26,818)	(58,464)	(85,282)
Payments to Suppliers	(51,951)		(51,951)
Net Cash Provided by/(Used for) Operating Activities	(72,605)	8,013	(64,592)
Cash Flows from Investing Activities:			
Interest Revenue	1,764		1,764
Net Cash Provided by Investing Activities	1,764		1,764
Cash Flows from Noncapital Financing Activities:			
Board Contribution	12,842		12,842
Federal Sources	57,117		57,117
State Sources	1,071		1,071
Net Cash Provided by Noncapital Financing Activities	71,030		71,030
Net Increase/(Decrease) in Cash and Cash Equivalents	189	8,013	8,202
Cash and Cash Equivalents, July 1	19,905	6,092	25,997
Cash and Cash Equivalents, June 30	\$ 20,094	\$ 14,105	\$ 34,199
Reconciliation of Operating Loss to Net Cash Provide by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (72,792)	\$ 8,013	\$ (64,779)
Adjustment to Reconcile Operating (Loss) to Cash Provided by/ (Used for) Operating Activities:			
Depreciation	187		187
Net Cash Provided by/(Used for) Operating Activities	\$ (72,605)	\$ 8,013	\$ (64,592)

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

SOUTH HACKENSACK SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2022	Retired or Matured	Balance June 30, 2023
			Date	Amount				
Memorial Elementary School Addition	02/15/03	\$ 5,290,000			4.000 %	\$ 330,000	\$ 330,000	
Memorial Elementary School Addition	02/15/06	3,195,000	02/15/24	\$ 190,000	4.050 %			
			02/15/25	200,000	4.100 %			
			02/15/26	200,000	4.150 %	780,000	190,000	\$ 590,000
						\$ 1,110,000	\$ 520,000	\$ 590,000

SOUTH HACKENSACK SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FISCAL YEAR ENDED JUNE 30, 2023

Item	Interest Rate	Original Issue	Balance July 1, 2022	Issued	Matured	Balance June 30, 2023
Security Equipment and Digital Phones (#634)	4.96%	\$ 160,262	\$ 125,783		\$ 29,202	\$ 96,581
Promethean Titanium ActivPanel (#627)	4.67%	32,262	25,349		5,910	19,439
Security Camera Equipment (#745)	7.65%	24,614	24,614		5,432	19,182
Promethean Boards (#587)	5.99%	20,919	12,523		3,934	8,589
Promethean ActivPanels (#463)	4.61%	25,955	10,600		5,181	5,419
Dell Financial - Chromebooks 810-8289969-011	7.79%	91,607	59,613		29,100	30,513
Dell Financial - Servers 810-8289969-010	5.12%	20,499	15,813		7,361	8,452
Dell Financial - Computers 810-8289969-008	4.79%	30,126	19,295		19,295	
Dell Financial - Mobile Carts 810-8289969-009	7.79%	1,328	850		850	
Connection Financial Services - UPS Units for Server	4.99%	4,724	2,362		1,181	1,181
Dell Financial - Laptops 810-8289969-015	9.48%	42,840		\$ 42,840	9,381	33,459
Dell Financial - Laptops 810-8289969-014	12.82%	4,734		4,734	1,681	3,053
Dell Financial - Chromebooks 810-8289969-016	6.03%	35,620		35,620	12,590	23,030
		<u>\$ 296,802</u>		<u>\$ 83,194</u>	<u>\$ 131,098</u>	<u>\$ 248,898</u>

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 564,995		\$ 564,995	\$ 564,995	
Total Revenues	564,995		564,995	564,995	
EXPENDITURES:					
Regular Debt Service:					
Interest	44,995		44,995	44,995	
Redemption of Principal	520,000		520,000	520,000	
Total Regular Debt Service	564,995		564,995	564,995	
Total Expenditures	564,995		564,995	564,995	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity 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
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 9,325,033	\$ 9,541,659	\$ 9,735,654	\$ 9,989,194	\$ 10,195,247	\$ 10,388,538	\$ 10,586,098	\$ 10,613,935	\$ 11,129,339	\$ 11,735,865
Restricted	760,827	858,156	697,545	739,859	1,129,976	1,043,567	1,677,368	2,412,918	1,792,066	2,094,609
Unrestricted/(Deficit)	(1,401,802)	(1,360,618)	(1,513,090)	(1,602,371)	(1,812,745)	(1,758,702)	(1,788,405)	(1,571,250)	(959,574)	(1,189,399)
Total Governmental Activities Net Position	\$ 8,684,058	\$ 9,039,197	\$ 8,920,109	\$ 9,126,682	\$ 9,512,478	\$ 9,673,403	\$ 10,475,061	\$ 11,455,603	\$ 11,961,831	\$ 12,641,075
Business-Type Activities:										
Investment in Capital Assets	\$ 1,615	\$ 1,460	\$ 1,741	\$ 1,491	\$ 1,367	\$ 1,179	\$ 992	\$ 804	\$ 617	\$ 430
Unrestricted	4,913	10,108	1,762	22,619	15,288	8,961	8,724	10,635	30,826	35,246
Total Business-Type Activities Net Position	\$ 6,528	\$ 11,568	\$ 3,503	\$ 24,110	\$ 16,655	\$ 10,140	\$ 9,716	\$ 11,439	\$ 31,443	\$ 35,676
District-Wide:										
Net Investment in Capital Assets	\$ 9,326,648	\$ 9,543,119	\$ 9,737,395	\$ 9,990,685	\$ 10,196,614	\$ 10,389,717	\$ 10,587,090	\$ 10,614,739	\$ 11,129,956	\$ 11,736,295
Restricted	760,827	858,156	697,545	739,859	1,129,976	1,043,567	1,677,368	2,412,918	1,792,066	2,094,609
Unrestricted/(Deficit)	(1,396,889)	(1,350,510)	(1,511,328)	(1,579,752)	(1,797,457)	(1,749,741)	(1,779,681)	(1,560,615)	(928,748)	(1,154,153)
Total District Net Position	\$ 8,690,586	\$ 9,050,765	\$ 8,923,612	\$ 9,150,792	\$ 9,529,133	\$ 9,683,543	\$ 10,484,777	\$ 11,467,042	\$ 11,993,274	\$ 12,676,751

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
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
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,047,188	\$ 2,554,379	\$ 2,868,193	\$ 3,154,977	\$ 3,540,609	\$ 3,140,109	\$ 2,990,681	\$ 3,369,708	\$ 3,136,367	\$ 3,143,180
Special Education	435,034	523,319	567,092	654,487	694,154	635,866	631,730	645,314	580,549	576,222
Other Special Instruction	234,229	333,761	346,244	408,987	441,486	289,092	302,001	295,662	309,178	321,516
Other Instruction	105,922	158,365	154,528	150,043	173,292	197,968	162,093	72,154	160,059	161,701
Support Services:										
Tuition	2,231,382	2,355,015	2,581,040	2,298,439	2,224,130	2,755,146	2,534,656	2,361,509	2,708,399	2,987,131
Student & Instruction Related Services	850,366	876,033	925,876	846,687	844,816	1,075,359	1,041,671	1,037,519	1,150,380	1,023,174
General Administrative Services	172,415	285,034	329,122	239,376	218,958	220,254	248,671	276,039	234,150	234,830
School Administrative Services	87,451	108,359	110,307	123,805	148,970	133,822	136,456	120,939	134,234	115,295
Central Services	73,540	80,890	85,711	93,093	94,345	91,152	92,968	107,120	117,026	110,829
Plant Operations and Maintenance	766,591	593,619	634,103	785,742	728,369	701,636	704,963	598,582	852,252	774,543
Administration Information Technology							91,966	85,562	62,738	94,264
Pupil Transportation	272,839	212,126	398,724	432,689	371,133	435,571	315,790	259,420	427,153	603,854
Unallocated Depreciation	18,956	299,608	310,716	310,716	299,663	300,122	298,659	297,619	186,309	298,659
Capital Outlay	226,246	18,956	31,640	18,956	18,956	18,956	18,956	18,956	57,745	172,806
Interest on Long-term Liabilities	295,835	196,735	191,845	160,361	138,170	117,543	99,046	78,145	298,657	37,195
Transfer of Funds to Charter School			68,703	40,440			57,540			17,908
Total Governmental Activities Expenses	7,817,994	8,596,199	9,603,844	9,718,798	9,937,051	10,112,596	9,727,847	9,624,248	10,415,196	10,673,107
Business-Type Activities:										
Proprietary Funds	84,386	73,380	85,921	44,238	120,290	118,124	86,819	40,101	149,471	137,420
Total Business-Type Activities Expenses	84,386	73,380	85,921	44,238	120,290	118,124	86,819	40,101	149,471	137,420
Total District Expenses	7,902,380	8,669,579	9,689,765	9,763,036	10,057,341	10,230,720	9,814,666	9,664,349	10,564,667	10,810,527

SOUTH HACKENSACK SCHOOL DISTRICT
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				
Program Revenues:														
Governmental Activities:														
Charges for Services							\$	19,742	\$	13,113	\$	8,287	\$	27,992
Operating Grants and Contributions	\$ 775,872	\$ 1,287,258	\$ 1,545,651	\$ 1,847,720	\$ 2,215,529	\$ 1,886,568	1,630,365	2,002,484	1,931,711	1,855,845				
Total Governmental Activities Program Revenues	775,872	1,287,258	1,545,651	1,847,720	2,215,529	1,886,568	1,650,107	2,015,597	1,939,998	1,883,837				
Business-Type Activities:														
Charges for Services	40,523	41,240	38,107	36,336	54,696	68,464	53,400	1,628	52,445	72,641				
Operating Grants and Contributions	24,734	24,700	26,670	25,005	35,597	31,680	21,968	22,971	93,973	54,406				
Total Business-Type Activities Revenues	65,257	65,940	64,777	61,341	90,293	100,144	75,368	24,599	146,418	127,047				
Total District Program Revenues	841,129	1,353,198	1,610,428	1,909,061	2,305,822	1,986,712	1,725,475	2,040,196	2,086,416	2,010,884				
Net (Expense)/Revenue														
Governmental Activities	(7,042,122)	(7,308,941)	(8,058,193)	(7,871,078)	(7,721,522)	(8,226,028)	(8,077,740)	(7,608,651)	(8,475,198)	(8,789,270)				
Business-Type Activities	(19,129)	(7,440)	(21,144)	17,103	(29,997)	(17,980)	(11,451)	(15,502)	(3,053)	(10,373)				
Total District Net (Expense)/Revenue	(7,061,251)	(7,316,381)	(8,079,337)	(7,853,975)	(7,751,519)	(8,244,008)	(8,089,191)	(7,624,153)	(8,478,251)	(8,799,643)				
General Revenues and Other Changes in Net Position:														
Governmental Activities:														
Property Taxes Levied for General Purposes, Net	\$ 6,475,489	\$ 6,665,448	\$ 6,942,507	\$ 7,081,352	\$ 7,222,979	\$ 7,456,695	\$ 7,938,815	\$ 7,938,815	\$ 8,097,591	\$ 8,471,228				
Taxes Levied for Debt Service	747,670	742,646	751,845	754,220	640,595	625,795	605,795	595,795	575,395	564,995				
Federal and State Aid not Restricted	20,924	29,331	27,739	32,489	32,069	37,531	35,823	36,372	36,539	37,349				
Interest and Miscellaneous Income	194,406	239,135	230,090	213,091	234,097	278,160	283,047	246,585	294,921	407,784				
Transfers	(15,387)	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	(23,020)	(12,842)				
Total Governmental Activities	7,423,102	7,664,080	7,939,105	8,077,651	8,107,318	8,386,953	8,852,565	8,800,345	8,981,426	9,468,514				
Business-Type Activities:														
Miscellaneous Income	15,387	12,480	13,076	3	22,422	237	112	3	37	1,764				
Transfers	15,387	12,480	13,079	3,504	22,422	11,465	11,027	17,222	23,020	12,842				
Total Business-Type Activities	7,438,489	7,676,560	7,952,184	8,081,155	8,129,740	8,398,418	8,863,592	8,817,570	9,004,483	9,483,120				
Change in Net Position:														
Governmental Activities	380,980	355,139	(119,088)	206,573	385,796	160,925	774,825	1,191,694	506,228	679,244				
Business-Type Activities	(3,742)	5,040	(8,065)	20,607	(7,575)	(6,515)	(424)	1,723	20,004	4,233				
Total District	\$ 377,238	\$ 360,179	\$ (127,153)	\$ 227,180	\$ 378,221	\$ 154,410	\$ 774,401	\$ 1,193,417	\$ 526,232	\$ 683,477				

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
 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
General Fund:										
Restricted	\$ 760,228	\$ 858,156	\$ 690,128	\$ 722,166	\$ 1,129,976	\$ 1,043,167	\$ 1,677,368	\$ 2,411,617	\$ 1,767,656	\$ 2,064,256
Assigned	19,268	72,374	40,252	190,952	59,573	33,804	7,108	68,742	407,921	68,576
Unassigned	264,564	276,495	290,970	259,827	249,079	319,790	299,203	389,170	433,450	323,741
Total General Fund	\$ 1,044,060	\$ 1,207,025	\$ 1,021,350	\$ 1,172,945	\$ 1,438,628	\$ 1,396,761	\$ 1,983,679	\$ 2,869,529	\$ 2,609,027	\$ 2,456,573
All Other Governmental Funds:										
Restricted	\$ 599							\$ 1,301	\$ 24,410	\$ 30,353
Total All Other Governmental Funds	\$ 599	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,301	\$ 24,410	\$ 30,353
Total Governmental Funds:										
Restricted	\$ 760,827	\$ 858,156	\$ 690,128	\$ 722,166	\$ 1,129,976	\$ 1,043,167	\$ 1,677,368	\$ 2,412,918	\$ 1,792,066	\$ 2,094,609
Assigned	19,268	72,374	40,252	190,952	59,573	33,804	7,108	68,742	407,921	68,576
Unassigned	264,564	276,495	290,970	259,827	249,079	319,790	299,203	389,170	433,450	323,741
Total Governmental Funds	\$ 1,044,659	\$ 1,207,025	\$ 1,021,350	\$ 1,172,945	\$ 1,438,628	\$ 1,396,761	\$ 1,983,679	\$ 2,870,830	\$ 2,633,437	\$ 2,486,926

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
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
Revenues:										
Tax Levy	\$ 7,223,159	\$ 7,408,094	\$ 7,694,352	\$ 7,835,572	\$ 7,863,574	\$ 8,082,490	\$ 8,544,610	\$ 8,534,610	\$ 8,672,986	\$ 9,036,223
Tuition Charges	14,080	21,505	11,360	23,780	6,320	4,800	19,742	6,513	1,600	1,600
Miscellaneous	194,406	239,135	196,564	203,252	236,097	279,160	286,547	253,185	339,761	434,176
State Sources	653,976	741,461	829,889	867,149	948,044	1,144,438	1,247,160	1,548,603	1,855,509	2,148,033
Federal Sources	128,740	121,328	136,371	129,759	159,460	161,094	147,250	261,175	276,415	341,396
Total Revenues	8,214,361	8,531,523	8,868,536	9,059,512	9,213,495	9,671,982	10,245,309	10,604,086	11,146,271	11,961,428
Expenditures:										
Instruction:										
Regular Instruction	1,507,077	1,572,149	1,624,765	1,637,096	1,798,110	1,811,953	1,879,249	2,106,582	2,239,973	2,348,210
Special Education Instruction	325,216	321,316	327,849	336,314	352,839	366,536	380,003	395,126	391,911	400,121
Other Special Instruction	164,507	190,026	181,297	189,086	200,714	152,313	173,540	165,588	195,285	214,043
Other Instruction	86,966	110,309	106,572	91,107	102,837	121,414	104,520	45,737	112,219	116,222
Support Services:										
Tuition	2,231,382	2,355,015	2,581,040	2,298,439	2,224,130	2,755,146	2,534,656	2,361,509	2,708,399	2,987,131
Student & Instruction Related Services	716,723	683,579	687,814	644,425	647,319	782,444	807,011	760,147	905,224	833,092
General Administrative Services	146,593	143,494	159,724	190,468	180,087	180,233	198,191	240,395	210,039	207,185
School Administrative Services	65,711	66,520	62,305	61,516	75,654	77,876	72,710	68,914	81,017	75,217
Central Services	59,497	63,192	65,737	67,581	72,433	72,500	75,234	88,181	102,896	94,137
Plant Operations and Maintenance	671,186	589,638	628,677	623,143	611,030	601,728	697,434	574,428	843,691	786,958
Pupil Transportation	272,839	212,126	398,724	432,689	371,133	435,571	315,704	259,420	427,153	603,854
Unallocated Benefits	1,224,202	1,287,112	1,364,443	1,518,936	1,609,347	1,700,156	1,750,065	2,013,954	2,164,323	2,406,890
Capital Outlay	172,950	18,956	31,640	18,956	39,162	18,956	22,657	23,937	587,995	522,328
Transfer of Funds to Charter Schools			68,703	40,440			57,540			17,908
Debt Service:										
Principal	515,000	530,000	560,000	585,000	495,000	500,000	500,000	510,000	510,000	520,000
Interest and Other Charges	234,045	213,245	191,845	169,220	145,595	125,795	105,795	85,795	65,395	44,995
Total Expenditures	8,393,894	8,356,677	9,041,135	8,904,416	8,925,390	9,702,621	9,674,309	9,699,713	11,545,520	12,178,291

SOUTH HACKENSACK SCHOOL DISTRICT
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
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (179,533)	\$ 174,846	\$ (172,599)	\$ 155,096	\$ 288,105	\$ (30,639)	\$ 571,000	\$ 904,373	\$ (399,249)	\$ (216,863)
Other Financing Sources (Uses) Financed Purchases (Non-Budgeted) Transfers Out	(15,387)	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	184,876	83,194
Total Other Financing Sources (Uses)	(15,387)	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	161,856	70,352
Net Change in Fund Balances	\$ (194,920)	\$ 162,366	\$ (185,675)	\$ 151,595	\$ 265,683	\$ (41,867)	\$ 560,085	\$ 887,151	\$ (237,393)	\$ (146,511)
Debt Service as a Percentage of Noncapital Expenditures	10.0 %	9.8 %	9.1 %	9.3 %	7.8 %	6.9 %	6.7 %	6.6 %	5.5 %	5.1 %

SOUTH HACKENSACK SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refunds</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
2014	\$ 734	\$ 9,166	\$ 174,250	\$ 14,080	\$ 10,256	\$ 208,486
2015	1,842	15,016	183,120	21,505	39,157	260,640
2016	3,502	7,143	185,919	11,360		207,924
2017	4,443	7,052	190,520	23,780	461	226,256
2018	20,623	16,296	188,620	6,320	8,558	240,417
2019	38,438	33,718	198,126	4,800	7,878	282,960
2020	23,684	1,332	250,800	19,742	7,231	302,789
2021	2,259	33	243,575	6,513	718	253,098
2022	5,325	678	263,240	1,600	20,190	291,033
2023	105,116	4,563	270,571	1,600	15,424	397,274

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total	
									School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 9,716,900	\$ 199,291,800	\$ 65,610,800	\$ 350,047,700	\$ 624,667,200	\$ 9,122	\$ 624,676,322	\$ 58,707,700	\$ 1.12	\$ 698,498,445
2014	* 9,250,900	164,409,300	63,262,500	332,344,600	569,267,300	10,000	569,277,300	54,164,200	1.30	618,590,728
2015	8,944,800	166,387,000	64,155,700	337,270,500	576,758,000	10,000	576,768,000	54,173,300	1.31	613,468,843
2016	8,362,500	169,597,800	65,052,300	346,937,600	589,950,200	10,000	589,960,200	54,186,500	1.32	607,881,710
2017	8,548,000	173,870,600	65,968,100	355,200,800	603,587,500	10,000	603,597,500	59,678,209	1.30	663,275,709
2018	8,237,600	179,077,000	68,414,200	360,698,500	616,427,300	10,000	616,437,300	54,217,600	1.29	663,953,258
2019	8,242,600	182,316,900	71,727,100	387,188,800	649,475,400	10,000	649,475,400	57,224,200	1.28	661,933,221
2020	8,368,200	187,216,800	74,925,600	402,358,600	672,869,200	10,000	672,879,200	57,230,800	1.27	651,126,526
2021	13,947,000	209,758,800	73,283,800	440,088,600	737,078,200		737,078,200	57,269,900	1.17	756,195,226
2022	14,426,600	244,641,800	81,318,600	530,655,000	871,042,000		871,042,000	57,331,300	1.04	813,992,991

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 of assessed value.

* Revaluation Year

SOUTH HACKENSACK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	South Hackensack School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of South Hackensack	Bergen County	
2013	\$ 0.99	\$ 0.13	\$ 1.12	\$ 0.99	\$ 0.25	\$ 2.36
2014	* 1.17	0.13	1.30	1.19	0.24	2.72
2015	1.18	0.13	1.31	1.18	0.25	2.74
2016	1.19	0.13	1.32	1.18	0.25	2.75
2017	1.19	0.11	1.30	1.20	0.27	2.77
2018	1.19	0.10	1.29	1.20	0.26	2.76
2019	1.19	0.09	1.28	1.21	0.25	2.73
2020	1.18	0.09	1.27	1.18	0.24	2.68
2021	1.09	0.08	1.17	1.01	0.26	2.43
2022	0.97	0.06	1.04	0.96	0.23	2.23

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.
- * Revaluation Year

Source: Township of South Hackensack Tax Collector and School Business Administrator.

SOUTH HACKENSACK SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022		2013	
	Taxable Assessed Value	% of Total District Net Valuation Taxable	Taxable Assessed Value	% of Total District Net Valuation Taxable
AEW Capital Management	\$ 30,693,400	3.52 %	\$ 22,184,500	3.55 %
Forsgate Ventures IX LLC	22,366,800	2.57 %	17,109,300	2.74 %
Somjoan 490 Huyler Owner LLC	19,175,100	2.20 %	16,807,100	2.69 %
Marschall Warehouse Co	18,351,400	2.11 %	13,034,800	2.09 %
Treco Enterprises	17,228,500	1.98 %	12,600,200	2.02 %
Mahopac Partners LLC	15,000,000	1.72 %	10,073,000	1.61 %
Horizon Boulevard LLC	14,712,300	1.69 %	9,300,000	1.49 %
Naturex Inc. Corp	13,570,000	1.56 %	9,030,600	1.45 %
Huyler Strategies, LLC	13,051,800	1.50 %	8,641,600	1.38 %
5 Empire Blvd LLC	12,769,500	1.47 %	8,432,700	1.35 %
Total	\$ 176,918,800	20.31 %	\$ 127,213,800	20.37 %

Source: Township of South Hackensack Tax Assessor.

SOUTH HACKENSACK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 7,223,159	\$ 7,223,159	100.00 %	-0-
2015	7,408,094	7,408,094	100.00 %	-0-
2016	7,694,352	7,694,352	100.00 %	-0-
2017	7,835,572	7,835,572	100.00 %	-0-
2018	7,863,574	7,863,574	100.00 %	-0-
2019	8,082,490	8,082,490	100.00 %	-0-
2020	8,544,610	8,544,610	100.00 %	-0-
2021	8,534,610	8,534,610	100.00 %	-0-
2022	8,672,986	8,672,986	100.00 %	-0-
2023	9,036,223	9,036,223	100.00 %	-0-

^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.

Source: South Hackensack School District records, including the Certificate and Report of School Taxes (A4F Form)

SOUTH HACKENSACK SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Business -Type Activities Financed Purchases	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds					
2014	\$ 5,300,000		\$ - 0 -	\$ 5,300,000	2.93 %	\$ 2,181.07
2015	4,770,000		- 0 -	4,770,000	2.52 %	1,958.93
2016	4,210,000		- 0 -	4,210,000	2.18 %	1,733.22
2017	3,625,000		- 0 -	3,625,000	1.81 %	1,479.59
2018	3,130,000		- 0 -	3,130,000	1.48 %	1,279.64
2019	2,630,000		- 0 -	2,630,000	1.21 %	1,079.64
2020	2,130,000		- 0 -	2,130,000	0.96 %	879.08
2021	1,620,000		- 0 -	1,620,000	0.62 %	604.70
2022	1,110,000		296,802	1,406,802	0.54 %	525.71
2023	590,000		248,898	838,898	0.32 %	313.49

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

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 5,300,000	\$ - 0 -	\$ 5,300,000	0.84 %	\$ 2,181.07
2015	4,770,000	- 0 -	4,770,000	0.76 %	1,958.93
2016	4,210,000	- 0 -	4,210,000	0.74 %	1,733.22
2017	3,625,000	- 0 -	3,625,000	0.63 %	1,479.59
2018	3,130,000	- 0 -	3,130,000	0.53 %	1,279.64
2019	2,630,000	- 0 -	2,630,000	0.44 %	1,079.64
2020	2,130,000	- 0 -	2,130,000	0.35 %	879.08
2021	1,620,000	- 0 -	1,620,000	0.25 %	604.70
2022	1,110,000	- 0 -	1,110,000	0.16 %	414.80
2023	590,000	- 0 -	590,000	0.08 %	220.48

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

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Township of South Hackensack	\$ 7,295,547	100.00 %	\$ 7,295,547
Bergen County General Obligation Debt	977,925,631	0.44%	4,271,823
Subtotal, Overlapping Debt			11,567,370
South Hackensack School District Direct Debt			1,100,000
Total Direct and Overlapping Debt			<u>\$ 12,667,370</u>

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 residents and businesses of South Hackensack. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

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.

SOUTH HACKENSACK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

Year Ended December 31,	Equalized Valuation Basis
2022	\$ 835,612,049
2021	729,780,396
2020	752,481,771
	\$ 2,317,874,216
Average Equalized Valuation of Taxable Property	\$ 772,624,739
Debt Limit (3% of Average Equalization Value) ^a	\$ 23,178,742
Net Bonded School Debt at June 30, 2023	590,000
Legal Debt Margin	\$ 22,588,742

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 27,193,422	\$ 19,625,234	\$ 18,719,066	\$ 19,318,710	\$ 19,318,710
Total Net Debt Applicable to Limit	5,300,000	4,770,000	4,210,000	3,625,000	3,130,000
Legal Debt Margin	\$ 21,893,422	\$ 14,855,234	\$ 14,509,066	\$ 15,693,710	\$ 16,188,710
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.49 %	24.31 %	22.49 %	18.76 %	16.20 %

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 19,318,710	\$ 19,530,744	\$ 20,168,439	\$ 20,927,288	\$ 23,178,742
Total Net Debt Applicable to Limit	2,630,000	2,130,000	1,620,000	1,110,000	590,000
Legal Debt Margin	\$ 16,688,710	\$ 17,400,744	\$ 18,548,439	\$ 19,817,288	\$ 22,588,742
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.61 %	10.91 %	8.03 %	5.30 %	2.55 %

^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.

SOUTH HACKENSACK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Township Population ^a	Bergen County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2014	2,430	\$ 74,480	\$ 180,986,400	6.60 %
2015	2,435	77,767	189,362,645	6.60 %
2016	2,429	79,407	192,879,603	5.50 %
2017	2,450	81,676	200,106,200	4.70 %
2018	2,446	86,404	211,344,184	4.20 %
2019	2,436	89,456	217,914,816	3.90 %
2020	2,423	91,972	222,848,156	13.20%
2021	2,679	97,343	260,781,897	7.40%
2022	2,676	97,343 **	260,489,868	4.00%
2023	2,676 *	97,343 **	260,489,868 ***	N/A

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

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

*** Latest personal income available (2022) was used for calculation purposes.

N/A - Not Available

Sources:

^a Population information provided by the US Department of Census - Population Division.

^b Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

^c Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

SOUTH HACKENSACK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
		Employment			Employment
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	Total	N/A	N/A

N/A - Information is not available.

NOTE: The District was unsuccessful in its attempt to obtain information regarding the principal employers of the Township.

SOUTH HACKENSACK SCHOOL DISTRICT
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	21.00	21.00	21.00	22.00	22.00	22.00	24.00	22.00	22.00	24.00
Special Education	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00
Other Instruction	8.00	8.00	8.00	8.00	8.00	8.00	9.00	6.00	7.00	7.00
Support Services:										
Health Services								1.00	1.00	1.00
Student & Instruction Related Services								1.00	1.00	1.00
Support Services - Students Special								2.00	2.00	1.00
Educational Media/School Library								1.00	1.00	1.00
General Administrative Services	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Central Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plant Operations and Maintenance	4.00	4.00	4.00	4.00	3.00	3.00	4.00	4.00	4.00	3.00
Total	40.00	40.00	40.00	41.00	40.00	42.00	45.00	45.00	46.00	46.00

Source: South Hackensack School District Personnel Records.

SOUTH HACKENSACK SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary				
2014	254	\$ 7,471,899	\$ 29,417	1.86 %	24	1:10.4	1:10.4	255	246	2.82 %	96.47 %
2015	252	7,594,476	30,137	2.45 %	24	1:10.4	1:10.4	252	243	-1.18 %	96.43 %
2016	244	8,257,650	33,843	12.30 %	24	1:10.4	1:10.4	254	243	0.79 %	95.67 %
2017	276	8,131,240	29,461	-12.95 %	25	1:10.5	1:10.5	271	263	6.69 %	97.05 %
2018	288	8,245,633	28,631	-2.82 %	25	1:10.5	1:10.5	294	275	8.49 %	93.54 %
2019	301	9,057,870	30,093	5.11 %	25	1:12	1:12	290	273	-1.36 %	94.14 %
2020	288	9,045,857	31,409	4.38 %	27	1:10.7	1:10.7	281	261	-3.10 %	92.88 %
2021	272	9,079,981	33,382	6.28 %	25	1:10.9	1:10.9	265	254	-5.62 %	95.87 %
2022	259	10,382,130	40,085	20.08 %	25	1:10.4	1:10.4	261	246	-1.58 %	94.25 %
2023	254	11,090,968	43,665	8.93 %	24	1:10.5	1:10.5	237	224	-9.20 %	94.51 %

Note: Enrollment based on annual October District count.

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

^b Cost per pupil is calculated based upon the enrollment and operating expenditures presented above which may not be the same as other cost per pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

SOUTH HACKENSACK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
Memorial School (2004):										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (Students)	295	295	295	295	295	295	295	295	295	295
Enrollment	254	252	244	244	288	275	288	272	272	254

Number of Schools at June 30, 2023:
 Elementary = 1

NOTE: Enrollment is based on the annual October District count.

Source: South Hackensack School District Facilities Office.

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
 For School Facilities - Account #11-000-261-XXXX:

		June 30,									
	Project # (s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Memorial Elementary School	N/A	\$ 110,425	\$ 53,764	\$ 79,814	\$ 70,573	\$ 92,820	\$ 100,571	\$ 130,551	\$ 79,822	\$ 370,440	\$ 175,489

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

SOUTH HACKENSACK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	Coverage	Deductible
School Alliance Insurance Fund:		
Effective 7/1/22-7/1/23		
Property and Casualty		
Building & Contents	\$ 18,038,664	\$ 2,500
Extra Expense Replacement Cost	50,000,000	
Production/Completed Operations	5,000,000	
Government Crime Policy Declaration		
Employee Theft per Loss Coverage		
Including Faithful Performance	500,000	1,000
Forgery & Alteration	50,000	
Money & Securities (Inside the Premises)	50,000	
Robbery or Safe Burglary (Inside the Premises)	50,000	
Outside the Premises	50,000	
Computer Fraud	50,000	
Funds Transfer Fraud	50,000	
Flood (Zones non A or V)	10,000,000	
Flood (Zones A or V)	25,000,000	
Earthquake	25,000,000	
Boiler and Machinery		
Limit of Liability	100,000,000	1,000
General Liability		
Commercial General Liability		
Each	5,000,000	N/A
General Aggregate	5,000,000	N/A
Products-Completed Operations	50,000,000	N/A
Personal Injury	100,000	N/A
Fire Damage	2,500,000	N/A
Medical Expense Limit	5,000	N/A
General Aggregate Limit	50,000,000	N/A
Employee Benefits Liability	5,000,000	1,000
Cyber Liability		
Limit of Liability 1st Party	2,000,000	
Limit of Liability 3rd Party	750,000	
Member Deductible	10,000	
Business Auto		
Combined Single Limit	5,000,000	N/A
Hired-Non Owned	5,000,000	N/A
Personal Injury Protection	100,000	N/A
Uninsured/Underinsured Motorists	5,000,000	N/A

SOUTH HACKENSACK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Medical Payments	N/A	N/A
Collision	Actual Cash value	1,000
Comprehensive	Actual Cash value	1,000
Garagekeepers Legal Liability		
School Leaders Liability/Employment Practices Liability Effective 7/1/2022-7/1/2023		
Per Claim Limit of Liability	5,000,000	5,000
Per Third Party Event Sublimit of Liability	5,000	
Per Member Sublimit of Liability	5,000	
IEP Hearing Limit of Liability for Defense Costs Subject to a \$100,000 Aggregate Limit of Liability for Defense Costs	5,000	
Excess Liability & Excess School Leaders Errors & Omissions School Alliance Insurance Fund Effective 7/1/2022	5,000,000	5,000
Each Loss	5,000,000	N/A
Aggregate	5,000,000	N/A
Environmental Impairment Liability Policy Crum & Forster Insurance Company Effective 7/1/2022		
Pollution Liability - Site Specific		
Per Pollution Condition	1,000,000	10,000
Policy Aggregate Limit	25,000,000	
Public Official Bond - Hartford Hartford Fire Insurance Company		
Interim Business Administrator - Robert Brown	350,000	
Superintendent - Jason Chirichella	225,000	
New Jersey Unshared Excess Program Evanston/Markel	30,000,000	
New Jersey Cap Program Fireman's fund Insurance Company	25,000,000	
Travel Accident Gerber Life Insurance Company	100,000	
Student Accident Zurich American Insurance Company Accident Medical	500,000	

Source: South Hackensack School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
South Hackensack School District
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 South Hackensack 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, and have issued our report thereon dated December 18, 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
South Hackensack School District
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 result 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.

December 18, 2023
Mount Arlington, New Jersey

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
South Hackensack School District
County of Bergen, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the South Hackensack 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 programs 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 federal and 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
South Hackensack School District
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

The Honorable President and Members
of the Board of Education
South Hackensack School District
Page 3

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.

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.

Mount Arlington, New Jersey
December 18, 2023

NISIVOCCIA LLP

Raymond A Sarinelli

Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

SOUTH HACKENSACK SCHOOL DISTRICT
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		Program or Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		Amounts Provided to Subrecipients
			From	To		(Accounts Receivable)	Cash Received	(Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture - Passed-through State Department of Agriculture:										
Enterprise Fund:										
Child Nutrition Cluster:										
	10.553	N/A	7/1/22	6/30/23	\$ 1,148	\$	1,095	\$	(53)	
School Breakfast Program							24,364	(25,320)	(956)	
National School Lunch Program	10.555	N/A	7/1/22	6/30/23	25,320		26,922	(26,922)		
Covid-19 Supply Chain Assistance	10.553	N/A	7/1/22	6/30/23	26,922		680			
Covid-19 Seamless Summer Option - Breakfast	10.553	N/A	7/1/21	6/30/22	6,571	\$	(680)			
Covid-19 Seamless Summer Option - Lunch	10.555	N/A	7/1/21	6/30/22	84,187		(4,056)			
Total Child Nutrition Cluster							(4,736)	(53,390)	(1,009)	
Total U.S. Department of Agriculture										
							(4,736)	(53,390)	(1,009)	
Passed-through State Department of Education:										
Special Revenue:										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA-4870-23	7/1/22	9/30/23	77,283		26,901	(53,800)	(26,899)	
Title I	84.010A	ESEA-4870-22	7/1/21	9/30/22	62,783		19,439	(19,439)		
Title II Part A	84.278A	ESEA-4870-23	7/1/22	9/30/23	21,714		9,418	(9,418)		
Title II Part A	84.278A	ESEA-4870-22	7/1/21	9/30/22	18,937		5,760	(5,760)		
Title III	84.365	ESEA-4870-23	7/1/22	9/30/23	1,332		6,235	(1,001)	(1,001)	
Title III	84.365	ESEA-4870-22	7/1/21	9/30/22	10,718		(31,434)	(64,219)	(27,900)	

SOUTH HACKENSACK SCHOOL DISTRICT
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		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Amounts Provided to Subrecipients
			From	To		(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Revenue	
U.S. Department of Education - Passed-through State Department of Education:												
Special Revenue:												
Special Education Cluster:												
	84.027	IDEA-4870-23	7/1/22	9/30/23	\$ 70,855		\$ 63,891	\$ (70,855)	\$ (6,964)			
	84.027	IDEA-4870-22	7/1/21	9/30/22	68,336		19,371					
	84.173	IDEA-4870-23	7/1/22	9/30/23	3,050		3,050	(3,050)				
Total Department of Education							(19,371)	(73,905)	(6,964)			
Education Stabilization Fund												
COVID-19 CRRSA:												
	84.425D	S425D210027	3/13/20	9/30/23	225,328		95,804	(41,130)		\$ 41,130		
	84.425D	S425D210027	3/13/20	9/30/23	25,000		17,418	(17,418)				
	84.425D	S425D210027	3/13/20	9/30/23	45,000		300	(300)				
COVID-19 ARP CRRSA:												
	84.425U	S425D210027	3/13/20	9/30/24	506,410		66,841	(84,166)	(17,325)			
	84.425U	S425D210027	3/13/20	9/30/24	50,000		800	(800)				
	84.425U	S425D210027	3/13/20	9/30/24	40,000		23,410	(23,410)				
	84.425U	S425D210027	3/13/20	9/30/24	40,000			(11,507)	(11,507)			
	84.425U	S425D210027	3/13/20	9/30/24	45,000		24,541	(24,541)				
Total Education Stabilization Fund							(13,544)	(203,272)	(28,832)	41,130		
Total Special Revenue Fund							(64,349)	(341,396)	(63,696)	41,130		
TOTAL FEDERAL AWARDS							\$ (69,085)	\$ 440,296	\$ (394,786)	\$ (64,705)	\$ 41,130	\$ -0-

N/A - Not Available/Applicable

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

SOUTH HACKENSACK SCHOOL DISTRICT
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		Program or Award Amount	Balance at June 30, 2022 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance at June 30, 2023 (GAAP (Accounts Receivable))	MEMO	
		From	To						Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:										
General Fund:										
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$ 295,991	\$	\$ 281,034	\$ (295,991)	\$ (244,230)	\$ (14,957)	\$ 295,991
Extraordinary Aid	23-495-034-5120-044	7/1/22	6/30/23	244,230			(244,230)	(244,230)	(244,230)	244,230
Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22	6/30/23	3,744			(3,744)	(3,744)	(3,744)	3,744
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	36,988		35,119	(36,988)	(1,869)	(1,869)	36,988
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	47,149		44,766	(47,149)	(2,383)	(2,383)	47,149
Equalization Aid	23-495-034-5120-078	7/1/22	6/30/23	99,417		94,393	(99,417)	(5,024)	(5,024)	99,417
Reimbursed TPAF Social Security Aid	23-495-034-5094-003	7/1/22	6/30/23	202,922		183,397	(202,922)	(19,525)	(19,525)	202,922
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	247,795	\$ (14,941)	14,941				247,795
Extraordinary Aid	22-495-034-5120-044	7/1/21	6/30/22	176,731	(176,731)	176,731				176,731
Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21	6/30/22	3,480	(3,480)	3,480				3,480
Security Aid	22-495-034-5120-084	7/1/21	6/30/22	36,988	(2,230)	2,230				36,988
Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	47,149	(2,843)	2,843				47,149
Equalization Aid	22-495-034-5120-078	7/1/21	6/30/22	99,417	(5,995)	5,995				99,417
Reimbursed TPAF Social Security Aid	22-495-034-5094-003	7/1/21	6/30/22	205,705	(9,971)	9,971				205,705
On-Behalf TPAF Post Retirement	23-495-034-5094-001	7/1/22	6/30/23	252,875		252,875	(252,875)			252,875
Medical Contributions	23-495-034-5094-002	7/1/22	6/30/23	949,436		949,436	(949,436)			949,436
On-Behalf TPAF Pension	23-495-034-5094-004	7/1/22	6/30/23	13,172		13,172	(13,172)			13,172
Contributions	23-495-034-5094-004	7/1/22	6/30/23	333		333	(333)			333
On-Behalf TPAF Non-Contributory Insurance										
On-Behalf TPAF Long-Term Disability Insurance										
Total General Fund State Aid					(216,191)	2,070,716	(2,146,257)	(267,499)	(291,732)	2,963,522

SOUTH HACKENSACK SCHOOL DISTRICT
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		Program or Award Amount	Balance at June 30, 2022 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance at June 30, 2023 (GAAP (Accounts Receivable))	MEMO	
		From	To						Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Agriculture:										
Enterprise Fund:										
State School Breakfast Program	23-100-010-3350-023	7/1/22	6/30/23	\$ 4	\$	4	\$ (4)	\$	\$	4
State School Lunch Program	23-100-010-3350-023	7/1/22	6/30/23	1,012		974	(1,012)	(38)	(38)	1,012
Covid-19 Seamless Summer Option	23-100-010-3350-023	7/1/22	6/30/23	1,973	(93)	93				1,973
Total Enterprise Fund					(93)	1,071	(1,016)	(38)	(38)	2,989
TOTAL STATE AWARDS					(216,284)	2,071,787	(2,147,273)	(267,537)	(291,770)	2,966,511
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22	6/30/23	(252,875)			\$ 252,875			
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	(949,436)			949,436			
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	(13,172)			13,172			
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	(333)			333			
Subtotal - On-Behalf TPAF Pension System Contributions							1,215,816			
Total State Awards Subject to Single Audit Major Program Determination							\$ (931,457)			

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE 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 includes the federal and state grant activity of the Board of Education, South Hackensack School District 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 the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

The District had not elected to use the 10 percent de minimus 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 those 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.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE 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)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,776 for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 2,148,033	\$ 2,148,033
Special Revenue Fund	\$ 341,396		341,396
Proprietary Fund	53,390	1,016	54,406
Total Financial Assistance	\$ 394,786	\$ 2,149,049	\$ 2,543,835

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.

SOUTH HACKENSACK SCHOOL DISTRICT
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 major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJOMB 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 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:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
State Aid Public:				
Special Education				
Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 295,991	\$ 295,991
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	36,988	36,988
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	99,417	99,417

- 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.

Findings and Questioned Costs for Federal Awards:

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

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

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.

SOUTH HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior audit findings.