

HACKENSACK BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Hackensack, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Hackensack Board of Education
Hackensack New Jersey
For The Fiscal Year Ended June 30, 2022**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

Date: 01/25/23

Honorable President and
Members of the Board of Education
Hackensack School District
Hackensack, New Jersey 07601
Dear Board Members:

The Annual Comprehensive Financial Report of the Hackensack School District for the Fiscal Year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of Operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four (4) Sections as follows:

- The Introductory Section includes this transmittal letter, the District's Organizational Chart, list of professional advisors and a list of principal officials.
- The Financial Section includes the basic Financial Statements and Schedules, required supplementary information, Management's Discussion and Analysis, as well as the Auditor's Report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and finding(s) and recommendations. The District is required to undergo an Annual Single Audit in conformity with the provisions of the Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey State Office of Management and Budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit section of this report.

1. **REPORTING ENTITY and ITS SERVICES:**

The Hackensack School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by the National Council on Governmental Accounting (NCGA) Statement No. 14. All funds and account groups of the District are included in this Report. The Hackensack Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular academic, technological, vocational, as well as special education for handicapped students. This District is also a receiving school District from Maywood, Rochelle Park and South Hackensack.

The District completed the 2021-2022 fiscal year with an Average Daily Enrollment of 5,343 students, which is 144 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

| <i>Fiscal Year</i> | <i>ADE</i> | <i>Number Change</i> | <i>Percent Change</i> |
|--------------------|------------|----------------------|-----------------------|
| 2021/22 | 5,343 | (129) | -2.36% |
| 2020/21 | 5,473 | (144) | -2.57% |
| 2019/20 | 5,617 | (112) | -1.95% |
| 2018/19 | 5,729 | 56 | 0.99% |
| 2017/18 | 5,673 | 28 | -0.50% |
| 2016/17 | 5,645 | (17) | -0.30% |
| 2015/16 | 5,662 | 31 | 0.55% |
| 2014/15 | 5,631 | 168 | 3.08% |
| 2013/14 | 5,463 | 57 | 1.05% |
| 2012/13 | 5,406 | 182 | 3.48% |

For the 2021-2022 school year, the District was configured as follows:

- Early Childhood Developmental Center Grades Pre-K through K
- Fairmount Elementary School Grades Pre-K through 4
- Fanny M. Hillers Elementary School Grades Pre-K through 4
- Jackson Avenue Elementary School Grades Pre-K through 4
- Nellie K. Parker Elementary School Grades Pre-K through 4
- Hackensack Middle School Grades 5 through 8
- Hackensack High School Grades 9 through 12

Based on Demographic Projections prepared in April 2019, by Whitehall Associates, the Hackensack Board of Education determined that the District faced the need to expand in order to meet the projected growth in enrollment. However, since that demographic study was completed, there is a consistent decline in the enrollment numbers. The gradual withdrawal of the receiving high school students from Maywood is a contributing factor to this. However, there is still a need for additional space. In 2013, the Hackensack Board of Education approved an initial five (5) year lease for a school located in Hackensack from the

Archdiocese of Newark to help alleviate the immediate need for space. This facility is referred to as the Hackensack Early Childhood Development Center and houses Pre-K general education and students with disabilities. During the 2019-2020 school year, this lease was renewed for an additional four (4) years. This renewed lease will expire on June 30, 2023. The district is seeking to renew again and is currently exploring options and hopes to have a district owned replacement facility by the time the lease expires.

2. MAJOR INITIATIVES 2021-2022

Educational Programs, Grades Pre-K-12

Our District serves students in Pre K - 12, with a Preschool Program, four (4) elementary schools, a middle school and one high school, with a total student population of over 5,300 students. Our program of instruction follows the New Jersey Students Learning Standards (NJSLS) and aims to provide for personalized learning, supporting the needs of individual students to address gaps, especially those gaps related to the pandemic. Teachers provide for engaging and rigorous learning in classroom environments that privilege problem-solving, digital learning, career-readiness skills, to prepare all students to be Future Ready.

The 2021-2022 school year saw our Pre K full-day program maintain enrollment with 189 full day general education preschool students, which includes students in one local provider location. The district was able to provide additional inclusion opportunities for students, and expand classes to Jackson Avenue School, which allowed all elementary schools to offer preschool in the neighborhood school. Preschool teachers received training in the Creative Curriculum and implemented the GOLD and ESI-R assessments, which assisted with aligning instruction.

In the area of Mathematics, during the 2021-22 school year, a major focus for elementary schools was a bank of formative assessments to be included in the curriculum. Pacing charts were revised, to address prerequisite concepts and major content standards. Unit benchmark assessments were revised to be more standards-based aligned. A new Algebra course was restructured at the high school level to provide more access for students to be eligible for advanced courses.

In the area of English Language Arts during the 2021-2022 school year, the major focus for the elementary schools was on a Year 2 continuum to focus on Guided Reading, Running Records, and Conferencing. Professional Development was provided by Scholastic to support teachers in administering benchmark, reading assessments. Additionally, grade 2 implemented the Foundations program. The major instructional professional development focus for the Middle School was on the implementation of a Balanced Literacy approach to instruction including Reading Workshop (year 2) for grade 5. The focus for the grade 5 professional development has been on coaching and demonstration lessons, extending classroom libraries, creating and implementing teaching tools including conferencing, modeling, providing small group instruction and writing pre and post assessments for each unit. Teachers in Grades 6 - 12 worked with a literacy consultant to support student independent choice reading on the secondary level using read-alouds, conferences, book clubs, text sets, and assessment of reading skills while incorporating culturally relevant teaching strategies and materials into the instruction.

Kindergarten to fifth grade Bilingual/ESL teachers are in the second year of professional development aimed at improving literacy instruction in our district with Heinemann Consultant Nicole Sanchez. The focus for the professional development was on student conferences, interactive read-alouds, shared reading, and whole book

assessments. We invested in building classroom libraries and purchased texts to support this initiative for ELL students. At both the Middle School and High School the focus was on supporting independent and choice reading on the secondary level as well as implementing a Reading Workshop for the grade 5 team. The focus for the professional development was on coaching and demonstration lessons, as well as extending classroom libraries. Teachers of grades 6-12 worked to support student reading on the secondary level. The focus of professional development has shifted to the support of reading instruction on the secondary level using interactive read-alouds, conferences, book clubs, text sets, and assessment of reading skills while incorporating culturally relevant teaching strategies and materials into the instruction.

Due to Covid, we continued this major initiative in the area of Science in SY 2021-2022 the major focus of work for the elementary schools was incorporating the newly purchased Amplify science units into the curriculum. The move to remote instruction in March of 2020, prevented classes from completing the units. In the 2021-2022 school year a full implementation of these units occurred. At the middle and high school level the focus continued to be assessment alignment with NJSL-S. In response to data, the district hired a consultant to help teachers align NJSL-S instruction with NJSLA-S expected outcomes. The result of these meetings were presentation and practice sessions for teachers on scientific modeling and a complete set of benchmarks and practice prompts. In preparation for detracking biology and chemistry at the HS, teachers will also receive initial training in Inquiry Hub Biology and Inquiry Hub Chemistry in preparation for SY 2022-2023.

Facility/District Upgrades included:

The district has initiated a massive plan to update and upgrade its school facilities, which have an average age of >75 years. There are several capital projects underway funded either through ESIP, Capital Projects, ESSER II and ARP ESSER III. These projects are in various stages of completion. Most of the completion issues were related to the impact of the pandemic, such as staff, supply chain and other similar tangential effects. Fewer contractors bid and pricing came in above estimates. The following lists these ongoing improvements:

At Various Schools (through the ESIP Program):

- Solar Panels on roof tops
- Solar CarPorts
- HVAC/Univent Replacement
- Building Controls Upgrade
- Air Handling Replacement
- Pool Chiller Replacement
- Steam Boiler Replacement (Fairmount)
- Lighting retrofit

At all schools (Through ESSER II & III)

All HVAC controls will be upgraded and/or replaced. The goal is to have all classroom spaces fully air conditioned by summer of 2024.

At all school funded from Capital Projects:

Fairmount Avenue

- Elevator
- Student Bathroom Improvements

Jackson Avenue

- Elevator
- Student Bathroom Improvements

Fanny Hillers

- Window Replacement
- Replace Rooftop Units to expand A/C to Kindergarten classrooms and cafeteria

High School

- Canopy/Portico/Security Improvements at front entry.
- Cafeteria Improvements (funded from surplus food service enterprise funds)
- Locker Replacement
- Waterproofing exterior walls at base of structure

Middle School

- Cafeteria Improvements (funded from surplus food service enterprise funds)

Nellie K. Parker

- Entry Stairway Reconstruction
- Auditorium Refurbishment

3. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

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

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls which now includes the prerequisite that all requisitions confirm the use of Ed Data, NJESC, State Contracts etc., the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, Special Revenue Fund, and 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as Reservations of Fund Balance on June 30, 2022.

5. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect Generally Accepted Accounting Principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. DEBT ADMINISTRATION

At June 30, 2022, the District had outstanding bonds of \$11,275,000, capital financing agreements of \$322,240, other financing agreements of \$1,593,113 and lease payables of \$654,968. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 7.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END

The Board developed its 2020-22 budget under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a Cash Management Plan, which requires it to

deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT

The Board continues to be a member of the New Jersey School Boards Association Insurance Group, which self-insures Workers' Compensation and purchases general liability, auto and property insurance on a volume basis (Joint Insurance Fund).

10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Lerch Vinci & Bliss, LLC 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 Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The Auditor's Report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit section of this report.

11. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the 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 our Business Office staff.

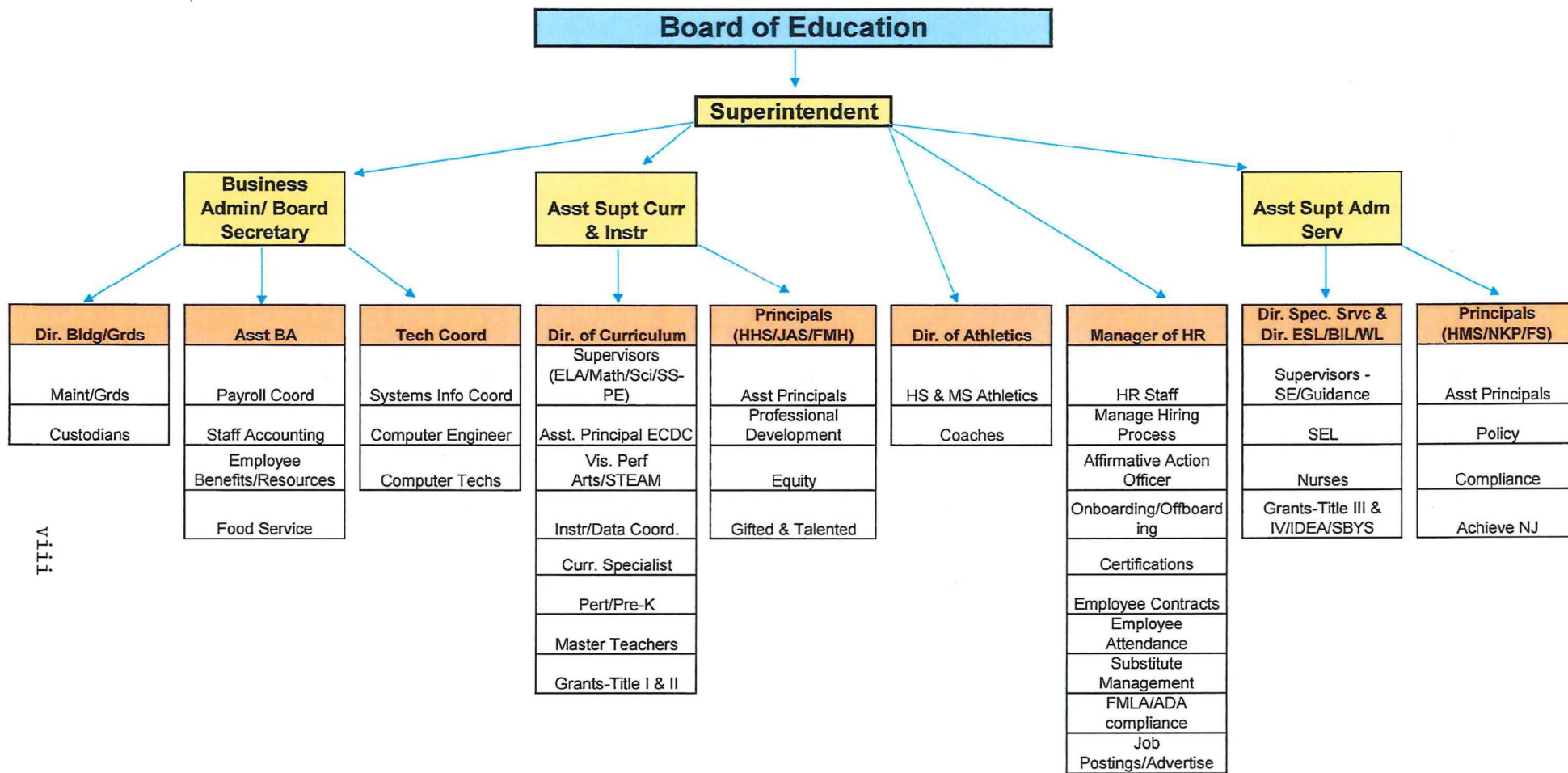
Respectfully submitted,



Roberto Sanchez
Superintendent of Schools



Lydia Singh
School Business Administrator/Board Secretary



HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2022

Members of the Board of Education

Term Expires

| | |
|-----------------------------------|------|
| Scott James-Vickery, President | 2022 |
| Anthony Rodriguez, Vice President | 2023 |
| Demetrius Carroll | 2022 |
| Christopher Coleman | 2023 |
| Ira Goodman | 2022 |
| Jennifer Maury | 2024 |
| Michael Oates | 2023 |
| Lancelot Powell | 2024 |
| Marlene Somerville | 2024 |
| Julio Bendezu (Maywood Rep) | |

Other Officials

Roberto Sanchez, Superintendent

Rosemary Marks, Assistant Superintendent

Andrea Parchment, Assistant Superintendent

Lydia Singh, School Business Administrator/Board Secretary

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2022

Board Attorney

FLORIO PERRUCCI STEINHARDT CAPPELLI TIPTON & TAYLOR LLC
430 Mountain Avenue, Suite 103
New Providence, NJ 07904

Risk Manager

ALAMO INSURANCE GROUP, INC.
55 Flanagan Way
Secaucus, New Jersey 07094

Insurance Broker

Alamo Insurance Group, Inc.
55 Flanagan Way
Secaucus, NJ 07094

District Auditor

LERCH, VINCI & BLISS, LLP
17-17 Route 208 N
Fair Lawn, New Jersey 07410

Official Depository

TD BANK
1000 MacArthur Blvd
Mahwah, NJ 07430

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2023 on our consideration of the Hackensack Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hackensack Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hackensack Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

As management of the Hackensack Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Hackensack Board of Education for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Hackensack Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,085,667 (Net Position)
- The District's total net position increased by \$11,526,572.
- Overall District revenues were \$156,905,699. General revenues accounted for \$107,494,007 or 69% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$49,411,692 or 31% of total revenues.
- The school district had \$141,563,404 in expenses for governmental activities; only \$44,565,260 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$107,494,007 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$35,092,948. Of this amount, \$26,404,640 is fund balance restricted for specific purposes, \$8,214,794 has been assigned to year end encumbrances and subsequent year expenditures and the remaining amount is the unassigned fund balance of \$473,514.
- The General Fund fund balance at June 30, 2022 was \$28,880,340, an increase of \$3,465,869 compared to the ending fund balance at June 30, 2021 of \$25,414,471.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$33,665,629 which represents an increase of \$4,411,915 when compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$29,253,714
- The District's total outstanding long-term liabilities decreased by \$6,216,617 during the current fiscal year.

HACKENSACK BOARD OF EDUCATION

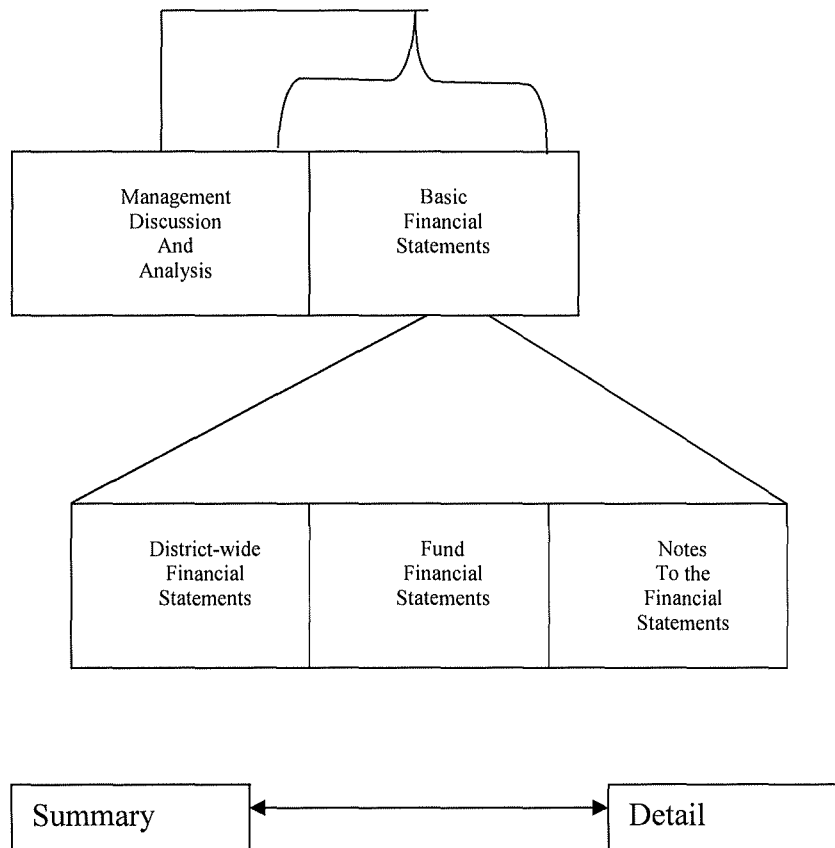
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The table below 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 the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

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

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 outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) program is included under this category.

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$32,085,667 on June 30, 2022 and \$20,559,095 on June 30, 2021 as follows:

| Net Position As of June 30, 2022 and 2021 | | | | | | |
|---|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | | | |
| Current Assets | \$ 43,315,401 | \$ 38,252,444 | \$ 4,577,248 | \$ 3,700,443 | \$ 47,892,649 | \$ 41,952,887 |
| Capital Assets, net of accumulated depreciation | 36,876,567 | 31,120,649 | 644,847 | 522,703 | 37,521,414 | 31,643,352 |
| Total Assets | <u>80,191,968</u> | <u>69,373,093</u> | <u>5,222,095</u> | <u>4,223,146</u> | <u>85,414,063</u> | <u>73,596,239</u> |
| Deferred Outflows of Resources | <u>839,889</u> | <u>1,981,091</u> | <u>-</u> | <u>-</u> | <u>839,889</u> | <u>1,981,091</u> |
| Liabilities | | | | | | |
| Long-Term liabilities | 34,214,346 | 40,430,963 | - | - | 34,214,346 | 40,430,963 |
| Other Liabilities | 8,303,747 | 3,396,022 | 249,583 | 281,855 | 8,553,330 | 3,677,877 |
| Total Liabilities | <u>42,518,093</u> | <u>43,826,985</u> | <u>249,583</u> | <u>281,855</u> | <u>42,767,676</u> | <u>44,108,840</u> |
| Deferred Inflows of Resources | <u>11,398,055</u> | <u>10,907,353</u> | <u>2,554</u> | <u>2,042</u> | <u>11,400,609</u> | <u>10,909,395</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 28,524,036 | 25,156,982 | 644,847 | 522,703 | 29,168,883 | 25,679,685 |
| Restricted | 14,041,254 | 10,918,345 | | | 14,041,254 | 10,918,345 |
| Unrestricted | (15,449,581) | (19,455,481) | 4,325,111 | 3,416,546 | (11,124,470) | (16,038,935) |
| Total Net Position | <u>\$ 27,115,709</u> | <u>\$ 16,619,846</u> | <u>\$ 4,969,958</u> | <u>\$ 3,939,249</u> | <u>\$ 32,085,667</u> | <u>\$ 20,559,095</u> |

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The District's total net position of \$32,085,667 at June 30, 2022 represents a \$11,526,572 increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021.

Change in Net Position For The Fiscal Years Ended June 30, 2022 and 2021

| | Governmental Activities | | Business- Type Activities | | Total | |
|---|-----------------------------|-----------------------------|---------------------------------|----------------------------|-----------------------------|-----------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Revenues | | | | | | |
| Program Revenue | | | | | | |
| Charges for Services | \$ 5,257,746 | \$ 5,900,740 | \$ 88,688 | \$ 16,181 | \$ 5,346,434 | \$ 5,916,921 |
| Operating Grants and Contributions | 39,174,595 | 52,107,989 | 4,757,744 | 5,334,755 | 43,932,339 | 57,442,744 |
| Capital Grants and Contributions | 132,919 | 143,431 | | | 132,919 | 143,431 |
| General Revenues | | | | | | |
| Property Taxes | 86,136,292 | 85,283,457 | | | 86,136,292 | 85,283,457 |
| Unrestricted State Aid | 20,925,184 | 15,654,463 | | | 20,925,184 | 15,654,463 |
| Other | 432,531 | 667,818 | - | - | 432,531 | 667,818 |
| Total Revenues | <u>152,059,267</u> | <u>159,757,898</u> | <u>4,846,432</u> | <u>5,350,936</u> | <u>156,905,699</u> | <u>165,108,834</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 60,077,285 | 66,549,132 | | | 60,077,285 | 66,549,132 |
| Special Education | 26,598,436 | 28,951,522 | | | 26,598,436 | 28,951,522 |
| Other Instruction | 3,729,509 | 3,747,029 | | | 3,729,509 | 3,747,029 |
| School Sponsored Activities and Athletics | 1,806,271 | 1,858,461 | | | 1,806,271 | 1,858,461 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 22,052,393 | 23,316,910 | | | 22,052,393 | 23,316,910 |
| General Administrative Services | 1,327,663 | 1,827,057 | | | 1,327,663 | 1,827,057 |
| School Administrative Services | 6,586,164 | 7,361,203 | | | 6,586,164 | 7,361,203 |
| Central Services and Info. Technology | 2,817,535 | 3,392,599 | | | 2,817,535 | 3,392,599 |
| Plant Operations and Maintenance | 12,678,112 | 12,303,949 | | | 12,678,112 | 12,303,949 |
| Pupil Transportation | 3,537,667 | 1,622,672 | | | 3,537,667 | 1,622,672 |
| Interest on Long-Term Debt | 352,369 | 78,081 | | | 352,369 | 78,081 |
| Food Services | - | - | 3,815,723 | 2,610,116 | 3,815,723 | 2,610,116 |
| Total Expenses | <u>141,563,404</u> | <u>151,008,615</u> | <u>3,815,723</u> | <u>2,610,116</u> | <u>145,379,127</u> | <u>153,618,731</u> |
| Increase in Net Position Before Transfer | 10,495,863 | 8,749,283 | 1,030,709 | 2,740,820 | 11,526,572 | 11,490,103 |
| Transfers | - | (13,675) | - | 13,675 | - | - |
| Increase in Net Position | 10,495,863 | 8,735,608 | 1,030,709 | 2,754,495 | 11,526,572 | 11,490,103 |
| Net Position, Beginning of Year | 16,619,846 | 8,152,843 | 3,939,249 | 1,184,754 | 20,559,095 | 9,337,597 |
| Prior Period Adjustment | - | (268,605) | - | - | - | (268,605) |
| Net Position, End of Year | <u>\$ 27,115,709</u> | <u>\$ 16,619,846</u> | <u>\$ 4,969,958</u> | <u>\$ 3,939,249</u> | <u>\$ 32,085,667</u> | <u>\$ 20,559,095</u> |

HACKENSACK BOARD OF EDUCATION

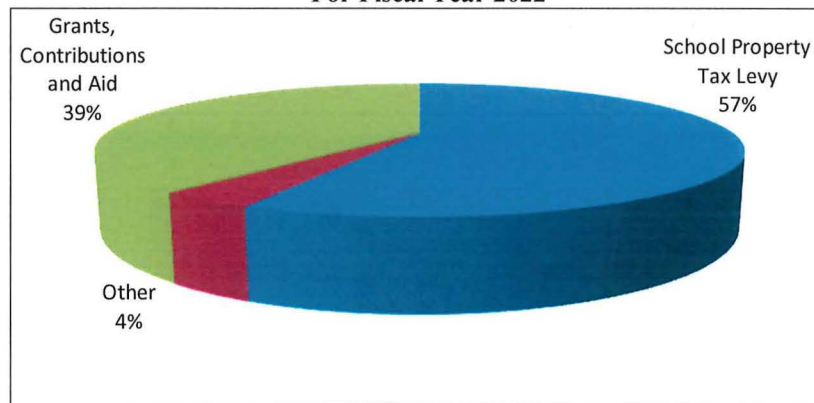
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$152,059,267 for the fiscal year ended June 30, 2022, property taxes of \$86,136,292 represented 57% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$60,232,698 and represented 39% of revenues. In addition, charges for services from tuition and student organizations represented 4% of revenues. Miscellaneous income such as interest, prior year refunds and other miscellaneous items represented less than 1% of revenues.

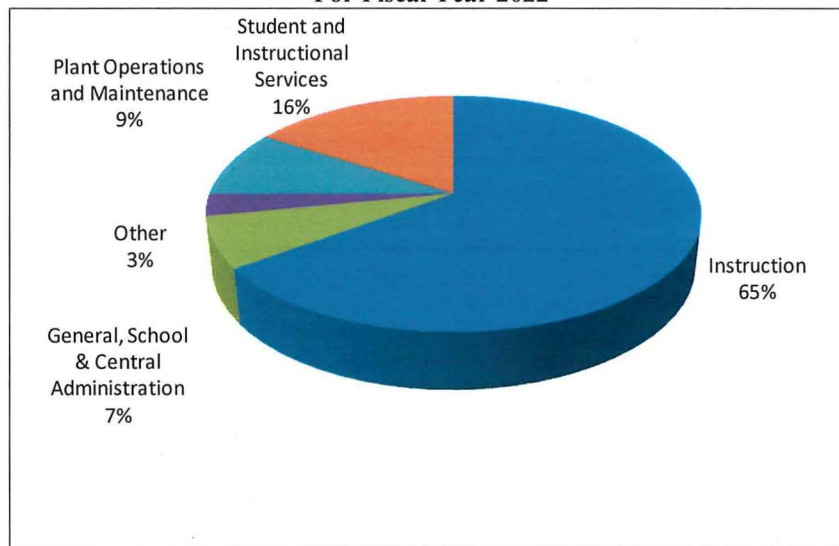
The total cost of all governmental activities programs and services was \$141,563,404 for the fiscal year ended June 30, 2022. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$92,211,501 (65%) of total expenses. Support services costs were \$48,999,534 (35%) of total expenses and interest on debt totaled \$352,369 less than 1% of total expenses.

For fiscal year 2022, total governmental activities revenues exceeded expenses and transfers increasing net position for governmental activities by \$10,495,863 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2022**



**Expenses by Use – Governmental Activities
For Fiscal Year 2022**



HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

Total and Net Cost of Governmental Activities. The District's total cost of services was \$141,563,404. After applying program revenues, derived from operating and capital grants and contributions of \$39,307,514 and charges for services of \$5,257,746, the net cost of services of the District is \$96,998,144 for the fiscal year ended June 30, 2022.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2022 and 2021

| | Total Cost of Services | | Net Cost of Services | |
|---|---------------------------|-----------------------|-------------------------|----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Instruction | | | | |
| Regular | \$ 60,077,285 | \$ 66,549,132 | \$ 41,966,446 | \$ 39,207,023 |
| Special Education | 26,598,436 | 28,951,522 | 13,164,124 | 14,756,560 |
| Other Instruction | 3,729,509 | 3,747,029 | 2,799,382 | 2,458,002 |
| School Sponsored Activities and Athletics | 1,806,271 | 1,858,461 | 1,470,475 | 1,556,968 |
| Support Services | | | | |
| Student and Instruction Related Services | 22,052,393 | 23,316,910 | 15,454,595 | 14,577,189 |
| General Administrative Services | 1,327,663 | 1,827,057 | 1,158,300 | 1,646,762 |
| School Administrative Services | 6,586,164 | 7,361,203 | 5,190,526 | 5,223,923 |
| Central Services and Info. Technology | 2,817,535 | 3,392,599 | 2,560,479 | 3,021,924 |
| Plant Operations and Maintenance | 12,678,112 | 12,303,949 | 10,039,636 | 9,396,201 |
| Pupil Transportation | 3,537,667 | 1,622,672 | 2,841,812 | 934,635 |
| Interest on Long-Term Debt | 352,369 | 78,081 | 352,369 | 77,268 |
| Total | \$ 141,563,404 | \$ 151,008,615 | \$ 96,998,144 | \$ 92,856,455 |

Business-Type Activities – The District's total business-type activities revenues were \$4,846,432 for the fiscal year ended June 30, 2022 and relate entirely to the District's food service (cafeteria) program operations. Charges for services of \$88,688 accounted for 2% of total revenues and operating grants and contributions of \$4,757,744 accounted for 98% of the total revenues.

Total cost of all business-type activities programs and services was \$3,815,723 for the fiscal year ended June 30, 2022 and pertained entirely to food service (cafeteria) operating expenses.

For fiscal year 2022, total business-type activities revenues exceeded expenses, increasing net position by \$1,030,709 or 26% over the previous year.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$35,092,948 at June 30, 2022, an increase of \$152,294 from last year's fund balance of \$34,940,654. The District's restricted fund balances decreased \$1,146,325, the assigned fund balances increased \$2,407,245 while the unassigned fund balance of the governmental funds decreased \$1,108,626 at June 30, 2022.

Revenues for the District's governmental funds were \$157,552,311, while total expenditures were \$158,845,282 for the fiscal year ended June 30, 2022. The District also had other financing sources of \$1,445,265 from other financing agreement proceeds.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades Pre-K through 12 including pupil transportation, extra-curricular activities, plant operation and maintenance costs and capital outlay activities.

The following schedule presents a summary of General Fund Revenues.

| | Fiscal Year Ended <u>June 30, 2022</u> | Fiscal Year Ended <u>June 30, 2021</u> | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|-----------------------------|--|--|-------------------------------------|-----------------------------------|
| Local Sources | | | | |
| Property Tax Levy | \$ 86,136,292 | \$ 85,283,457 | \$ 852,835 | 1% |
| Tuition | 5,040,477 | 5,713,794 | (673,317) | -12% |
| Other | 419,339 | 667,201 | (247,862) | -37% |
| State Sources | 57,707,394 | 46,153,528 | 11,553,866 | 25% |
| Federal Sources | <u>56,639</u> | <u>269,969</u> | <u>(213,330)</u> | -79% |
| Total General Fund Revenues | <u>\$ 149,360,141</u> | <u>\$ 138,087,949</u> | <u>\$ 11,272,192</u> | 8% |

For fiscal year 2022, total General Fund revenues increased \$11,272,192 or 8% from the previous year. Property taxes increased \$852,835 or 1% to support increases in operating costs. Tuition revenues decreased \$673,317 or 12% due to a decrease in enrollment from other school districts. As indicated, State aid increased \$11,553,866 or 25% mainly due to the increase in equalization formula aid as well as on-behalf TPAF pension benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

| | Fiscal Year Ended <u>June 30, 2022</u> | Fiscal Year Ended <u>June 30, 2021</u> | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|--------------------|--|--|-------------------------------------|-----------------------------------|
| Instruction | \$ 91,196,806 | \$ 84,991,846 | \$ 6,204,960 | 7% |
| Support Services | 47,516,268 | 41,940,450 | 5,575,818 | 13% |
| Capital Outlay | 5,114,629 | 3,954,154 | 1,160,475 | 29% |
| Debt Service | <u>1,498,365</u> | <u>675,866</u> | <u>822,499</u> | 100% |
| Total Expenditures | <u>\$ 145,326,068</u> | <u>\$ 131,562,316</u> | <u>\$ 13,763,752</u> | 10% |

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

GENERAL FUND (Continued)

For fiscal year 2022, total General Fund expenditures increased \$13,763,752 or 10% from the previous year. Increases in regular education instructional costs student and instruction related services support costs, pupil transportation support costs and capital outlay were the major factors for the increase in the current fiscal year. Debt service expenditures increased due to the allocation of certain costs under the implementation of GASB Statement 87 "Leases".

In fiscal year 2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$3,465,869. Therefore, the total fund balance of \$25,414,471 at June 30, 2021 increased to a fund balance of \$28,880,340 at June 30, 2022. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from of \$1,582,140 at June 30, 2021 to a fund balance of \$473,514 at June 30, 2022. The District's restricted fund balances (capital reserve, maintenance reserve, emergency reserve, excess surplus and unemployment compensation reserve) increased from a collective total fund balance of \$18,024,782 at June 30, 2021 to \$20,192,032 at June 30, 2022. The District's assigned fund balances (year end encumbrances and designated for subsequent expenditures) increased from a collective total fund balance of \$5,807,549 at June 30, 2021 to \$8,214,794 at June 30, 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2022, the District had \$36,876,567 invested in land, buildings, furniture, equipment vehicles and right-to-use leases assets for governmental activities and \$644,847 for business type activities. For fiscal year 2022 depreciation expense was \$2,533,442 for governmental activities and \$48,726 for business-type activities. The following is a comparison of the June 30, 2022 and 2021 balances:

Capital Assets as of June 30, 2022 and 2021 (Net of Accumulated Depreciation)

| | Governmental Activities | | Business-Type Activities | |
|------------------------------------|------------------------------------|-----------------------------|-------------------------------------|--------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land and Land Improvements | \$ 1,525,816 | \$ 1,563,430 | | |
| Building and Building Improvements | 21,957,288 | 22,260,036 | \$ 280,557 | \$ 300,167 |
| Right-to-use Leased Buildings | 501,422 | 1,002,844 | | |
| Machinery and Equipment | 1,891,218 | 1,894,055 | 228,590 | 222,536 |
| Construction in Progress | <u>11,000,823</u> | <u>4,400,284</u> | <u>135,700</u> | <u>-</u> |
| Total Capital Assets, Net | <u>\$ 36,876,567</u> | <u>\$ 31,120,649</u> | <u>\$ 644,847</u> | <u>\$ 522,703</u> |

Additional information on the District's capital assets is presented in Note 3 of this report.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

LONG TERM LIABILITIES

At June 30, 2022 the District had \$34,214,346 of total outstanding long term liabilities compared to \$40,430,963 at June 30, 2021. Therefore for fiscal year 2022 total outstanding long-term liabilities decreased by \$6,216,617. The following is a comparison of the June 30, 2022 and 2021 balances:

Outstanding Long-Term Liabilities as of June 30, 2022 and 2021

| | <u>Governmental Activities</u> | |
|--|--------------------------------|-----------------------------|
| | <u>2022</u> | <u>2021</u> |
| Serial Bonds (including unamortized premium) | \$ 13,118,522 | \$ 13,242,030 |
| Capital Financing Agreements | 322,240 | 636,105 |
| Other Financing Agreements | 1,593,113 | 767,102 |
| Compensated Absences | 1,238,321 | 1,160,697 |
| Leases Payable | 654,968 | 1,271,449 |
| Net Pension Liability | <u>17,287,182</u> | <u>23,353,580</u> |
| Total Long-Term Liabilities | <u>\$ 34,214,346</u> | <u>\$ 40,430,963</u> |

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant difference between the budgetary basis of accounting and generally accepted accounting principles is the legally mandated revenue recognition of certain delayed or deferred state aid payments. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through the appropriation of capital reserve and maintenance reserve, as well as, the reappropriation of prior year encumbrances and budget transfers to prevent over expenditures in specific line item accounts.

For fiscal year 2022 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$4,411,915 to \$33,665,629 at June 30, 2022. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$162,580 from an unassigned fund balance of \$5,421,383 at June 30, 2021 to \$5,258,803 at June 30, 2022. In addition, the District increased its capital reserve \$2,550,752 to \$10,322,463 at June 30, 2022, increased its maintenance reserve \$274,899 to \$2,285,762 at June 30, 2022 and increased its emergency reserve \$233 to \$300,263 at June 30, 2022. The District's total restricted excess surplus balance also decreased \$819,444 to \$6,319,924 at June 30, 2022 and the unemployment compensation reserve increased \$160,810 to \$963,620 at June 30, 2022. Overall assigned fund balances increased \$2,407,245 to \$8,214,794 at June 30, 2022.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related employee benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased approximately 7% to \$141,916,882 for fiscal year 2022-2023. A significant portion of this budget increase was funded from additional state aid granted to the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Hackensack Board of Education, 191 Second Street, Hackensack, NJ 07601.

FINANCIAL STATEMENTS

**HACKENSACK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 39,097,939 | \$ 4,146,374 | \$ 43,244,313 |
| Receivables, net | 4,170,795 | 397,518 | 4,568,313 |
| Other Assets | 46,667 | - | 46,667 |
| Inventory | | 33,356 | 33,356 |
| Capital Assets, Not Being Depreciated | 11,069,623 | | 11,069,623 |
| Capital Assets, Being Depreciated, Net | <u>25,806,944</u> | <u>644,847</u> | <u>26,451,791</u> |
| Total Assets | <u>80,191,968</u> | <u>5,222,095</u> | <u>85,414,063</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | <u>839,889</u> | <u>-</u> | <u>839,889</u> |
| Total Deferred Outflows of Resources | <u>839,889</u> | <u>-</u> | <u>839,889</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 5,606,573 | 232,443 | 5,839,016 |
| Accrued Interest Payable | 81,294 | | 81,294 |
| Unearned Revenue | 2,615,880 | 17,140 | 2,633,020 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 2,209,329 | | 2,209,329 |
| Due Beyond One Year | <u>32,005,017</u> | <u>-</u> | <u>32,005,017</u> |
| Total Liabilities | <u>42,518,093</u> | <u>249,583</u> | <u>42,767,676</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Commodities Revenues | | 2,554 | 2,554 |
| Deferred Amounts on Net Pension Liability | <u>11,398,055</u> | <u>-</u> | <u>11,398,055</u> |
| Total Deferred Inflows of Resources | <u>11,398,055</u> | <u>2,554</u> | <u>11,400,609</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 28,524,036 | 644,847 | 29,168,883 |
| Restricted for | | | |
| Capital Projects | 10,322,463 | | 10,322,463 |
| Plant Maintenance | 2,285,762 | | 2,285,762 |
| Unemployment Compensation | 963,620 | | 963,620 |
| Student Activities | 274,508 | | 274,508 |
| Other Purposes | 194,901 | | 194,901 |
| Unrestricted | <u>(15,449,581)</u> | <u>4,325,111</u> | <u>(11,124,470)</u> |
| Total Net Position | <u>\$ 27,115,709</u> | <u>\$ 4,969,958</u> | <u>\$ 32,085,667</u> |

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

**HACKENSACK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 60,077,285 | \$ 3,491,992 | \$ 14,502,267 | \$ 116,580 | \$ (41,966,446) | | \$ (41,966,446) |
| Special Education | 26,598,436 | 1,548,485 | 11,885,827 | | (13,164,124) | | (13,164,124) |
| Other Instruction | 3,729,509 | | 930,127 | | (2,799,382) | | (2,799,382) |
| School Sponsored Activities and Athletics | 1,806,271 | 217,269 | 118,527 | | (1,470,475) | | (1,470,475) |
| Support Services | | | | | | | |
| Student and Instruction Related Services | 22,052,393 | | 6,597,798 | | (15,454,595) | | (15,454,595) |
| General Administrative Services | 1,327,663 | | 169,363 | | (1,158,300) | | (1,158,300) |
| School Administrative Services | 6,586,164 | | 1,395,638 | | (5,190,526) | | (5,190,526) |
| Central Services and Info. Technology | 2,817,535 | | 257,056 | | (2,560,479) | | (2,560,479) |
| Plant Operations and Maintenance | 12,678,112 | | 2,622,137 | 16,339 | (10,039,636) | | (10,039,636) |
| Pupil Transportation | 3,537,667 | | 695,855 | | (2,841,812) | | (2,841,812) |
| Interest on Long Term Debt | 352,369 | - | - | - | (352,369) | - | (352,369) |
| Total Governmental Activities | 141,563,404 | 5,257,746 | 39,174,595 | 132,919 | (96,998,144) | - | (96,998,144) |
| Business-Type Activities | | | | | | | |
| Food Service | 3,815,723 | 88,688 | 4,757,744 | - | - | \$ 1,030,709 | 1,030,709 |
| Total Business-Type Activities | 3,815,723 | 88,688 | 4,757,744 | - | - | 1,030,709 | 1,030,709 |
| Total Primary Government | \$ 145,379,127 | \$ 5,346,434 | \$ 43,932,339 | \$ 132,919 | (96,998,144) | 1,030,709 | (95,967,435) |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, levied for general purposes, net | | | | | 86,136,292 | | 86,136,292 |
| Unrestricted State Aid | | | | | 20,925,184 | | 20,925,184 |
| Investment Earnings | | | | | 51,680 | - | 51,680 |
| Miscellaneous Income | | | | | 380,851 | - | 380,851 |
| Total General Revenues and Transfers | | | | | 107,494,007 | - | 107,494,007 |
| Change in Net Position | | | | | 10,495,863 | 1,030,709 | 11,526,572 |
| Net Position, Beginning of Year (Restated) | | | | | 16,619,846 | 3,939,249 | 20,559,095 |
| Net Position, End of Year | | | | | \$ 27,115,709 | \$ 4,969,958 | \$ 32,085,667 |

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

FUND FINANCIAL STATEMENTS

**HACKENSACK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Non-Major Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-----------------------------|-------------------------------------|--------------------------------------|--|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 31,553,197 | \$ 469,408 | \$ 7,075,333 | \$ 1 | \$ 39,097,939 |
| Receivables from Other Governments | 1,005,905 | 3,164,890 | | | 4,170,795 |
| Due from Other Funds | 195,599 | | | | 195,599 |
| Security Deposit | 46,667 | - | - | - | 46,667 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 32,801,368</u> | <u>\$ 3,634,298</u> | <u>\$ 7,075,333</u> | <u>\$ 1</u> | <u>\$ 43,511,000</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 3,575,224 | \$ 424,239 | \$ 1,184,716 | | \$ 5,184,179 |
| Payable to State Government | 204,937 | 76,590 | | | 281,527 |
| Payroll Deductions and Withholdings Payable | 89,761 | | | | 89,761 |
| Due to Other Funds | | 48,181 | 147,418 | | 195,599 |
| Other Liabilities | 51,106 | | | | 51,106 |
| Unearned Revenue | - | 2,615,880 | - | - | 2,615,880 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>3,921,028</u> | <u>3,164,890</u> | <u>1,332,134</u> | <u>-</u> | <u>8,418,052</u> |
| Fund Balances | | | | | |
| Restricted Fund Balance | | | | | |
| Capital Reserve | 7,122,463 | | | | 7,122,463 |
| Capital Reserve-Designated for Subsequent | | | | | |
| Year's Expenditures | 3,200,000 | | | | 3,200,000 |
| Maintenance Reserve | 1,985,762 | | | | 1,985,762 |
| Maintenance Reserve-Designated for Subsequent | | | | | |
| Year's Expenditures | 300,000 | | | | 300,000 |
| Emergency Reserve | 300,263 | | | | 300,263 |
| Unemployment Compensation Reserve | 963,620 | | | | 963,620 |
| Excess Surplus | 2,902,186 | | | | 2,902,186 |
| Excess Surplus-Designated for Subsequent | | | | | |
| Year's Expenditures | 3,417,738 | | | | 3,417,738 |
| Student Activities | | 274,508 | | | 274,508 |
| Scholarships | | 194,900 | | | 194,900 |
| Capital Projects | | | 5,743,199 | | 5,743,199 |
| Debt Service | | | | \$ 1 | 1 |
| Assigned Fund Balance | | | | | |
| Year End Encumbrances | 3,314,664 | | | | 3,314,664 |
| Designated for Subsequent Year's | | | | | |
| Expenditures | 4,900,130 | | | | 4,900,130 |
| Unassigned Fund Balance | 473,514 | - | - | - | 473,514 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>28,880,340</u> | <u>469,408</u> | <u>5,743,199</u> | <u>1</u> | <u>35,092,948</u> |
| Total Liabilities and Fund Balances | <u>\$ 32,801,368</u> | <u>\$ 3,634,298</u> | <u>\$ 7,075,333</u> | <u>\$ 1</u> | <u>\$ 43,511,000</u> |

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

**HACKENSACK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1) **\$ 35,092,948**

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$80,153,884 and the accumulated depreciation is \$43,277,317.

36,876,567

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.

| | | |
|--------------------------------|---------------------|--------------|
| Deferred Outflows of Resources | \$ 839,889 | |
| Deferred Inflows of Resources | <u>(11,398,055)</u> | |
| | | (10,558,166) |

The district has financed capital assets and certain computer items through the issuance of capital leases and lease-purchase agreements. The interest accrual at year end is:

(81,294)

Long-term liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.

| | | |
|------------------------------|---------------------|---------------------|
| Bonds Payable, Net | (13,118,522) | |
| Capital Financing Agreements | (322,240) | |
| Other Financing Agreements | (1,593,113) | |
| Compensated Absences | (1,238,321) | |
| Leases Payable | (654,968) | |
| Net Pension Liability | <u>(17,287,182)</u> | |
| | | <u>(34,214,346)</u> |

Net Position of Governmental Activities (Exhibit A-1) **\$ 27,115,709**

**HACKENSACK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Non-Major Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|--|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 86,136,292 | | | | \$ 86,136,292 |
| Tuition | 5,040,477 | | | | 5,040,477 |
| Interest | 38,488 | | \$ 13,192 | | 51,680 |
| Miscellaneous | 380,851 | \$ 407,308 | - | - | 788,159 |
| Total - Local Sources | 91,596,108 | 407,308 | 13,192 | - | 92,016,608 |
| State Sources | 57,707,394 | 3,191,240 | | | 60,898,634 |
| Federal Sources | 56,639 | 4,580,430 | - | - | 4,637,069 |
| Total Revenues | 149,360,141 | 8,178,978 | 13,192 | - | 157,552,311 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 59,097,999 | 3,586,609 | 1,445,265 | | 64,129,873 |
| Special Education Instruction | 26,523,718 | 1,770,489 | | | 28,294,207 |
| Other Instruction | 3,985,194 | 58,902 | | | 4,044,096 |
| School-Sponsored Activities and Athletics | 1,589,895 | 291,260 | | | 1,881,155 |
| Support Services | | | | | |
| Student and Instruction Related Services | 21,000,695 | 2,661,908 | | | 23,662,603 |
| General Administrative Services | 1,395,189 | | | | 1,395,189 |
| School Administrative Services | 7,217,171 | | | | 7,217,171 |
| Central Services and Info. Technology | 2,974,403 | | | | 2,974,403 |
| Plant Operations and Maintenance | 11,395,560 | | | | 11,395,560 |
| Pupil Transportation | 3,533,250 | | | | 3,533,250 |
| Debt Service | | | | | |
| Principal | 1,433,648 | 115,952 | | | 1,549,600 |
| Interest | 64,717 | | 414,098 | | 478,815 |
| Capital Outlay | 5,114,629 | 132,919 | 3,041,812 | - | 8,289,360 |
| Total Expenditures | 145,326,068 | 8,618,039 | 4,901,175 | - | 158,845,282 |
| Excess (Deficiency) of Revenues Over Expenditures | 4,034,073 | (439,061) | (4,887,983) | - | (1,292,971) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Other Financing Agreement Proceeds | | | 1,445,265 | | 1,445,265 |
| Transfers In | 7,305 | 575,509 | | | 582,814 |
| Transfers Out | (575,509) | - | (7,305) | - | (582,814) |
| Total Other Financing Sources and Uses | (568,204) | 575,509 | 1,437,960 | - | 1,445,265 |
| Net Change in Fund Balances | 3,465,869 | 136,448 | (3,450,023) | - | 152,294 |
| Fund Balance, Beginning of Year | 25,414,471 | 332,960 | 9,193,222 | 1 | 34,940,654 |
| Fund Balance, End of Year | \$ 28,880,340 | \$ 469,408 | \$ 5,743,199 | \$ 1 | \$ 35,092,948 |

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

**HACKENSACK BOARD OF EDUCATION
ILLUSTRATIVE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 152,294**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

| | | |
|----------------------|--------------------|-----------|
| Capital Outlay | \$ 8,289,360 | |
| Depreciation Expense | <u>(2,533,442)</u> | |
| | | 5,755,918 |

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

| | | |
|--------------------------------------|------------------|-----------|
| Net Increase in Compensated Absences | (77,624) | |
| Net Decrease in Pension Expense | <u>4,434,494</u> | |
| | | 4,356,870 |

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

| | | |
|------------------------------|----------------|-----------|
| Principal Repayments | | |
| Capital Financing Agreements | 313,865 | |
| Other Financing Agreements | 619,254 | |
| Leases Payable | <u>616,481</u> | |
| | | 1,549,600 |

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.

| | | |
|-------------------------|--------------------|-------------|
| Debt Issued: | | |
| Lease Purchase Proceeds | <u>(1,445,265)</u> | |
| | | (1,445,265) |

In the statement of activities, certain amounts related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these amounts either provide or use current resources. These amounts represent the current year amortization of the costs related to the issuance of long term debt.

| | | |
|------------------------|--|---------|
| Original Issue Premium | | 123,508 |
|------------------------|--|---------|

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

| | | |
|------------------------------|--|--------------|
| Decrease in accrued interest | | <u>2,938</u> |
|------------------------------|--|--------------|

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 10,495,863**

**HACKENSACK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

| | Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u> |
|--------------------------------------|---|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 4,146,374 |
| Intergovernmental Receivable | 397,518 |
| Inventory | <u>33,356</u> |
| Total Current Assets | <u>4,577,248</u> |
| Capital Assets | |
| Building and Building Improvements | 392,221 |
| Machinery and Equipment | 646,491 |
| Construction in Progress | 135,700 |
| Less: Accumulated Depreciation | <u>(529,565)</u> |
| Total Capital Assets, Net | <u>644,847</u> |
| Total Assets | <u>5,222,095</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 232,443 |
| Unearned Revenue | <u>17,140</u> |
| Total Current Liabilities | <u>249,583</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Commodities Revenue | <u>2,554</u> |
| Total Deferred Inflows of Resources | <u>2,554</u> |
| NET POSITION | |
| Investment in Capital Assets | 644,847 |
| Unrestricted | <u>4,325,111</u> |
| Total Net Position | <u>\$ 4,969,958</u> |

**HACKENSACK BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u> |
|---|---|
| OPERATING REVENUES | |
| Charges for Services | |
| Daily Sales | |
| Non-Reimbursable Programs | \$ 88,688 |
| Total Operating Revenues | <u>88,688</u> |
| OPERATING EXPENSES | |
| Salaries and Benefits | 1,769,518 |
| Cost of Sales - Reimbursable Programs | 1,138,152 |
| Cost of Sales - Non-Reimbursable Programs | 445,034 |
| Insurance | 156,773 |
| Purchased Management Services | 112,330 |
| Transportation | 32,229 |
| Repairs and Maintenance | 47,469 |
| Supplies | 57,009 |
| Miscellaneous | 8,483 |
| Depreciation | <u>48,726</u> |
| Total Operating Expenses | <u>3,815,723</u> |
| Operating Loss | <u>(3,727,035)</u> |
| NONOPERATING REVENUES | |
| State Sources | |
| School Lunch Program | 84,801 |
| Federal Sources | |
| National School Breakfast Program | 1,485,498 |
| National School Lunch Program | 2,931,746 |
| Snack Program | 31,067 |
| Administrative Cost Program | 3,135 |
| Food Distribution Program | <u>221,497</u> |
| Total Nonoperating Revenues | <u>4,757,744</u> |
| Change in Net Position | 1,030,709 |
| Net Position, Beginning of Year | <u>3,939,249</u> |
| Net Position, End of Year | <u>\$ 4,969,958</u> |

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

**HACKENSACK BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u> |
|---|---|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$ 85,256 |
| Cash Payment for Salaries and Benefits | (1,769,518) |
| Cash Payments to Suppliers for Goods and Services | <u>(1,829,013)</u> |
| Net Cash Used by Operating Activities | <u>(3,513,275)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Cash Received from State and Federal Subsidy Reimbursements | <u>5,005,667</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>5,005,667</u> |
| Cash Flows from Capital and Related Financial Activities | |
| Acquisition and Construction of Capital Assets | <u>(170,870)</u> |
| Net Cash Used for Capital and Related Financing Activities | <u>(170,870)</u> |
| Net Increase in Cash and Cash Equivalents | 1,321,522 |
| Cash and Cash Equivalents, Beginning of Year | <u>2,824,852</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 4,146,374</u></u> |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | |
| Operating Loss | <u>\$ (3,727,035)</u> |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities | |
| Depreciation | 48,726 |
| Non Cash Federal Assistance - Food Distribution Program (USDA Commodities) | 221,497 |
| Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Inventory | (24,703) |
| Increase/(Decrease) in Accounts Payable | (28,840) |
| Increase (Decrease) in Unearned Revenue | (3,432) |
| Increase/(Decrease) in Deferred Commodities Revenue | <u>512</u> |
| Total Adjustments | <u>213,760</u> |
| Net Cash Used by Operating Activities | <u><u>\$ (3,513,275)</u></u> |
| Non-Cash Investing, Capital and Financing Activities | |
| Value Received for Food Distribution Program | \$ 222,009 |

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

NOTES TO THE FINANCIAL STATEMENTS

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers its general, special revenue and capital projects governmental funds and food service enterprise fund to be major funds.

The District reports the following major governmental funds:

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The District reports the following nonmajor governmental fund:

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Land Improvements | 8-10 |
| Buildings | 40 |
| Building Improvements | 7-20 |
| Right-to-use Leased Buildings | 10 |
| Furniture, Equipment and Vehicles | 5-20 |

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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

6. *Compensated Absences*

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Pensions*

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

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

8. *Leases*

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

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

9. *Financing Agreements*

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

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

10. *Long-Term Obligations*

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

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

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

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

11. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$18,887,587. The increase was funded by the additional appropriation of capital reserve, maintenance reserve, grant awards, student activities revenue, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

| | | | |
|--|------------------|-----------|--------------------|
| Balance, July 1, 2021 | | \$ | 7,771,711 |
| Increased by | | | |
| Interest Earnings | \$ | 5,860 | |
| Deposits Approved in District Budget | | 2,000,000 | |
| Deposits Approved by Board Resolution | | 2,500,000 | |
| Total Increases | | | <u>4,505,860</u> |
| | | | 12,277,571 |
| Decreased by: | | | |
| Withdrawals Approved in District Budget | (1,730,108) | | |
| Withdrawals Approved By Board Resolution | <u>(225,000)</u> | | |
| | | | <u>(1,955,108)</u> |
| Balance, June 30, 2022 | | \$ | <u>10,322,463</u> |

The withdrawals from the capital reserve were for use in a department approved facilities projects, consistent with the district's Long Range Facilities Plan. The District designated and appropriated \$3,200,000 of the capital reserve balance at June 30, 2022 for use in the 2022/2023 original budget certified for taxes.

C. Maintenance Reserve

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

| | | |
|--|----|------------------|
| Balance, July 1, 2021 | \$ | 2,010,863 |
| Increased by | | |
| Interest Earnings | \$ | 437 |
| Deposits Approved by Board Resolution | | 1,000,000 |
| Return of Unencumbered Budget Appropriations | | |
| Funded from Reserve | | <u>163,462</u> |
| | | 1,163,899 |
| | | 3,174,762 |
| Withdrawals Approved By Board Resolution | | <u>(889,000)</u> |
| Balance, June 30, 2022 | \$ | <u>2,285,762</u> |

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$7,510,326. The District designated and appropriated \$300,000 of the maintenance reserve balance at June 30, 2022 for use in the 2022/2023 original budget certified for taxes.

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

| | | |
|------------------------|----|----------------|
| Balance, July 1, 2021 | \$ | 300,030 |
| Increased by | | |
| Deposits Interest | | <u>233</u> |
| Balance, June 30, 2022 | \$ | <u>300,263</u> |

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2022 is \$6,319,924. Of this amount, \$3,417,738 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$2,902,186 will be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$36,168,980 and bank and brokerage firm balances of the Board’s deposits amounted to \$36,356,450. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” or “cash with Fiscal Agent” are categorized as:

Depository Account

| | |
|------------------------------|----------------------|
| Insured | \$ 35,571,484 |
| Uninsured and Collateralized | <u>784,966</u> |
| | <u>\$ 36,356,450</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board’s bank balances of \$784,966 were exposed to custodial credit risk.

Depository Account

Uninsured and Collateralized:

| | |
|--|-------------------|
| Collateral held by pledging financial institution's trust department but not in the Board's name | \$ <u>784,966</u> |
| | <u>\$ 784,966</u> |

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2022, the Board had the following investments:

| <u>Investment Type:</u> | <u>Fair Value</u> |
|---|---------------------|
| NJ ARM Managed Account - Local Government Investment Pool | \$ <u>7,075,333</u> |

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2022, \$7,075,333 of the Board’s investments was exposed to custodial credit risk as follows:

| | <u>Fair Value</u> |
|---|---------------------|
| Uninsured and Collateralized: | |
| Collateral held by pledging financial institutions' trust department or agent but not in the Board's name | \$ <u>7,075,333</u> |

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices. As of June 30, 2022 the Board’s investments in NJ ARM was rated AAA by Standard and Poor’s.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board’s investments are in NJ ARM Rebate Management Program (NJARM). These investments are 100% of the District’s total investments.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by NJ ARM. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2022 are categorized as Level 2.

B. Receivables

Receivables as of June 30, 2022 for the district's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Special Revenue</u> | <u>Food Service</u> | <u>Total</u> |
|---------------------------------------|---------------------|----------------------------|-------------------------|---------------------|
| Receivables: | | | | |
| Intergovernmental- | | | | |
| Federal | | \$ 3,164,890 | \$ 391,690 | \$ 3,556,580 |
| State | \$ 189,644 | | 5,828 | 195,472 |
| Local | 816,261 | | | 816,261 |
| Accounts | - | - | - | - |
| Gross Receivables | 1,005,905 | 3,164,890 | 397,518 | 4,568,313 |
| Less: Allowance for Uncollectibles | - | - | - | - |
| Net Total Receivables | <u>\$ 1,005,905</u> | <u>\$ 3,164,890</u> | <u>\$ 397,518</u> | <u>\$ 4,568,313</u> |

C. Unearned Revenue

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

| | |
|---|---------------------|
| Special Revenue Fund | |
| Unencumbered Grant Draw Downs | \$ 625,009 |
| Grant Draw Downs Reserved for Encumbrances | <u>1,990,871</u> |
| Total Unearned Revenue for Governmental Funds | <u>\$ 2,615,880</u> |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

| | Restated Balance, July 1, 2021 (Restated) | Increases | Decreases | Balance, June 30, 2022 |
|--|--|--------------|-----------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 68,800 | - | - | \$ 68,800 |
| Construction in Progress | 4,400,284 | \$ 6,636,439 | \$ 35,900 | 11,000,823 |
| Total Capital Assets, Not Being Depreciated | 4,469,084 | 6,636,439 | 35,900 | 11,069,623 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 1,785,681 | 137,579 | | 1,923,260 |
| Buildings and Building Improvements | 53,365,190 | 1,095,118 | | 54,460,308 |
| Right-to-use Leased Buildings | 5,014,219 | | | 5,014,219 |
| Machinery and Equipment | 7,230,350 | 456,124 | - | 7,686,474 |
| Total Capital Assets Being Depreciated | 67,395,440 | 1,688,821 | - | 69,084,261 |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (291,051) | (175,193) | | (466,244) |
| Buildings and Building Improvements | (31,105,154) | (1,397,866) | | (32,503,020) |
| Right-to-use Leased Buildings | (4,011,375) | (501,422) | | (4,512,797) |
| Machinery and Equipment | (5,336,295) | (458,961) | - | (5,795,256) |
| Total Accumulated Depreciation | (40,743,875) | (2,533,442) | - | (43,277,317) |
| Total Capital Assets, Being Depreciated, Net | 26,651,565 | (844,621) | - | 25,806,944 |
| Governmental Activities Capital Assets, Net | \$ 31,120,649 | \$ 5,791,818 | \$ 35,900 | \$ 36,876,567 |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

| | Balance, July 1, 2021 | Increases | Decreases | Balance, June 30, 2022 |
|--|--------------------------|-------------|-----------|---------------------------|
| Business-Type Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | - | \$ 135,700 | - | \$ 135,700 |
| Total Capital Assets, Not Being Depreciated | - | 135,700 | - | 135,700 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and Building Improvements | \$ 392,221 | | | \$ 392,221 |
| Equipment | 611,321 | 35,170 | - | 646,491 |
| Total Capital Assets Being Depreciated | 1,003,542 | 35,170 | - | 1,038,712 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Building Improvements | (92,054) | \$ (19,610) | | (111,664) |
| Equipment | (388,785) | (29,116) | - | (417,901) |
| Total Accumulated Depreciation | (480,839) | (48,726) | - | (529,565) |
| Total Capital Assets, Being Depreciated, Net | 522,703 | (13,556) | - | 509,147 |
| Business-Type Activities Capital Assets, Net | \$ 522,703 | \$ 122,144 | \$ - | \$ 644,847 |

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

| | |
|---|--------------|
| Governmental Activities: | |
| Instruction | |
| Regular Instruction | \$ 116,685 |
| Special Education Instruction | 51,186 |
| Other Instruction | 6,442 |
| School-Sponsored Activities and Athletics | 96,335 |
| Total Instruction | 270,648 |
| Support Services | |
| Student and Instruction Related Services | 38,861 |
| General Administrative Services | 2,291 |
| School Administrative Services | 14,280 |
| Central Services and Info. Technology | 161,929 |
| Plant Operations and Maintenance | 2,017,687 |
| Pupil Transportation | 27,746 |
| Total Support Services | 2,262,794 |
| Total Governmental Funds | \$ 2,533,442 |
| Business-Type Activities: | |
| Food Service Fund | \$ 48,726 |
| Total Depreciation Expense-Business-Type Activities | \$ 48,726 |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects and other significant commitments as of June 30, 2022:

| <u>Project</u> | <u>Remaining Commitment</u> |
|--|---------------------------------|
| Energy Savings Improvement Project | \$ 5,836,508 |
| Replacement Windows at Hiller Elementary School | 211,176 |
| Elevator at Jackson Elementary School | 650,158 |
| Canopy / Portico at Hackensack High School | 243,908 |
| Elevator at Fairmount School | 712,487 |
| Rooftop Unit Replacement at Hiller Elementary School | 590,363 |
| Univent Upgrades at Hiller Elementary and Hackensack Middle School | 440,825 |
| Replace / Upgrade Surveillance Systems at Elementary Schools | 299,871 |
| Maintenance of Football Field Bleachers | 197,371 |
| Total | <u>\$ 9,182,667</u> |

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|-------------------|
| General Fund | Special Revenue Fund | \$ 48,181 |
| General Fund | Capital Projects Fund | <u>147,418</u> |
| Total | | <u>\$ 195,599</u> |

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

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

Interfund Transfers

| | <u>Transfer In:</u> | | |
|-----------------------|-------------------------|----------------------------|-------------------|
| | <u>General Fund</u> | <u>Special Revenue</u> | <u>Total</u> |
| Transfer Out: | | | |
| General Fund | | \$ 575,509 | \$ 575,509 |
| Capital Projects Fund | 7,305 | - | 7,305 |
| | <u>\$ 7,305</u> | <u>\$ 575,509</u> | <u>\$ 582,814</u> |

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable

On June 28, 2013, the District entered into a five year lease agreement as lessee for the use of a school building. On December 18, 2018 the lease agreement was amended and extended five more years for an amended lease term of 10 years through June 30, 2023. The amended lease liability was recorded in the amount of \$5,014,219. The lease has an interest rate of 4.00%. The District is required to make monthly payments of \$54,677 to \$55,771. Upon expiration of the lease agreement if the District remains in the building such occupancy shall be deemed to be a month-to-month tenancy and holdover period at a rental rate of one and half times the rental payment during the last year of the lease term. As of June 30, 2022 the value of the lease liability was \$654,968. The building has a 10 year estimated useful life. The value of the right-to-use asset as of June 30, 2022 is \$5,014,219 and had accumulated depreciation of \$4,512,797.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

| <u>Ending June 30,</u> | <u>Leases Payable</u> | | <u>Total</u> |
|----------------------------|-----------------------|------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2023 | \$ <u>654,968</u> | \$ <u>14,284</u> | \$ <u>669,252</u> |

G. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2022 are comprised of the following:

| | |
|---|-------------------|
| \$800,000, fiscal year 2018 Agreement for the acquisition of a phone system for a term of 5 years due in annual principal installments of \$161,065 to \$165,791 through October 1, 2022, interest rate at 2.934% | \$ 165,791 |
| \$400,000, fiscal year 2020 Agreement for the acquisition of school buses for a term of 3 years due in annual principal installments of \$99,141 to \$102,523 through October 15, 2022 interest rate at 2.38% | 101,505 |
| \$216,116, fiscal year 2020 Agreement for the acquisition of photo copiers for a term of 3 years due in annual principal installments of \$52,404 to \$55,109 through December 15, 2022 interest at 2.39% | <u>54,944</u> |
| Total | \$ <u>322,240</u> |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

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

Other financing agreements at June 30, 2022 are comprised of the following:

| | |
|---|---------------------|
| \$1,027,407, fiscal year 2021 Agreement for the purchase of chrombooks and other technology items for a term of 4 years due in annual principal installments of \$253,021 to \$260,304 through November 2, 2023, interest at 1.056% | \$ 514,081 |
| \$1,445,265, fiscal year 2022 Agreement for the purchase of chrombooks for a term of 3 years due in annual principal installments of \$356,430 to \$366,233 through July 14, 2024, interest at 0.909% | <u>1,079,032</u> |
| Total | <u>\$ 1,593,113</u> |

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

Governmental Activities:

| Fiscal Year Ending June 30, | <u>Capital Agreements</u> | | <u>Other Financing Agreements</u> | | <u>Total</u> |
|-----------------------------------|---------------------------|-----------------|-----------------------------------|------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2023 | \$ 322,240 | \$ 8,602 | \$ 612,121 | \$ 15,229 | \$ 958,192 |
| 2024 | - | - | 618,058 | 12,292 | 630,350 |
| 2025 | - | - | 362,934 | 3,297 | 366,231 |
| Total | <u>\$ 322,240</u> | <u>\$ 8,602</u> | <u>\$ 1,593,113</u> | <u>\$ 30,818</u> | <u>\$ 1,954,773</u> |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2022 are comprised of the following issues:

\$11,275,000, 2021 ESIP Refunding Bonds, due in annual
installments of \$445,000 to \$795,000
through May 1, 2042 interest at 3.00% to 4.00% \$11,275,000

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

Governmental Activities:

| Fiscal Year Ending June 30, | <u>Serial Bonds</u> | | <u>Total</u> |
|-----------------------------------|----------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2023 | \$ 445,000 | \$ 427,150 | \$ 872,150 |
| 2024 | 725,000 | 409,350 | 1,134,350 |
| 2025 | 345,000 | 380,350 | 725,350 |
| 2026 | 405,000 | 366,550 | 771,550 |
| 2027 | 435,000 | 350,350 | 785,350 |
| 2028-2032 | 2,510,000 | 1,477,950 | 3,987,950 |
| 2033-2037 | 3,510,000 | 899,950 | 4,409,950 |
| 2038-2042 | <u>2,900,000</u> | <u>275,750</u> | <u>3,175,750</u> |
| Total | <u>\$ 11,275,000</u> | <u>\$ 4,587,400</u> | <u>\$ 15,862,400</u> |

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

| | |
|---|-----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 241,439,387 |
| Less: Net Debt | <u>-</u> |
| Remaining Borrowing Power | <u>\$ 241,439,387</u> |

ESIP Refunding Bonds are an exemption to the District's debt limitation.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

| | Restated Balance, <u>July 1, 2021</u> | <u>Additions</u> | <u>Reductions</u> | Balance, <u>June 30, 2022</u> | Due Within <u>One Year</u> |
|--|---|---------------------|---------------------|----------------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 11,275,000 | | | \$ 11,275,000 | \$ 445,000 |
| Add: Unamortized Premium | <u>1,967,030</u> | <u>-</u> | <u>\$ 123,508</u> | <u>1,843,522</u> | <u>-</u> |
| Total Bonds Payable | 13,242,030 | - | 123,508 | 13,118,522 | 445,000 |
| Capital Financing Agreements | 636,105 | | 313,865 | 322,240 | 322,240 |
| Other Financing Agreements | 767,102 | \$ 1,445,265 | 619,254 | 1,593,113 | 612,121 |
| Compensated Absences | 1,160,697 | 268,909 | 191,285 | 1,238,321 | 175,000 |
| Leases Payable | 1,271,449 | | 616,481 | 654,968 | 654,968 |
| Net Pension Liability | <u>23,353,580</u> | <u>-</u> | <u>6,066,398</u> | <u>17,287,182</u> | <u>-</u> |
| Governmental Activity Long-Term Liabilities | <u>\$ 40,430,963</u> | <u>\$ 1,714,174</u> | <u>\$ 7,930,791</u> | <u>\$ 34,214,346</u> | <u>\$ 2,209,329</u> |

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey School Insurance Groups (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

| <u>Fiscal Year Ended June 30,</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Interest Earned</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|---|-----------------------------------|-----------------------------------|----------------------------|------------------------------|---------------------------|
| 2022 | None | \$ 97,878 | \$ 1,204 | \$ 45,331 | \$ 963,620 |
| 2021 | None | 65,142 | 190 | 159,606 | 802,810 |
| 2020 | 1,000,000 | 90,935 | 408 | 185,687 | 995,967 |

B. Contingent Liabilities

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

Pending Litigation – A complaint was filed against the District on November 19, 2020 alleging sexual abuse by a former District employee. Plaintiffs filed a statement of damages on April 27, 2021 alleging \$75 million in damages. An answer was filed, followed by a motion to dismiss which was denied on July 23, 2021. Insurance coverage was denied. Discovery was closed on January 16, 2023, with both parties having completed a number of depositions as well as having exchanged reports of experts. Prior to the court-ordered mediation on October 25, 2023, plaintiff reduced their demand to \$1.5 million.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

| Fiscal Year Ended June 30, | PERS | On-behalf TPAF | DCRP |
|----------------------------------|--------------|-------------------|-----------|
| 2022 | \$ 1,708,969 | \$ 19,223,180 | \$ 76,616 |
| 2021 | 1,566,632 | 13,466,208 | 69,433 |
| 2020 | 1,410,529 | 10,079,089 | 85,277 |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$3,959, respectively for PERS and the State contributed \$4,903, \$4,959 and \$5,112, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,786,359 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$17,287,182 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .14593 percent, which was an increase of .00272 percent from its proportionate share measured as of June 30, 2020 of .14321 percent.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$2,725,525 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Difference Between Expected and Actual Experience | \$ 272,641 | \$ 123,756 |
| Changes of Assumptions | 90,031 | 6,154,349 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | 4,553,898 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>477,217</u> | <u>566,052</u> |
| Total | <u>\$ 839,889</u> | <u>\$ 11,398,055</u> |

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

| <u>Year Ending June 30,</u> | <u>Total</u> |
|--|------------------------|
| 2023 | \$ (3,749,408) |
| 2024 | (3,472,597) |
| 2025 | (2,116,448) |
| 2026 | (1,248,687) |
| 2027 | 28,974 |
| Thereafter | <u>-</u> |
| | <u>\$ (10,558,166)</u> |

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | <u>PERS</u> |
|---------------------------|---|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00-6.00% Based on Years of Service |
| Thereafter | 3.00%-7.00% Based on Years of Service |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Risk Mitigation Strategies | 3.00% | 3.35% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Investment Grade Credit | 8.00% | 1.68% |
| US Equity | 27.00% | 8.09% |
| Non-US Developed Markets Equity | 13.50% | 8.71% |
| Emerging Markets Equity | 5.50% | 10.96% |
| High Yield | 2.00% | 3.75% |
| Real Assets | 3.00% | 7.40% |
| Private Credit | 8.00% | 7.60% |
| Real Estate | 8.00% | 9.15% |
| Private Equity | 13.00% | 11.30% |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

| | 1% Decrease <u>6.00%</u> | Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | \$ <u>23,541,636</u> | \$ <u>17,287,182</u> | \$ <u>11,979,391</u> |

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District's net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,142,615 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$218,551,601. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .45460 percent, which was an increase of .00317 percent from its proportionate share measured as of June 30, 2020 of .45143 percent.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | <u>TPAF</u> |
|---------------------------|------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 1.55-4.55% |
| | Based on Years of Service |
| Thereafter | 2.75%-5.65% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Risk Mitigation Strategies | 3.00% | 3.35% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Investment Grade Credit | 8.00% | 1.68% |
| US Equity | 27.00% | 8.09% |
| Non-US Developed Markets Equity | 13.50% | 8.71% |
| Emerging Markets Equity | 5.50% | 10.96% |
| High Yield | 2.00% | 3.75% |
| Real Assets | 3.00% | 7.40% |
| Private Credit | 8.00% | 7.60% |
| Real Estate | 8.00% | 9.15% |
| Private Equity | 13.00% | 11.30% |

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 258,583,050</u> | <u>\$ 218,551,601</u> | <u>\$ 184,927,699</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

| | |
|---|----------------|
| Active Plan Members | 216,804 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>149,304</u> |
| Total | <u>366,108</u> |

Measurement Focus and Basis of Accounting

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

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

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$4,491,312, \$4,220,100 and \$3,739,158, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$13,078,833. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the OPEB liability attributable to the District is \$217,660,531. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the District was .36272 percent, which was an increase of .00636 percent from its proportionate share measured as of June 30, 2020 of .35636 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | | |
|-------------------------------------|----------------|----------------|
| Inflation Rate | 2.50% | |
| Salary Increases* | <u>PERS</u> | <u>TPAF</u> |
| Initial Fiscal Year Applied Through | 2026 | 2026 |
| Rate | 2.00% to 6.00% | 1.55% to 4.45% |
| Rate Thereafter | 3.00% to 7.00% | 2.75% to 5.65% |

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 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 decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

| | Total OPEB Liability (State Share 100%) |
|--|---|
| Balance, June 30, 2020 Measurement Date | \$ 241,646,826 |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | 11,137,456 |
| Interest on the Total OPEB Liability | 5,646,343 |
| Changes in Benefit Terms | (231,673) |
| Differences Between Expected and Actual Experience | (36,449,772) |
| Changes of Assumptions | 214,739 |
| Gross Benefit Payments | (4,447,737) |
| Contributions from the Member | 144,349 |
| Net Changes | \$ (23,986,295) |
| Balance, June 30, 2021 Measurement Date | \$ 217,660,531 |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

| | 1% Decrease <u>(1.16%)</u> | Current Discount Rate <u>(2.16%)</u> | 1% Increase <u>(3.16%)</u> |
|--|---|---|---|
| State's Proportionate Share of the OPEB Liability Attributable to the District | <u>\$ 260,723,147</u> | <u>\$ 217,660,531</u> | <u>\$ 183,751,306</u> |

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

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|------------------------|--|------------------------|
| State's Proportionate Share of the OPEB Liability Attributable to the District | <u>\$ 176,196,907</u> | <u>\$ 217,660,531</u> | <u>\$ 273,343,114</u> |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

F. Subsequent Events

Capital Financing Agreement

On August 22, 2022 the District entered into a capital financing agreement for the acquisition of interactive flat panels for classrooms in the amount of \$800,000. The financing agreement is for a term of 5 years at an interest rate of 3.15% with the first lease payment due December 1, 2022.

G. Tax Abatements

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

For Hackensack Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

On July 1, 2021, the Hackensack Board of Education implemented GASB Statement No. 87 "Leases". The Hackensack Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$268,605 from \$16,888,451 as previously reported to \$16,619,846 as of June 30, 2021.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$16,215,957 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|--|----------------------------|--------------------|-------------------------|---------------|--|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 86,136,292 | | \$ 86,136,292 | \$ 86,136,292 | |
| Tuition from Other LEA's | 5,146,674 | | 5,146,674 | 5,040,477 | \$ (106,197) |
| Interest on Emergency Reserve | | | | 233 | 233 |
| Interest on Maintenance Reserve | 1,000 | | 1,000 | 437 | (563) |
| Interest on Unemployment Reserve | 5,000 | | 5,000 | 1,204 | (3,796) |
| Interest on Capital Reserve | | | | 5,860 | 5,860 |
| Interest on Investments | | | | 30,754 | 30,754 |
| Unrestricted Miscellaneous | 200,000 | - | 200,000 | 380,851 | 180,851 |
| Total Local Sources | 91,488,966 | - | 91,488,966 | 91,596,108 | 107,142 |
| State Sources | | | | | |
| Transportation Aid | 682,382 | | 682,382 | 682,382 | |
| Special Education Aid | 4,787,838 | - | 4,787,838 | 4,787,838 | - |
| Equalization Aid | 21,532,939 | - | 21,532,939 | 21,532,939 | |
| Security Aid | 2,121,557 | - | 2,121,557 | 2,121,557 | |
| Extraordinary Aid | 1,500,000 | - | 1,500,000 | 2,022,970 | 522,970 |
| On-behalf TPAF Pension System Contributions-Normal Costs & Accrued Liabilities (Non-Budget) | | | | 18,955,741 | 18,955,741 |
| On-behalf TPAF Pension System Contributions-NCGI (Non-Budget) | | | | 267,439 | 267,439 |
| On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget) | | | | 4,491,312 | 4,491,312 |
| On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget) | | | | 4,903 | 4,903 |
| Reimbursed TPAF Social Security Payments (Non-Budget) | - | - | - | 3,786,359 | 3,786,359 |
| Total State Sources | 30,624,716 | - | 30,624,716 | 58,653,440 | 28,028,724 |
| Federal Sources | | | | | |
| Medicaid Reimbursement | 169,021 | - | 169,021 | 56,639 | (112,382) |
| Total Federal Sources | 169,021 | - | 169,021 | 56,639 | (112,382) |
| Total Revenues | 122,282,703 | - | 122,282,703 | 150,306,187 | 28,023,484 |
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES | | | | | |
| Instruction - Regular Programs | | | | | |
| Salaries of Teachers | | | | | |
| Pre-School | 70,245 | (70,000) | 245 | - | 245 |
| Kindergarten | 1,274,740 | 71,640 | 1,346,380 | 1,313,570 | 32,810 |
| Grades 1-5 | 9,660,256 | (300,142) | 9,360,114 | 9,123,960 | 236,154 |
| Grades 6-8 | 7,457,987 | (250,000) | 7,207,987 | 7,114,602 | 93,385 |
| Grades 9-12 | 11,518,730 | (122,027) | 11,396,703 | 11,148,996 | 247,707 |
| Regular Program - Home Instruction | | | | | |
| Salaries of Teachers | 156,045 | (100,000) | 56,045 | 899 | 55,146 |
| Purchased Professional-Educational Services | | 21,081 | 21,081 | 14,754 | 6,327 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 702,291 | 35,040 | 737,331 | 538,483 | 198,848 |
| Purchased Professional-Educational Services | 1,191,880 | (3,000) | 1,188,880 | 445,845 | 743,035 |
| Purchased Technical Services | 67,697 | (6,846) | 60,851 | 36,858 | 23,993 |
| Other Purchased Services | 1,404,436 | 200,944 | 1,605,380 | 1,475,242 | 130,138 |
| General Supplies | 2,156,645 | (85,875) | 2,070,770 | 1,684,863 | 385,907 |
| Textbooks | 361,062 | 19,215 | 380,277 | 330,511 | 49,766 |
| Other Objects | 3,000 | 90 | 3,090 | 129 | 2,961 |
| Total Regular Programs | 36,025,014 | (589,880) | 35,435,134 | 33,228,712 | 2,206,422 |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|--------------------|-------------|-----------------|--------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Special Education | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | \$ 1,659,382 | \$ (33,195) | \$ 1,626,187 | \$ 1,578,569 | \$ 47,618 |
| Other Salaries for Instruction | 910,345 | - | 910,345 | 742,349 | 167,996 |
| General Supplies | 4,387 | - | 4,387 | 1,474 | 2,913 |
| | | - | | | |
| Total Learning and/or Language Disabilities | 2,574,114 | (33,195) | 2,540,919 | 2,322,392 | 218,527 |
| Behavior Disabilities | | | | | |
| Salaries of Teachers | 389,012 | - | 389,012 | 233,091 | 155,921 |
| Other Salaries for Instruction | 267,710 | 10,795 | 278,505 | 242,692 | 35,813 |
| General Supplies | 1,075 | - | 1,075 | - | 1,075 |
| | | - | | | - |
| Total Behavior Disabilities | 657,797 | 10,795 | 668,592 | 475,783 | 192,809 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 781,342 | 67,960 | 849,302 | 849,088 | 214 |
| Other Salaries for Instruction | 688,310 | 19,380 | 707,690 | 707,538 | 152 |
| General Supplies | 525 | - | 525 | 498 | 27 |
| | | | | | |
| Total Multiple Disabilities | 1,470,177 | 87,340 | 1,557,517 | 1,557,124 | 393 |
| Resource Room/ Resource Center | | | | | |
| Salaries of Teachers | 4,948,735 | 111,770 | 5,060,505 | 4,773,708 | 286,797 |
| Other Salaries for Instruction | 911,350 | 177,930 | 1,089,280 | 1,052,332 | 36,948 |
| General Supplies | 4,550 | - | 4,550 | 664 | 3,886 |
| | | | | | |
| Total Resource Room/Resource Center | 5,864,635 | 289,700 | 6,154,335 | 5,826,704 | 327,631 |
| Preschool Disabilities - Full Time | | | | | |
| Salaries of Teachers | 1,185,504 | 38,545 | 1,224,049 | 1,194,724 | 29,325 |
| Other Salaries for Instruction | 595,205 | 10,850 | 606,055 | 560,879 | 45,176 |
| General Supplies | 9,950 | - | 9,950 | - | 9,950 |
| | | | | | |
| Total Preschool Disabilities - Full Time | 1,790,659 | 49,395 | 1,840,054 | 1,755,603 | 84,451 |
| Home Instruction | | | | | |
| Salaries of Teachers | - | 88,100 | 88,100 | 79,284 | 8,816 |
| | | | | | |
| Total Home Instruction | - | 88,100 | 88,100 | 79,284 | 8,816 |
| Total Special Education | 12,357,382 | 492,135 | 12,849,517 | 12,016,890 | 832,627 |
| Bilingual Education | | | | | |
| Salaries of Teachers | 2,361,949 | (2,768) | 2,359,181 | 2,333,023 | 26,158 |
| Other Salaries for Instruction | 83,370 | (7,414) | 75,956 | 65,933 | 10,023 |
| Other Purchased Services | 500 | - | 500 | - | 500 |
| General Supplies | 2,650 | - | 2,650 | 1,464 | 1,186 |
| Textbooks | 500 | - | 500 | - | 500 |
| | | | | | |
| Total Bilingual Education | 2,448,969 | (10,182) | 2,438,787 | 2,400,420 | 38,367 |
| School Sponsored Co/Extra Curricular Activities | | | | | |
| Salaries | 418,158 | 8,000 | 426,158 | 123,554 | 302,604 |
| Purchased Services | 8,050 | 5,000 | 13,050 | 7,456 | 5,594 |
| Supplies and Materials | 37,500 | - | 37,500 | 29,487 | 8,013 |
| Other Objects | 1,000 | 8,000 | 9,000 | 8,670 | 330 |
| | | | | | |
| Total School Sponsored Co/Extra Curricular Activities | 464,708 | 21,000 | 485,708 | 169,167 | 316,541 |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|---------------|--|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| School-Sponsored Athletics - Instruction | | | | | |
| Salaries | \$ 1,201,913 | \$ (281,000) | \$ 920,913 | \$ 831,288 | \$ 89,625 |
| Purchased Services | 183,460 | (39,910) | 143,550 | 94,406 | 49,144 |
| Supplies and Materials | 114,850 | 22,651 | 137,501 | 88,705 | 48,796 |
| Other Objects | 50,500 | - | 50,500 | 46,082 | 4,418 |
| Total School-Sponsored Athletics - Instruction | 1,550,723 | (298,259) | 1,252,464 | 1,060,481 | 191,983 |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | 67,465 | (67,000) | 465 | 23 | 442 |
| Total Summer School - Instruction | 67,465 | (67,000) | 465 | 23 | 442 |
| Instructional Alternative Education Program - Instruction | | | | | |
| Salaries of Teachers | 36,050 | 59,500 | 95,550 | 93,645 | 1,905 |
| Total Instructional Alternative Education Program - Instruction | 36,050 | 59,500 | 95,550 | 93,645 | 1,905 |
| Total Instruction | 52,950,311 | (392,686) | 52,557,625 | 48,969,338 | 3,588,287 |
| Instruction | | | | | |
| Tuition to Other LEAs Within the State-Regular | 98,338 | 27,000 | 125,338 | 26,500 | 98,838 |
| Tuition to Other LEAs Within the State-Special | 1,944,198 | (1,079,541) | 864,657 | 772,683 | 91,974 |
| Tuition to County Vocational School District - Regular | 468,999 | 49,000 | 517,999 | 507,478 | 10,521 |
| Tuition to County Vocational School District - Special | 175,860 | 267,000 | 442,860 | 428,805 | 14,055 |
| Tuition to CSSD & Regional Day Schools | 3,025,023 | (700,000) | 2,325,023 | 2,197,599 | 127,424 |
| Tuition to APSSD Within the State | 4,074,418 | 80,900 | 4,155,318 | 4,028,896 | 126,422 |
| Tuition - State Facilities | 9,000 | - | 9,000 | 9,000 | - |
| Total Undistributed Expenditures - Instruction | 9,795,836 | (1,355,641) | 8,440,195 | 7,970,961 | 469,234 |
| Attendance and Social Work Services | | | | | |
| Salaries | 12,500 | 320 | 12,820 | 12,812 | 8 |
| Salaries of Drop-Out Prevention Officer/Coordinator | 211,154 | 3,900 | 215,054 | 210,652 | 4,402 |
| Total Attendance and Social Work Services | 223,654 | 4,220 | 227,874 | 223,464 | 4,410 |
| Health Services | | | | | |
| Salaries | 823,265 | 155,048 | 978,313 | 927,129 | 51,184 |
| Purchased Professional and Technical Services | 30,000 | 9,388 | 39,388 | 23,754 | 15,634 |
| Other Purchased Services | 21,932 | (500) | 21,432 | 18,464 | 2,968 |
| Supplies and Materials | 14,475 | 7,395 | 21,870 | 13,043 | 8,827 |
| Total Health Services | 889,672 | 171,331 | 1,061,003 | 982,390 | 78,613 |
| Speech, OT, PT & Related Services | | | | | |
| Salaries | 1,593,113 | 67,905 | 1,661,018 | 1,525,691 | 135,327 |
| Purchased Professional-Educational Services | 600,000 | 1,264,984 | 1,864,984 | 1,827,094 | 37,890 |
| Supplies and Materials | 2,501 | - | 2,501 | 497 | 2,004 |
| Total Speech, OT, PT & Related Services | 2,195,614 | 1,332,889 | 3,528,503 | 3,353,282 | 175,221 |
| Other Support Serv. Students- Extra Serv. | | | | | |
| Salaries | 406,291 | 72,630 | 478,921 | 430,635 | 48,286 |
| Purchased Professional-Educational Services | 1,000,000 | 120,217 | 1,120,217 | 830,231 | 289,986 |
| Supplies and Materials | 25,000 | (25,000) | - | - | - |
| Total Other Support Serv. Students- Extra Serv. | 1,431,291 | 167,847 | 1,599,138 | 1,260,866 | 338,272 |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 1,448,605 | 58,505 | 1,507,110 | 1,490,118 | 16,992 |
| Salaries of Secretaries and Clerical Assistants | 151,919 | - | 151,919 | 148,630 | 3,289 |
| Other Purchased Professional and Technical Services | 48,600 | - | 48,600 | 31,388 | 17,212 |
| Other Purchased Services | 4,300 | 23,852 | 28,152 | 24,662 | 3,490 |
| Supplies and Materials | 8,800 | 620 | 9,420 | 5,740 | 3,680 |
| Total Guidance | 1,662,224 | 82,977 | 1,745,201 | 1,700,538 | 44,663 |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|---------------|--|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Child Study Teams | | | | | |
| Salaries of Other Professional Staff | \$ 3,562,056 | \$ 152,589 | \$ 3,714,645 | \$ 3,378,929 | \$ 335,716 |
| Salaries of Secretaries and Clerical Assistants | 328,218 | (21,890) | 306,328 | 302,956 | 3,372 |
| Purchased Professional-Educational Services | 230,000 | 172,984 | 402,984 | 374,071 | 28,913 |
| Other Purchased Professional and Technical Services | 135,000 | (47,000) | 88,000 | 87,700 | 300 |
| Residential Costs | 1,750 | (1,750) | | | - |
| Miscellaneous Purchased Services | | 1,750 | 1,750 | 1,133 | 617 |
| Supplies and Materials | 70,000 | 14,421 | 84,421 | 70,625 | 13,796 |
| Other Objects | 3,750 | 200 | 3,950 | 2,688 | 1,262 |
| Total Child Study Teams | 4,330,774 | 271,304 | 4,602,078 | 4,218,102 | 383,976 |
| Improvement of Instructional Services | | | | | |
| Salaries of Supervisor of Instruction | 557,147 | (14,000) | 543,147 | 539,835 | 3,312 |
| Salaries of Other Professional Staff | 536,130 | 27,095 | 563,225 | 563,216 | 9 |
| Salaries of Secretaries and Clerical Assistants | 164,976 | - | 164,976 | 161,654 | 3,322 |
| Other Purchased Services | 87,620 | (1,500) | 86,120 | 45,497 | 40,623 |
| Supplies and Materials | 7,200 | - | 7,200 | 1,163 | 6,037 |
| Other Objects | 8,876 | - | 8,876 | 1,623 | 7,253 |
| Total Improvement of Instructional Services | 1,361,949 | 11,595 | 1,373,544 | 1,312,988 | 60,556 |
| Educational Media Services/School Library | | | | | |
| Salaries | 530,137 | 15,395 | 545,532 | 515,074 | 30,458 |
| Purch. Professional and Technical Services | 43,000 | (37,895) | 5,105 | 5,105 | - |
| Other Purchased Services | 23,652 | (7,235) | 16,417 | 5,093 | 11,324 |
| Supplies and Materials | 55,319 | (102) | 55,217 | 34,670 | 20,547 |
| Total Educational Media Serv./School Library | 652,108 | (29,837) | 622,271 | 559,942 | 62,329 |
| Instructional Staff Training Services | | | | | |
| Salaries | | 24,000 | 24,000 | 11,716 | 12,284 |
| Purchased Professional-Educational Services | 200,000 | 14,394 | 214,394 | 177,204 | 37,190 |
| Other Purchased Prof and Tech. Services | 5,000 | (5,000) | - | - | - |
| Other Purchased Services | 103,895 | (15,593) | 88,302 | 39,560 | 48,742 |
| Supplies and Materials | 22,800 | 8,000 | 30,800 | 24,642 | 6,158 |
| Total Instructional Staff Training Services | 331,695 | 25,801 | 357,496 | 253,122 | 104,374 |
| Support Services General Administration | | | | | |
| Salaries | 511,689 | 1,700 | 513,389 | 502,861 | 10,528 |
| Legal Services | 450,000 | 33,127 | 483,127 | 329,274 | 153,853 |
| Audit Fees | 65,000 | 62,221 | 127,221 | 61,948 | 65,273 |
| Architectural/Engineering | 50,000 | - | 50,000 | 38,925 | 11,075 |
| Other Purchased Professional Services | 54,850 | 24,845 | 79,695 | 25,905 | 53,790 |
| Communications/Telephone | 47,610 | (7,900) | 39,710 | 23,027 | 16,683 |
| BOE Other Purchased Services | 8,450 | - | 8,450 | 1,390 | 7,060 |
| Misc Purchased Services | 45,000 | 406 | 45,406 | 13,026 | 32,380 |
| General Supplies | 14,700 | 40 | 14,740 | 4,573 | 10,167 |
| BOE In-House Training/Meeting Supplies | 2,500 | - | 2,500 | 1,298 | 1,202 |
| Miscellaneous Expenditures | 12,300 | 5,000 | 17,300 | 11,019 | 6,281 |
| BOE Membership Dues and Fees | 27,500 | 1,000 | 28,500 | 27,653 | 847 |
| Total Support Services General Administration | 1,289,599 | 120,439 | 1,410,038 | 1,040,899 | 369,139 |
| Support Services School Administration | | | | | |
| Salaries of Principal/Asst. Principals | 3,788,932 | (143,755) | 3,645,177 | 3,411,279 | 233,898 |
| Salaries of Secretarial and Clerical Assistants | 1,169,083 | (12,984) | 1,156,099 | 1,077,277 | 78,822 |
| Purchased Professional and Technical Services | 4,000 | (4,000) | | | |
| Other Purchased Services | 9,000 | 15,650 | 24,650 | 3,267 | 21,383 |
| Supplies and Materials | 52,960 | 23,429 | 76,389 | 36,610 | 39,779 |
| Other Objects | 14,265 | - | 14,265 | 1,460 | 12,805 |
| Total Support Services School Administration | 5,038,240 | (121,660) | 4,916,580 | 4,529,893 | 386,687 |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|---------------|--|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Central Services | | | | | |
| Salaries | \$ 927,544 | \$ 169,325 | \$ 1,096,869 | \$ 1,041,074 | \$ 55,795 |
| Purchased Professional Services | 10,250 | - | 10,250 | - | 10,250 |
| Purchased Technical Services | 18,300 | - | 18,300 | 16,274 | 2,026 |
| Miscellaneous Purchased Services | 55,950 | 4,504 | 60,454 | 26,367 | 34,087 |
| Supplies and Materials | 10,500 | 657 | 11,157 | 6,546 | 4,611 |
| Miscellaneous Expenditures | 2,500 | 50,896 | 53,396 | 51,875 | 1,521 |
| Total Central Services | 1,025,044 | 225,382 | 1,250,426 | 1,142,136 | 108,290 |
| Admin. Info. Technology | | | | | |
| Salaries | 813,724 | (42,800) | 770,924 | 770,887 | 37 |
| Purchased Professional Services | 8,000 | - | 8,000 | 7,941 | 59 |
| Other Purchased Services | 545,099 | (45,571) | 499,528 | 476,430 | 23,098 |
| Supplies and Material | 42,120 | 8,647 | 50,767 | 25,955 | 24,812 |
| Other Objects | 1,765 | - | 1,765 | - | 1,765 |
| Total Admin. Info. Technology | 1,410,708 | (79,724) | 1,330,984 | 1,281,213 | 49,771 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 738,521 | - | 738,521 | 728,710 | 9,811 |
| Cleaning, Repair and Maint. Serv. | 2,093,736 | 1,050,568 | 3,144,304 | 2,269,224 | 875,080 |
| General Supplies | 467,900 | 8,916 | 476,816 | 350,613 | 126,203 |
| Total Required Maintenance for School Fac. | 3,300,157 | 1,059,484 | 4,359,641 | 3,348,547 | 1,011,094 |
| Custodial Services | | | | | |
| Salaries | 2,991,330 | 246,080 | 3,237,410 | 3,231,597 | 5,813 |
| Salaries of Non-Instructional Aides | 243,887 | (216,426) | 27,461 | 27,374 | 87 |
| Purchased Professional and Technical Services | 239,420 | - | 239,420 | 71,599 | 167,821 |
| Cleaning, Repair and Maint. Serv. | 461,150 | (255,000) | 206,150 | 61,381 | 144,769 |
| Rental of Land and Building Other Than Lease Purchase Agmt. | 707,130 | (34,000) | 673,130 | 573,239 | 99,891 |
| Other Purchased Property Services | 153,875 | - | 153,875 | 105,949 | 47,926 |
| Insurance | 736,500 | 134,000 | 870,500 | 861,625 | 8,875 |
| Miscellaneous Purchased Services | 1,000 | 2,738 | 3,738 | 1,152 | 2,586 |
| General Supplies | 450,000 | (32,053) | 417,947 | 279,387 | 138,560 |
| Energy (Natural Gas) | 475,000 | 230,000 | 705,000 | 566,133 | 138,867 |
| Energy (Electricity) | 750,000 | - | 750,000 | 636,373 | 113,627 |
| Other Objects | 1,500 | - | 1,500 | 450 | 1,050 |
| Total Custodial Services | 7,210,792 | 75,339 | 7,286,131 | 6,416,259 | 869,872 |
| Care and Upkeep of Grounds | | | | | |
| Salaries | 113,896 | - | 113,896 | 111,983 | 1,913 |
| Cleaning, Repair and Maint. Serv. | 85,000 | 875 | 85,875 | 69,308 | 16,567 |
| General Supplies | 80,000 | (7,000) | 73,000 | 39,241 | 33,759 |
| Total Care and Upkeep of Grounds | 278,896 | (6,125) | 272,771 | 220,532 | 52,239 |
| Security | | | | | |
| Purch. Professional and Technical Services | 350,300 | 15,700 | 366,000 | 351,997 | 14,003 |
| Cleaning, Repair, and Maintenance Services | 68,500 | (16,875) | 51,625 | 29,348 | 22,277 |
| General Supplies | 20,450 | 22,425 | 42,875 | 14,086 | 28,789 |
| Total Security | 439,250 | 21,250 | 460,500 | 395,431 | 65,069 |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|--------------------|--|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Student Transportation Services | | | | | |
| Salaries for Pupil Trans (Other Than Between Home & School) | \$ 92,700 | \$ 37,400 | \$ 130,100 | \$ 130,100 | |
| Other Purchased Professional and Technical Services | 2,500 | - | 2,500 | 1,500 | \$ 1,000 |
| Cleaning, Repair, and Maintenance Services | 32,000 | - | 32,000 | 10,551 | 21,449 |
| Contract Services-Aid in Lieu Payments - Charter School | 320,000 | (11,220) | 308,780 | 15,762 | 293,018 |
| Contract Services (Between Home and School)-Vendors | | 235,139 | 235,139 | 235,139 | - |
| Contract Services (Oth Than Between Home and School)-Vendors | 245,300 | 4,260 | 249,560 | 88,695 | 160,865 |
| Contract Services (Special Ed Students)-ESCs and CTSA's | 3,200,000 | (196,000) | 3,004,000 | 2,999,350 | 4,650 |
| Miscellaneous Purchased Services - Transportation | 2,000 | (500) | 1,500 | 1,408 | 92 |
| Transportation Supplies | - | 5,000 | 5,000 | 1,309 | 3,691 |
| Other Objects | - | 1,500 | 1,500 | 351 | 1,149 |
| Total Student Transportation Services | <u>3,894,500</u> | <u>75,579</u> | <u>3,970,079</u> | <u>3,484,165</u> | <u>485,914</u> |
| Unallocated Benefits - Employee Benefits | | | | | |
| Social Security Contributions | 1,350,000 | 133,426 | 1,483,426 | 1,301,710 | 181,716 |
| Other Retirement Contributions-PERS | 1,650,000 | 58,969 | 1,708,969 | 1,708,969 | |
| Other Retirement Contributions - DCRP | 120,000 | - | 120,000 | 79,616 | 40,384 |
| Workmen's Compensation | 775,000 | - | 775,000 | 729,179 | 45,821 |
| Health Benefits | 12,835,030 | (468,025) | 12,367,005 | 10,485,557 | 1,881,448 |
| Tuition Reimbursement | 8,500 | - | 8,500 | 4,920 | 3,580 |
| Other Employee Benefits | 22,450 | 80 | 22,530 | 6,285 | 16,245 |
| Unused Sick Payment to Terminated/Retired Staff | 250,000 | 120,000 | 370,000 | 191,285 | 178,715 |
| Total Unallocated Benefits - Employee Benefits | <u>17,010,980</u> | <u>(155,550)</u> | <u>16,855,430</u> | <u>14,507,521</u> | <u>2,347,909</u> |
| On-behalf TPAF Pension System Contributions- Normal Costs & Accrued Liability (Non-Budget) | | | | 18,955,741 | (18,955,741) |
| On-behalf TPAF Pension System Contributions-NCGI Cost (Non-Budget) | | | | 267,439 | (267,439) |
| On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget) | | | | 4,491,312 | (4,491,312) |
| On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget) | | | | 4,903 | (4,903) |
| Reimbursed TPAF Social Security Payments (Non-Budget) | - | - | - | 3,786,359 | (3,786,359) |
| Total TPAF On-Behalf | <u>-</u> | <u>-</u> | <u>-</u> | <u>27,505,754</u> | <u>(27,505,754)</u> |
| Total Undistributed Expenditures | <u>63,772,983</u> | <u>1,896,900</u> | <u>65,669,883</u> | <u>85,708,005</u> | <u>(20,038,122)</u> |
| Interest Earned on Maintenance Reserve | 1,000 | - | 1,000 | - | 1,000 |
| Total Expenditures - Current Expenditures | <u>116,724,294</u> | <u>1,504,214</u> | <u>118,228,508</u> | <u>134,677,343</u> | <u>(16,448,835)</u> |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Preschool | 165,000 | - | 165,000 | 148,100 | 16,900 |
| Grades 9-12 | 10,000 | (10,000) | | | - |
| Undistributed Expenditures-Instruction | | 82,112 | 82,112 | 58,633 | 23,479 |
| Undistributed Expenditures - Central Services | | 3,000 | 3,000 | 2,889 | 111 |
| Undistributed Expenditures-Administrative Information Technology | 205,000 | 33,422 | 238,422 | 221,932 | 16,490 |
| Undistributed Expenditures-Required Maint. For School Facilities | 82,500 | (20,000) | 62,500 | 52,296 | 10,204 |
| Undistributed Expenditures-Security | 60,000 | 16,826 | 76,826 | 68,304 | 8,522 |
| School Buses - Regular | 103,928 | - | 103,928 | 103,927 | 1 |
| Total Equipment | <u>626,428</u> | <u>105,360</u> | <u>731,788</u> | <u>656,081</u> | <u>75,707</u> |

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|--|----------------------------|-----------------------|-------------------------|----------------------|--|
| EXPENDITURES | | | | | |
| CAPITAL OUTLAY (Continued) | | | | | |
| Facilities Acquisition and Construction Services | | | | | |
| Architectural/Engineering Services | \$ 553,295 | \$ (170,594) | \$ 382,701 | \$ 205,836 | \$ 176,865 |
| Other Purchased Prof. and Tech. Services | | 15,285 | 15,285 | 6,935 | 8,350 |
| Construction Services | 6,134,400 | 829,893 | 6,964,293 | 4,414,189 | 2,550,104 |
| Assessment for Debt Service on SDA Funding | 37,812 | - | 37,812 | 37,812 | - |
| Total Facilities Acquisition and Construction Services | <u>6,725,507</u> | <u>674,584</u> | <u>7,400,091</u> | <u>4,664,772</u> | <u>2,735,319</u> |
| Increase in Capital Reserve | 2,000,000 | - | 2,000,000 | | 2,000,000 |
| Interest Deposit to Capital Reserve | 5,000 | - | 5,000 | - | 5,000 |
| Total Capital Outlay | <u>9,356,935</u> | <u>779,944</u> | <u>10,136,879</u> | <u>5,320,853</u> | <u>4,816,026</u> |
| TRANSFER OF FUNDS TO CHARTER SCHOOL | <u>5,694,864</u> | <u>-</u> | <u>5,694,864</u> | <u>5,327,872</u> | <u>366,992</u> |
| Total Expenditures | <u>131,776,093</u> | <u>2,284,158</u> | <u>134,060,251</u> | <u>145,326,068</u> | <u>(11,265,817)</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | <u>(9,493,390)</u> | <u>(2,284,158)</u> | <u>(11,777,548)</u> | <u>4,980,119</u> | <u>16,757,667</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In - Capital Projects Fund | | | | 7,305 | 7,305 |
| Transfers Out - Special Revenue Fund | <u>(535,509)</u> | <u>(40,000)</u> | <u>(575,509)</u> | <u>(575,509)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(535,509)</u> | <u>(40,000)</u> | <u>(575,509)</u> | <u>(568,204)</u> | <u>7,305</u> |
| Net Change in Fund Balances | <u>(10,028,899)</u> | <u>(2,324,158)</u> | <u>(12,353,057)</u> | <u>4,411,915</u> | <u>16,764,972</u> |
| Fund Balance, Beginning of Year | <u>29,253,714</u> | <u>-</u> | <u>29,253,714</u> | <u>29,253,714</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 19,224,815</u> | <u>\$ (2,324,158)</u> | <u>\$ 16,900,657</u> | <u>\$ 33,665,629</u> | <u>\$ 16,764,972</u> |
| Recapitulation of Fund Balance | | | | | |
| Restricted Fund Balance | | | | | |
| Capital Reserve | | | | \$ 7,122,463 | |
| Capital Reserve - Designated for Subsequent Year's Expenditures (2022/23 Budget) | | | | 3,200,000 | |
| Maintenance Reserve | | | | 1,985,762 | |
| Maintenance Reserve - Designated for Subsequent Year's Expenditures (2022/23 Budget) | | | | 300,000 | |
| Emergency Reserve | | | | 300,263 | |
| Unemployment Compensation Reserve | | | | 963,620 | |
| Excess Surplus | | | | 2,902,186 | |
| Excess Surplus - Designated for Subsequent Year's Expenditures (2022/23 Budget) | | | | 3,417,738 | |
| Assigned Fund Balance | | | | | |
| Year-End Encumbrances | | | | 3,314,664 | |
| Designated for Subsequent Year's Expenditures (2022/23 Budget) | | | | 4,900,130 | |
| Unassigned Fund Balance | | | | <u>5,258,803</u> | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | 33,665,629 | |
| Less: Final State Aid Payments Not Recognized on GAAP Basis | | | | <u>(4,785,289)</u> | |
| Final Balance Per Governmental Fund (GAAP) | | | | <u>\$ 28,880,340</u> | |

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| Federal | \$ 2,708,642 | \$ 15,126,672 | \$ 17,835,314 | \$ 6,028,510 | \$ (11,806,804) |
| State | 3,318,947 | 1,125,897 | 4,444,844 | 3,664,005 | (780,839) |
| Local Sources | | | | | |
| Miscellaneous | - | 270,860 | 270,860 | 407,308 | 136,448 |
| Total Revenues | 6,027,589 | 16,523,429 | 22,551,018 | 10,099,823 | (12,451,195) |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 2,281,020 | (541,575) | 1,739,445 | 1,399,479 | 339,966 |
| Other Salaries for Instruction | 448,988 | 29,712 | 478,700 | 394,825 | 83,875 |
| Purchased Professional Services & Technical Serv | 60,455 | 227,481 | 287,936 | 168,078 | 119,858 |
| Other Purchased Services | 1,269,578 | 868,010 | 2,137,588 | 1,983,473 | 154,115 |
| General Supplies | 39,936 | 923,245 | 963,181 | 780,124 | 183,057 |
| Textbooks | | 5,642 | 5,642 | 5,598 | 44 |
| Co-Curricular/Extra-Curricular Activities | | 217,450 | 217,450 | 217,450 | - |
| Athletic Activities | - | 73,810 | 73,810 | 73,810 | - |
| Total Instruction | 4,099,977 | 1,803,775 | 5,903,752 | 5,022,837 | 880,915 |
| Support Services | | | | | |
| Salaries of Program Directors | - | 88,448 | 88,448 | 88,448 | - |
| Salaries of Other Professional Staff | 335,423 | 66,886 | 402,309 | 211,242 | 191,067 |
| Salaries of Secretarial and Clerical Assistants | 49,359 | 48,519 | 97,878 | 49,845 | 48,033 |
| Salaries of Community Involvement Specialist | 30,750 | - | 30,750 | 30,584 | 166 |
| Salaries of Master Teachers | 146,565 | 71,570 | 218,135 | 166,917 | 51,218 |
| Other Salaries | 628,046 | 1,156,396 | 1,784,442 | 884,426 | 900,016 |
| Personal Services-Employee Benefits | 530,939 | 1,102,187 | 1,633,126 | 841,287 | 791,839 |
| Purchased Ed Services - Contracted Pre-K | 593,819 | (12,821) | 580,998 | 376,327 | 204,671 |
| Purchased Professional and Technical Services | | 593,419 | 593,419 | 387,838 | 205,581 |
| Other Purchased Professional-Education Services | 15,000 | 68,275 | 83,275 | 65,157 | 18,118 |
| Other Purchased Professional Services | | 261 | 261 | 261 | - |
| Purchased Property Services | 105,019 | 10,953 | 115,972 | 115,952 | 20 |
| Other Purchased Services | | 136,473 | 136,473 | 70,258 | 66,215 |
| Contracted Services Transportation | 2,500 | 4,871 | 7,371 | 4,617 | 2,754 |
| Travel | 2,000 | - | 2,000 | - | 2,000 |
| Miscellaneous Purchased Services | 1,000 | - | 1,000 | 1,000 | - |
| Supplies and Materials | 8,281 | 228,690 | 236,971 | 119,656 | 117,315 |
| Other Objects | - | 9,881 | 9,881 | 9,880 | 1 |
| Scholarship Awards | - | 19,600 | 19,600 | 19,600 | - |
| Total Support Services | 2,448,701 | 3,593,608 | 6,042,309 | 3,443,295 | 2,599,014 |

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|--------------------|-------------------------|-------------------|-------------------------------------|
| Capital Outlay | | | | | |
| Construction Services | | \$ 10,669,104 | \$ 10,669,104 | \$ 1,582,142 | 9,086,962 |
| Instructional Equipment | - | 170,680 | 170,680 | 165,454 | 5,226 |
| Noninstructional Equipment | <u>\$ 14,420</u> | <u>326,262</u> | <u>340,682</u> | <u>325,156</u> | <u>15,526</u> |
| Total Capital Outlay | <u>14,420</u> | <u>11,166,046</u> | <u>11,180,466</u> | <u>2,072,752</u> | <u>9,107,714</u> |
| Total Expenditures | <u>6,563,098</u> | <u>16,563,429</u> | <u>23,126,527</u> | <u>10,538,884</u> | <u>12,587,643</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (535,509) | (40,000) | (575,509) | (439,061) | 136,448 |
| Other Financing Sources | | | | | |
| Transfers In- General Fund | <u>535,509</u> | <u>40,000</u> | <u>575,509</u> | <u>575,509</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | - | 136,448 | 136,448 |
| Fund Balances, Beginning of Year | <u>332,960</u> | <u>-</u> | <u>332,960</u> | <u>332,960</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ 332,960</u> | <u>\$ -</u> | <u>\$ 332,960</u> | <u>\$ 469,408</u> | <u>\$ 136,448</u> |
| Recapitulation of Fund Balances | | | | | |
| Restricted Fund Balance | | | | | |
| Student Activities | | | | \$ 274,508 | |
| Scholarships | | | | <u>194,900</u> | |
| | | | | <u>\$ 469,408</u> | |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

| | General Fund | Special Revenue Fund |
|--|-----------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | (C-1) \$ 150,306,187 | (C-2) \$ 10,099,823 |
| Difference - Budget to GAAP: | | |
| State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2020/2021) State Aid and Extraordinary Aid) | 3,839,243 | |
| State Aid payment recognized for Budgetary purposes, not recognized for GAAP statements (2021/2022) State Aid and Extraordinary Aid) | (4,785,289) | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized but are not recognized for financial reporting purposes until incurred | | |
| Encumbrances, June 30, 2021, Net of Cancellations | | 70,026 |
| Encumbrances, June 30, 2022 | <u>-</u> | <u>(1,990,871)</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | (B-2) <u>\$ 149,360,141</u> | (B-2) <u>\$ 8,178,978</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | (C-1) \$ 145,326,068 | (C-2) \$ 10,538,884 |
| Difference - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered by not received are reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes | | |
| Encumbrances, June 30, 2021, Net of Cancellations | | 70,026 |
| Encumbrances, June 30, 2022 | <u>-</u> | <u>(1,990,871)</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | (B-2) <u>\$ 145,326,068</u> | (B-2) <u>\$ 8,618,039</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Eight Fiscal Years*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0.14593% | 0.14321% | 0.14501% | .14651% | .14778% | 0.15253% | 0.15729% | 0.15186% |
| District's Proportionate Share of the Net Pension Liability (Asset) | <u>\$ 17,287,182</u> | <u>\$ 23,353,580</u> | <u>\$ 26,128,655</u> | <u>\$ 28,847,699</u> | <u>\$ 34,399,870</u> | <u>\$ 45,174,987</u> | <u>\$ 35,307,561</u> | <u>\$ 28,431,870</u> |
| District's Covered Payroll | \$ 10,700,604 | \$ 10,491,446 | \$ 10,345,276 | \$ 10,242,211 | \$ 10,236,731 | \$ 10,162,144 | \$ 10,591,162 | \$ 10,591,162 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 161.55% | 222.60% | 252.57% | 281.65% | 336.04% | 444.54% | 333.37% | 268.45% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% |

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

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

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Eight Fiscal Years

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 1,708,969 | \$ 1,566,632 | \$ 1,410,529 | \$ 1,457,332 | \$ 1,368,986 | \$ 1,355,054 | \$ 1,352,238 | \$ 1,251,891 |
| Contributions in Relation to the Contractually Required Contribution | <u>1,708,969</u> | <u>1,566,632</u> | <u>1,410,529</u> | <u>1,457,332</u> | <u>1,368,986</u> | <u>1,355,054</u> | <u>1,352,238</u> | <u>1,251,891</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 10,467,526 | \$ 10,700,604 | \$ 10,491,446 | \$ 10,345,276 | \$ 10,242,211 | \$ 10,236,731 | \$ 10,162,144 | \$ 10,591,162 |
| Contributions as a Percentage of Covered Payroll | 16.33% | 14.64% | 13.44% | 14.09% | 13.37% | 13.24% | 13.31% | 11.82% |

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

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

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District | <u>\$ 218,551,601</u> | <u>\$ 297,261,970</u> | <u>\$ 273,394,132</u> | <u>\$ 284,273,493</u> | <u>\$ 298,074,439</u> | <u>\$ 346,252,662</u> | <u>\$ 271,402,578</u> | <u>\$ 237,261,570</u> |
| Total | <u>\$ 218,551,601</u> | <u>\$ 297,261,970</u> | <u>\$ 273,394,132</u> | <u>\$ 284,273,493</u> | <u>\$ 298,074,439</u> | <u>\$ 346,252,662</u> | <u>\$ 271,402,578</u> | <u>\$ 237,261,570</u> |
| District's Covered Payroll | \$ 51,896,738 | \$ 51,336,609 | \$ 49,337,420 | \$ 47,951,474 | \$ 47,937,259 | \$ 47,008,379 | \$ 45,628,720 | \$ 44,861,914 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 35.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% |

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

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

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

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

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Five Fiscal Years*

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB Liability | | | | | |
| Service Cost | \$ 11,137,456 | \$ 6,166,632 | \$ 6,060,784 | \$ 6,786,487 | \$ 8,179,939 |
| Interest on Total OPEB Liability | 5,646,343 | 5,269,367 | 6,472,383 | 6,750,033 | 5,836,471 |
| Changes of Benefit Terms | (231,673) | | | - | |
| Differences Between Expected and Actual Experience | (36,449,772) | 43,740,760 | (27,290,290) | (11,082,850) | |
| Changes of Assumptions | 214,739 | 44,140,571 | 2,182,968 | (18,744,553) | (24,707,925) |
| Gross Benefit Payments | (4,447,737) | (4,206,872) | (4,494,315) | (4,367,763) | (4,258,398) |
| Contribution from the Member | <u>144,349</u> | <u>127,510</u> | <u>133,224</u> | <u>150,957</u> | <u>156,805</u> |
| Net Change in Total OPEB Liability | (23,986,295) | 95,237,968 | (16,935,246) | (20,507,689) | (14,793,108) |
| Total OPEB Liability - Beginning | <u>241,646,826</u> | <u>146,408,858</u> | <u>163,344,104</u> | <u>183,851,793</u> | <u>198,644,901</u> |
| Total OPEB Liability - Ending | <u>\$ 217,660,531</u> | <u>\$ 241,646,826</u> | <u>\$ 146,408,858</u> | <u>\$ 163,344,104</u> | <u>\$ 183,851,793</u> |
| District's Proportionate Share of OPEB Liability | \$0 | \$0 | \$0 | \$0 | \$0 |
| State's Proportionate Share of OPEB Liability | <u>217,660,531</u> | <u>146,408,858</u> | <u>146,408,858</u> | <u>163,344,104</u> | <u>183,851,793</u> |
| Total OPEB Liability - Ending | <u>\$ 217,660,531</u> | <u>\$ 146,408,858</u> | <u>\$ 146,408,858</u> | <u>\$ 163,344,104</u> | <u>\$ 183,851,793</u> |
| District's Covered Payroll | \$ 62,597,342 | \$ 61,828,055 | \$ 59,682,696 | \$ 58,193,685 | \$ 58,173,990 |
| District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll | 0% | 0% | 0% | 0% | 0% |

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

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

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

**HACKENSACK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | ESEA Title I | ESEA Title II-A | ESEA Title III | ESEA Title III Immigrant | ESEA Title IV | IDEA Basic | IDEA Preschool | Emergency Relief Grant CARES | Subtotal |
|--|-----------------|--------------------|-------------------|--------------------------------|------------------|---------------|-------------------|------------------------------------|--------------|
| REVENUES | | | | | | | | | |
| Local | | | | | | | | | |
| State | | | | | | | | | |
| Federal | \$ 1,194,972 | \$ 114,363 | \$ 90,331 | \$ 181 | \$ 91,882 | \$ 1,464,302 | \$ 39,960 | \$ 43,352 | \$ 3,039,343 |
| Total Revenues | \$ 1,194,972 | \$ 114,363 | \$ 90,331 | \$ 181 | \$ 91,882 | \$ 1,464,302 | \$ 39,960 | \$ 43,352 | \$ 3,039,343 |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | \$ 167,996 | | | | \$ 8,990 | | | | \$ 176,986 |
| Other Salaries for Instruction | | | | | | | | | - |
| Purchased Professional and Technical Services | 48,100 | | | | 78,926 | | | - | 127,026 |
| Other Purchased Services | 12,670 | | | | 3,966 | \$ 1,447,204 | \$ 39,960 | | 1,503,800 |
| General Supplies | 342,210 | | \$ 58,971 | | | | | \$ 26,165 | 427,346 |
| Textbooks | | | | | | | | | - |
| Co-Curricular/Extra Curricular Activities | | | | | | | | | - |
| Athletic Activities | - | - | - | - | - | - | - | - | - |
| Total Instruction | 570,976 | - | 58,971 | - | 91,882 | 1,447,204 | 39,960 | 26,165 | 2,235,158 |
| Support Services | | | | | | | | | |
| Salaries of Program Directors | | | | | | | | | - |
| Salaries of Other Professional Staff | | | | | | | | | - |
| Secretary of Secretarial and Clerical Assistants | | | | | | | | | - |
| Salaries of Community Involvement Specialist | | | | | | | | | - |
| Salaries of Master Teachers | | | | | | | | | - |
| Other Salaries | 319,072 | \$ 82,365 | 2,248 | | | | | | 403,685 |
| Personnel Services - Employee Benefits | 233,805 | 14,130 | 172 | | | | | | 248,107 |
| Purchased Professional and Technical Services | 10,200 | 7,600 | 28,940 | | | 17,098 | | | 63,838 |
| Other Purchased Professional-Education Services | | | | | | | | | - |
| Other Purchased Professional Service | | | | | | | | | - |
| Cleaning, Repair, & Maintenance Services | | | | | | | | | - |
| Purchased Property Service | | | | | | | | | - |
| Other Purchased Services | 16,097 | 8,875 | | | | | | - | 24,972 |
| Contracted Services Transportation | | | | | | | | | - |
| Travel | | | | | | | | | - |
| Miscellaneous Purchased Services | | | | | | | | | - |
| Supplies and Materials | 44,822 | 1,393 | | \$ 181 | | | | 17,187 | 63,583 |
| Other Objects | | | | | | | | | - |
| Scholarship Awards | - | - | - | - | - | - | - | - | - |
| Total Support Services | 623,996 | 114,363 | 31,360 | 181 | - | 17,098 | - | 17,187 | 804,185 |
| Capital Outlay | | | | | | | | | |
| Construction Services | | | | | | | | | |
| Instructional Equipment | | | | | | | | | - |
| Non-Instructional Equipment | - | - | - | - | - | - | - | - | - |
| Total Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 1,194,972 | \$ 114,363 | \$ 90,331 | \$ 181 | \$ 91,882 | \$ 1,464,302 | \$ 39,960 | \$ 43,352 | \$ 3,039,343 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources | | | | | | | | | |
| Transfers In- General Fund | - | - | - | - | - | - | - | - | - |
| Net Changes in Fund Balances | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | CRRSA | | | ARP | | | Bergen County Cares | IDEA ARP Basic | |
|---|--------------|--------------------------|------------------|------------|-------------------------|---|------------------------|----------------------|--------------|
| | ESSER II | Learning Acceleration | Mental Health | ESSER III | Accelerated Learning | Evidence Based Summer Learning and Enrichment | | | |
| REVENUES | | | | | | | | | |
| Local | | | | | | | | | |
| State | | | | | | | | | |
| Federal | \$ 1,808,426 | \$ 103,538 | \$ 20,150 | \$ 708,200 | \$ 3,761 | \$ 40,000 | \$ 14,488 | \$ 290,604 | \$ 2,989,167 |
| Total Revenues | \$ 1,808,426 | 103,538 | 20,150 | \$ 708,200 | \$ 3,761 | 40,000 | \$ 14,488 | \$ 290,604 | \$ 2,989,167 |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | \$ 91,493 | \$ 31,214 | | | | | | | \$ 122,707 |
| Other Salaries for Instruction | | | | | | | | | - |
| Purchased Professional-Educational Services | | | | | | | | | - |
| Purchased Professional and Technical Services | | | | | | | | | - |
| Other Purchased Services | | | | 171,220 | | | \$ 14,488 | \$ 290,604 | 476,312 |
| General Supplies | 256 | 5,552 | | 203,789 | | | | | 209,597 |
| Textbooks | | | | | | | | | - |
| Other Objects | | | | | | | | | - |
| Co-Curricular/Extra-Curricular Activities | | | | | | | | | - |
| Athletic Activities | - | - | - | - | - | - | - | - | - |
| Total Instruction | 91,749 | 36,766 | - | 375,009 | - | - | 14,488 | 290,604 | 808,616 |
| Support Services | | | | | | | | | |
| Salaries of Program Directors | | | | | | | | | - |
| Salaries of Other Professional Staff | | | | | | | | | - |
| Secretary of Secretarial and Clerical Assistants | | | | | | | | | - |
| Salaries of Community Involvement Specialist | | | | | | | | | - |
| Salaries of Master Teachers | | | | | | | | | - |
| Other Salaries | \$ 1,911 | | | 140,662 | | | | | 142,573 |
| Personnel Services - Employee Benefits | | 2,388 | | 76,251 | | | | | 78,639 |
| Purchased Professional and Technical Services | 132,624 | 64,384 | \$ 20,150 | 66,842 | | \$ 40,000 | | | 324,000 |
| Other Purchased Professional-Educational Services | | | | | | | | | - |
| Other Purchased Professional Service | | | | | | | | | - |
| Cleaning, Repair, & Maintenance Services | | | | | | | | | - |
| Purchased Property Service | | | | | | | | | - |
| Other Purchased Services | | | | 45,000 | | | | | 45,000 |
| Contracted Services Transportation | | | | | | | | | - |
| Travel | | | | | | | | | - |
| Miscellaneous Purchased Services | | | | | | | | | - |
| Supplies and Materials | | | | 4,436 | \$ 3,761 | | | | 8,197 |
| Other Objects | | | | | | | | | - |
| Scholarship Awards | - | - | - | - | - | - | - | - | - |
| Total Support Services | 134,535 | 66,772 | 20,150 | 333,191 | 3,761 | 40,000 | - | - | 598,409 |
| Capital Outlay | | | | | | | | | |
| Construction Services | 1,582,142 | | | | | | | | 1,582,142 |
| Instructional Equipment | - | - | - | - | - | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - | - | - | - | - | - |
| Total Capital Outlay | 1,582,142 | - | - | - | - | - | - | - | 1,582,142 |
| Total Expenditures | \$ 1,808,426 | \$ 103,538 | \$ 20,150 | \$ 708,200 | \$ 3,761 | \$ 40,000 | \$ 14,488 | \$ 290,604 | \$ 2,989,167 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures) | - | - | - | - | - | - | - | - | - |
| Other Financing Sources | | | | | | | | | |
| Transfers In- General Fund | - | - | - | - | - | - | - | - | - |
| Net Changes in Fund Balances | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Preschool Education Aid | School Based Youth Services | Family Friendly | Non-Public Chapter 192 / 193 | | | | | | School Security Grant | |
|--|-------------------------------|-----------------------------------|--------------------|------------------------------|----------|-----------------------------------|----------------------|-----------------------------|------------|-----------------------------|--|
| | | | | Comp. Education | ESL | Examination and Classification | Corrective Speech | Supplemental Instruction | | Subtotal | |
| REVENUES | | | | | | | | | | | |
| Local | | | | | | | | | | | |
| State | \$ 2,872,792 | 333,742 | \$ 51,731 | \$ 21,320 | \$ 1,188 | \$ 20,846 | \$ 7,905 | \$ 9,003 | \$ 308,817 | \$ 3,627,344 | |
| Federal | - | - | - | - | - | - | - | - | - | - | |
| Total Revenues | \$ 2,872,792 | \$ 333,742 | \$ 51,731 | \$ 21,320 | \$ 1,188 | \$ 20,846 | \$ 7,905 | \$ 9,003 | \$ 308,817 | \$ 3,627,344 | |
| EXPENDITURES | | | | | | | | | | | |
| Instruction | | | | | | | | | | | |
| Salaries of Teachers | \$ 1,077,683 | | \$ 22,103 | | | | | | | \$ 1,099,786 | |
| Other Salaries for Instruction | 393,198 | | 1,627 | | | | | | | 394,825 | |
| Purchased Professional and Technical Services | | | | \$ 21,320 | \$ 1,188 | | \$ 7,905 | | | 30,413 | |
| Other Purchased Services | 3,361 | | | | | | | | | 3,361 | |
| General Supplies | 126,351 | | 16,830 | | | | | | | 143,181 | |
| Textbooks | | | | | | | | | | - | |
| Other Objects | | | | | | | | | | - | |
| Co-Curricular/Extra-Curricular Activities | | | | | | | | | | - | |
| Athletic Activities | - | - | - | - | - | - | - | - | - | - | |
| Total Instruction | 1,600,593 | - | 40,560 | 21,320 | 1,188 | - | 7,905 | - | - | 1,671,566 | |
| Support Services | | | | | | | | | | | |
| Salaries of Program Directors | 88,448 | | | | | | | | | 88,448 | |
| Salaries of Other Professional Staff | 211,242 | | | | | | | | | 211,242 | |
| Secretary of Secretarial and Clerical Assistants | 49,845 | | | | | | | | | 49,845 | |
| Salaries of Community Involvement Specialist | 30,584 | | | | | | | | | 30,584 | |
| Salaries of Master Teachers | 166,917 | | | | | | | | | 166,917 | |
| Other Salaries | 52,990 | \$ 276,487 | 8,691 | | | | | | | 338,168 | |
| Personnel Services - Employee Benefits | 490,910 | 21,151 | 2,480 | | | | | | | 514,541 | |
| Purchased Ed Services - Contracted Pre-K | 376,327 | | | | | | | | | 376,327 | |
| Purchased Professional and Technical Services | | | | | | | | | | - | |
| Other Purchased Professional-Education Services | 34,108 | 1,200 | | | | \$ 20,846 | | \$ 9,003 | | 65,157 | |
| Other Purchased Professional Service | 261 | | | | | | | | | 261 | |
| Cleaning, Repair, & Maintenance Services | | | | | | | | | | - | |
| Purchased Property Service | 115,952 | | | | | | | | | 115,952 | |
| Other Purchased Services | | | | | | | | | | - | |
| Contracted Services - Transportation | | 4,617 | | | | | | | | 4,617 | |
| Travel | | | | | | | | | | - | |
| Miscellaneous Purchased Services | 1,000 | | | | | | | | | 1,000 | |
| Supplies and Materials | 27,469 | 20,407 | | | | | | | | 47,876 | |
| Other Objects | | 9,880 | | | | | | | | 9,880 | |
| Scholarship Awards | - | - | - | - | - | - | - | - | - | - | |
| Total Support Services | 1,646,053 | 333,742 | 11,171 | - | - | 20,846 | - | 9,003 | - | 2,020,815 | |
| Capital Outlay | | | | | | | | | | | |
| Construction Services | | | | | | | | | | | |
| Instructional Equipment | 161,655 | - | - | - | - | - | - | - | - | 161,655 | |
| Non-Instructional Equipment | - | - | - | - | - | - | - | - | \$ 308,817 | 308,817 | |
| Total Capital Outlay | 161,655 | - | - | - | - | - | - | - | 308,817 | 470,472 | |
| Total Expenditures | \$ 3,408,301 | \$ 333,742 | \$ 51,731 | \$ 21,320 | \$ 1,188 | \$ 20,846 | \$ 7,905 | \$ 9,003 | \$ 308,817 | \$ 4,162,853 | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | (535,509) | - | - | - | - | - | - | - | - | (535,509) | |
| Other Financing Sources | | | | | | | | | | | |
| Transfers In- General Fund | 535,509 | - | - | - | - | - | - | - | - | 535,509 | |
| Net Changes in Fund Balances | - | - | - | - | - | - | - | - | - | - | |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - | - | |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |

HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Nonpublic Textbook | Nonpublic Nursing | Nonpublic Security | Nonpublic Technology | Student Activities | Scholarship | Page 1 Subtotal | Page 2 Subtotal | Page 3 Subtotal | Total |
|---|-----------------------|----------------------|-----------------------|-------------------------|-----------------------|-------------|--------------------|--------------------|--------------------|---------------|
| REVENUES | | | | | | | | | | |
| Local | | | | | \$ 217,269 | \$ 190,039 | - | | \$ 3,627,344 | \$ 407,308 |
| State | \$ 5,598 | \$ 10,639 | \$ 16,625 | \$ 3,799 | - | - | - | | - | 3,664,005 |
| Federal | - | - | - | - | - | - | \$ 3,039,343 | \$ 2,989,167 | - | 6,028,510 |
| Total Revenues | \$ 5,598 | \$ 10,639 | \$ 16,625 | \$ 3,799 | \$ 217,269 | \$ 190,039 | \$ 3,039,343 | \$ 2,989,167 | \$ 3,627,344 | \$ 10,099,823 |
| EXPENDITURES | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Salaries of Teachers | | | | | | | \$ 176,986 | \$ 122,707 | \$ 1,099,786 | \$ 1,399,479 |
| Other Salaries for Instruction | | | | | | | - | - | 394,825 | 394,825 |
| Purchased Professional and Technical Services | | \$ 10,639 | | | | | 127,026 | - | 30,413 | 168,078 |
| Other Purchased Services | | | | | | | 1,503,800 | 476,312 | 3,361 | 1,983,473 |
| General Supplies | | | | | | | 427,346 | 209,597 | 143,181 | 780,124 |
| Textbooks | \$ 5,598 | | | | | | - | - | - | 5,598 |
| Other Objects | | | | | | | - | - | - | - |
| Co-Curricular/Extra-Curricular Activities | | | | | \$ 217,450 | | - | - | - | 217,450 |
| Athletic Activities | - | - | - | - | 73,810 | - | - | - | - | 73,810 |
| Total Instruction | 5,598 | 10,639 | - | - | 291,260 | - | 2,235,158 | 808,616 | 1,671,566 | 5,022,837 |
| Support Services | | | | | | | | | | |
| Salaries of Program Directors | | | | | | | - | - | 88,448 | 88,448 |
| Salaries of Other Professional Staff | | | | | | | - | - | 211,242 | 211,242 |
| Secretary of Secretarial and Clerical Assistants | | | | | | | - | - | 49,845 | 49,845 |
| Salaries of Community Involvement Specialist | | | | | | | - | - | 30,584 | 30,584 |
| Salaries of Master Teachers | | | | | | | - | - | 166,917 | 166,917 |
| Other Salaries | | | | | | | 403,685 | 142,573 | 338,168 | 884,426 |
| Personnel Services - Employee Benefits | | | | | | | 248,107 | 78,639 | 514,541 | 841,287 |
| Purchased Ed Services - Contracted Pre-K | | | | | | | - | - | 376,327 | 376,327 |
| Purchased Professional and Technical Services | | | | | | | 63,838 | 324,000 | - | 387,838 |
| Other Purchased Professional-Education Services | | | | | | | - | - | 65,157 | 65,157 |
| Other Purchased Professional Service | | | | | | | - | - | 261 | 261 |
| Cleaning, Repair, & Maintenance Services | | | | | | | - | - | - | - |
| Purchased Property Service | | | | | | | - | - | 115,952 | 115,952 |
| Other Purchased Services | | | \$ 286 | | | | 24,972 | 45,000 | - | 70,258 |
| Contracted Services Transportation | | | | | | | - | - | 4,617 | 4,617 |
| Travel | | | | | | | - | - | - | - |
| Miscellaneous Purchased Services | | | | | | | - | - | 1,000 | 1,000 |
| Supplies and Materials | | | | | | | 63,583 | 8,197 | 47,876 | 119,656 |
| Other Objects | - | - | - | - | - | - | - | - | 9,880 | 9,880 |
| Scholarship Awards | - | - | - | - | - | \$ 19,600 | - | - | - | 19,600 |
| Total Support Services | - | - | 286 | - | - | 19,600 | 804,185 | 598,409 | 2,020,815 | 3,443,295 |
| Capital Outlay | | | | | | | | | | |
| Construction Services | | | | | | | | 1,582,142 | - | 1,582,142 |
| Instructional Equipment | - | - | - | \$ 3,799 | - | - | - | - | 161,655 | 165,454 |
| Non-Instructional Equipment | - | - | 16,339 | - | - | - | - | - | 308,817 | 325,156 |
| Total Capital Outlay | - | - | 16,339 | 3,799 | - | - | - | 1,582,142 | 470,472 | 2,072,752 |
| Total Expenditures | \$ 5,598 | \$ 10,639 | \$ 16,625 | \$ 3,799 | \$ 291,260 | \$ 19,600 | \$ 3,039,343 | \$ 2,989,167 | \$ 4,162,853 | \$ 10,538,884 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | (73,991) | 170,439 | - | - | (535,509) | (439,061) |
| Other Financing Sources | | | | | | | | | | |
| Transfers In- General Fund | - | - | - | - | 40,000 | - | - | - | 535,509 | 575,509 |
| Net Changes in Fund Balances | - | - | - | - | (33,991) | 170,439 | - | - | - | 136,448 |
| Fund Balance, Beginning of Year | - | - | - | - | 308,499 | 24,461 | - | - | - | 332,960 |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ 274,508 | \$ 194,900 | \$ - | \$ - | \$ - | \$ 469,408 |

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Budget Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------------|-------------------------------|-------------------------|---------------|-----------------|
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | \$ 1,065,198 | \$ 117,518 | \$ 1,182,716 | \$ 1,077,683 | \$ 105,033 |
| Other Salaries for Instruction | 448,988 | 27,537 | 476,525 | 393,198 | 83,327 |
| Purchased Professional-Educational Services | | - | | | - |
| Other Purchased Services | 10,000 | (6,639) | 3,361 | 3,361 | - |
| General Supplies | 35,000 | 92,658 | 127,658 | 126,351 | 1,307 |
| Total Instruction | 1,559,186 | 231,074 | 1,790,260 | 1,600,593 | 189,667 |
| Support Services | | | | | |
| Salaries of Supervisors of Instruction | | 88,448 | 88,448 | 88,448 | - |
| Salaries of Other Professional Staff | 335,423 | 66,886 | 402,309 | 211,242 | 191,067 |
| Salaries of Secretarial and Clerical Assistants | 49,359 | 48,519 | 97,878 | 49,845 | 48,033 |
| Other Salaries | 49,401 | 22,307 | 71,708 | 52,990 | 18,718 |
| Salaries of Community Involvement Spec | 30,750 | - | 30,750 | 30,584 | 166 |
| Salaries of Master Teachers | 146,565 | 71,570 | 218,135 | 166,917 | 51,218 |
| Personal Services - Employee Benefits | 530,939 | 7,576 | 538,515 | 490,910 | 47,605 |
| Purchased Ed Services - Contracted Pre-K | 593,819 | (12,821) | 580,998 | 376,327 | 204,671 |
| Other Purchased Professional - Education Serv | 15,000 | 21,365 | 36,365 | 34,108 | 2,257 |
| Other Purchased Prof Services | | 261 | 261 | 261 | - |
| Rentals | 105,019 | 10,953 | 115,972 | 115,952 | 20 |
| Purchased Property Service | | - | | | - |
| Contracted Services Transportation | 2,500 | (895) | 1,605 | | 1,605 |
| Travel | 2,000 | - | 2,000 | | 2,000 |
| Miscellaneous Purchased Services | 1,000 | - | 1,000 | 1,000 | - |
| Supplies and Materials | 8,281 | 19,277 | 27,558 | 27,469 | 89 |
| Total Support Services | 1,870,056 | 343,446 | 2,213,502 | 1,646,053 | 567,449 |
| Capital Outlay | | | | | |
| Instructional Equipment | - | 166,732 | 166,732 | 161,655 | 5,077 |
| Noninstructional Equipment | - | - | - | - | - |
| Total Capital Outlay | - | 166,732 | 166,732 | 161,655 | 5,077 |
| Total Expenditures | \$ 3,429,242 | \$ 741,252 | \$ 4,170,494 | \$ 3,408,301 | \$ 762,193 |

Calculation of Budget Carryover

| | |
|--|--------------|
| Total revised 2021-2022 Preschool Education Aid Allocation | \$ 2,836,521 |
| Cancelled Prior Year Accounts Payable | - |
| General Fund Contribution | 535,509 |
| Add: Actual ECPA/PEA Carryover (June 30, 2021) | 764,265 |
| Total Preschool Ed. Aid Funds Available for 2021-2022 Budget | 4,136,295 |
| Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover) | 4,170,494 |
| Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022 | (34,199) |
| Add: June 30, 2022 Unexpended Preschool Education Aid | 762,193 |
| 2021-2022 C/O - Preschool Education Aid Programs | \$ 727,994 |
| 2021-22 Preschool Education Aid C/O Budgeted in 2022-2023 | \$ 99,755 |

CAPITAL PROJECTS FUND

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| <u>Issue/ Project Title</u> | <u>Modified Appropriation</u> | <u>Expenditures to Date Prior Years</u> | <u>Current Year</u> | <u>Transfer To General Fund</u> | <u>Unexpended Project Balance June 30, 2022</u> |
|---|-----------------------------------|---|---------------------|-------------------------------------|---|
| Energy Savings Improvement Program | \$ 13,275,247 | \$ 4,076,138 | \$ 3,455,910 | | \$ 5,743,199 |
| Acquisition of Chromebooks & Various Information Technology Items | 1,027,723 | 1,020,418 | - | \$ 7,305 | - |
| Acquisition of Chromebooks | <u>1,445,265</u> | <u>-</u> | <u>1,445,265</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 15,748,235</u> | <u>\$ 5,096,556</u> | <u>\$ 4,901,175</u> | <u>\$ 7,305</u> | <u>\$ 5,743,199</u> |
| Fund Balance, June 30, 2022 - GAAP Basis | | | | | <u>\$ 5,743,199</u> |
| <u>Reconciliation to Fund Balance</u> | | | | | |
| Restricted for Capital Projects | | | | | |
| Year End Encumbrances | | | | | \$ 6,028,815 |
| Available for Capital Projects | | | | | <u>(285,616)</u> |
| Total Fund Balance - Restricted for Capital Projects | | | | | <u>\$ 5,743,199</u> |

**HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources

| | |
|--|------------------|
| Investment Earning | \$ 13,192 |
| Other Financing Agreement Proceeds | <u>1,445,265</u> |
| Total Revenues and Other Financing Sources | <u>1,458,457</u> |

Expenditures and Other Financing Uses

| | |
|---|------------------|
| Instruction | |
| General Supplies | 1,445,265 |
| Capital Outlay | |
| Other Professional Services | 60,118 |
| Construction Services | 2,981,694 |
| Debt Service | |
| Interest on ESIP Bonds | 414,098 |
| Transfers to General Fund | <u>7,305</u> |
| Total Expenditures and Other Financing Uses | <u>4,908,480</u> |

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)
Expenditures and Other Financing Uses (3,450,023)

| | |
|-------------------------|---------------------|
| Fund Balance- Beginning | <u>9,193,222</u> |
| Fund Balance- Ending | <u>\$ 5,743,199</u> |

Reconciliation to GAAP

| | |
|---|---------------------|
| Fund Balance, End of Year - Budgetary Basis | <u>\$ 5,743,199</u> |
| Fund Balance, June 30, 2022- GAAP | <u>\$ 5,743,199</u> |

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|-----------------------|---------------------|--|
| Revenues and Other Financing Sources | | | | |
| Energy Savings Program Bond Proceeds | \$ 11,275,000 | | \$ 11,275,000 | \$ 11,275,000 |
| Premium on Energy Savings Bond Proceeds | 1,986,791 | | 1,986,791 | 1,986,791 |
| Investment Earnings | <u>264</u> | <u>\$ 13,192</u> | <u>13,456</u> | <u>264</u> |
| Total Revenues and Other Financing Sources | <u>13,262,055</u> | <u>13,192</u> | <u>13,275,247</u> | <u>13,262,055</u> |
| Expenditures and Other Financing Uses | | | | |
| Capital Outlay | | | | |
| Other Professional Services - Architectural/Engineering | 147,418 | 60,118 | 207,536 | 500,000 |
| Construction Services | 3,775,884 | 2,981,694 | 6,757,578 | 12,195,121 |
| Debt Service | | | | |
| Other Purchased Services - Cost of Issuance | 152,836 | | 152,836 | 152,836 |
| Interest on ESIP Bonds | <u>-</u> | <u>414,098</u> | <u>414,098</u> | <u>414,098</u> |
| Total Expenditures and Other Financing Uses | <u>4,076,138</u> | <u>3,455,910</u> | <u>7,532,048</u> | <u>13,262,055</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 9,185,917</u> | <u>\$ (3,442,718)</u> | <u>\$ 5,743,199</u> | <u>\$ -</u> |

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF CHROMEBOOKS & VARIOUS INFORMATION TECHNOLOGY ITEMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|------------------|--|
| Revenues and Other Financing Sources | | | | |
| Other Financing Agreement Proceeds | \$ 1,027,407 | | \$ 1,027,407 | \$ 1,027,407 |
| Investment Earnings | <u>316</u> | <u>-</u> | <u>316</u> | <u>316</u> |
| Total Revenues and Other Financing Sources | <u>1,027,723</u> | <u>-</u> | <u>1,027,723</u> | <u>1,027,723</u> |
| Expenditures and Other Financing Uses | | | | |
| Instruction | | | | |
| General Supplies | 1,020,418 | - | 1,020,418 | 1,020,418 |
| Transfers to General Fund | <u>-</u> | <u>\$ 7,305</u> | <u>7,305</u> | <u>7,305</u> |
| Total Expenditures and Other Financing Uses | <u>1,020,418</u> | <u>7,305</u> | <u>1,027,723</u> | <u>1,027,723</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 7,305</u> | <u>\$ (7,305)</u> | <u>\$ -</u> | <u>\$ -</u> |

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF CHROMEBOOKS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Other Financing Agreement Proceeds | \$ - | \$ 1,445,265 | \$ 1,445,265 | \$ 1,445,265 |
| Total Revenues and Other Financing Sources | - | 1,445,265 | 1,445,265 | 1,445,265 |
| Expenditures and Other Financing Uses | | | | |
| Instruction | | | | |
| General Supplies | - | 1,445,265 | 1,445,265 | 1,445,265 |
| Total Expenditures and Other Financing Uses | - | 1,445,265 | 1,445,265 | 1,445,265 |
| Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | \$ - | \$ - | \$ - | \$ - |

ENTERPRISE FUND

EXHIBIT G-1

**HACKENSACK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**HACKENSACK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities</u> | | <u>Interest Rate</u> | <u>Balance, June 30, 2021</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance, June 30, 2022</u> |
|---|--------------------------|----------------------------|--------------------------|---------------|--------------------------|---------------------------------------|---------------|----------------|---------------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| 2021 Energy Savings Incentive Program (ESIP) Refunding Bonds | 5/12/2021 | \$ 11,275,000 | 5/1/2023 | \$ 445,000 | 4.00 | % | | | |
| | | | 5/1/2024 | 725,000 | 4.00 | | | | |
| | | | 5/1/2025 | 345,000 | 4.00 | | | | |
| | | | 5/1/2026 | 405,000 | 4.00 | | | | |
| | | | 5/1/2027 | 435,000 | 4.00 | | | | |
| | | | 5/1/2028 | 435,000 | 4.00 | | | | |
| | | | 5/1/2029 | 465,000 | 4.00 | | | | |
| | | | 5/1/2030 | 500,000 | 4.00 | | | | |
| | | | 5/1/2031 | 535,000 | 4.00 | | | | |
| | | | 5/1/2032 | 575,000 | 4.00 | | | | |
| | | | 5/1/2033 | 615,000 | 4.00 | | | | |
| | | | 5/1/2034 | 655,000 | 4.00 | | | | |
| | | | 5/1/2035 | 700,000 | 4.00 | | | | |
| | | | 5/1/2036 | 745,000 | 4.00 | | | | |
| | | | 5/1/2037 | 795,000 | 4.00 | | | | |
| | | | 5/1/2038 | 515,000 | 4.00 | | | | |
| | | | 5/1/2039 | 550,000 | 3.00 | | | | |
| | | | 5/1/2040 | 580,000 | 3.00 | | | | |
| | | | 5/1/2041 | 610,000 | 3.00 | | | | |
| | | | 5/1/2042 | 645,000 | 3.00 | | | | |
| | | | | | Totals | \$ 11,275,000 | \$ - | \$ - | \$ 11,275,000 |

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS, OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Balance July 1, 2021 (Restated)</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance, June 30, 2022</u> |
|---|---------------------------|--------------------------|--|---------------------|-------------------|-----------------------------------|
| <u>Capital Financing Agreements</u> | | | | | | |
| Phone System | \$ 800,000 | 2.934% | \$ 326,856 | | \$ 161,065 | \$ 165,791 |
| School Buses | 400,000 | 2.380% | 200,646 | | 99,141 | 101,505 |
| Copier Lease | 216,116 | 2.390% | <u>108,603</u> | <u>-</u> | <u>53,659</u> | <u>54,944</u> |
| Total Capital Financing Agreements | | | <u>\$ 636,105</u> | <u>\$ -</u> | <u>\$ 313,865</u> | <u>\$ 322,240</u> |
| <u>Other Financing Agreements</u> | | | | | | |
| 2020 Chromebooks and Various Information Technology Items | 1,027,407 | 1.056% | \$ 767,102 | | \$ 253,021 | \$ 514,081 |
| 2022 Chromebook Lease | 1,445,265 | 0.909% | <u>-</u> | <u>\$ 1,445,265</u> | <u>366,233</u> | <u>1,079,032</u> |
| Total Other Financing Agreements | | | <u>\$ 767,102</u> | <u>\$ 1,445,265</u> | <u>\$ 619,254</u> | <u>\$ 1,593,113</u> |
| <u>Leases Payable</u> | | | | | | |
| School Building (Pre-K through K at St Francis School) | 5,014,219 | 4.000% | <u>\$ 1,271,449</u> | <u>-</u> | <u>\$ 616,481</u> | <u>\$ 654,968</u> |
| Total Leases Payable | | | <u>\$ 1,271,449</u> | <u>\$ -</u> | <u>\$ 616,481</u> | <u>\$ 654,968</u> |

**HACKENSACK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Tax Levy | \$ - | - | \$ - | \$ - | - |
| Total Revenues | - | - | - | - | - |
| EXPENDITURES | | | | | |
| Regular Debt Service | | | | | |
| Principal | | - | | | - |
| Interest | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Fund Balance, Beginning of Year | 1 | - | 1 | 1 | - |
| Fund Balance, End of Year | \$ 1 | \$ - | \$ 1 | \$ 1 | \$ - |

STATISTICAL SECTION

This part of the Hackensack's Board of Education's comprehensive annual 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 government's overall financial health.

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

| | as of June 30, | | | | | | | | | |
|---|----------------------|----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| | (Restated) | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 15,447,155 | \$ 17,935,592 | \$ 17,953,621 | \$ 18,092,071 | \$ 17,223,376 | \$ 17,704,621 | \$ 23,002,316 | \$ 23,194,990 | \$ 25,156,982 | \$ 28,524,036 |
| Restricted | 9,354,947 | 8,721,596 | 8,136,312 | 10,816,135 | 12,657,948 | 15,616,934 | 8,518,737 | 11,523,490 | 10,918,345 | 14,041,254 |
| Unrestricted | (1,264,109) | (1,577,122) | (26,614,963) | (30,453,813) | (33,999,979) | (35,568,264) | (32,987,323) | (26,565,637) | (19,455,481) | (15,449,581) |
| Total Governmental Activities Net Position | <u>\$ 23,537,993</u> | <u>\$ 25,080,066</u> | <u>\$ (525,030)</u> | <u>\$ (1,545,607)</u> | <u>\$ (4,118,655)</u> | <u>\$ (2,246,709)</u> | <u>\$ (1,466,270)</u> | <u>\$ 8,152,843</u> | <u>\$ 16,619,846</u> | <u>\$ 27,115,709</u> |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 344,984 | \$ 346,164 | \$ 318,696 | \$ 291,668 | \$ 326,094 | \$ 326,579 | \$ 382,705 | \$ 571,561 | \$ 522,703 | \$ 644,847 |
| Restricted | 392,514 | 149,704 | 442,639 | 575,117 | 733,272 | 980,188 | 1,086,974 | 613,193 | 3,416,546 | 4,325,111 |
| Unrestricted | | | | | | | | | | |
| Total Business-Type Activities Net Position | <u>\$ 737,498</u> | <u>\$ 495,868</u> | <u>\$ 761,335</u> | <u>\$ 866,785</u> | <u>\$ 1,059,366</u> | <u>\$ 1,306,767</u> | <u>\$ 1,469,679</u> | <u>\$ 1,184,754</u> | <u>\$ 3,939,249</u> | <u>\$ 4,969,958</u> |
| District-wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 15,792,139 | \$ 18,281,756 | \$ 18,272,317 | \$ 18,383,739 | \$ 17,549,470 | \$ 18,031,200 | \$ 23,385,021 | \$ 23,766,551 | \$ 25,679,685 | \$ 29,168,883 |
| Restricted | 9,354,947 | 8,721,596 | 8,136,312 | 10,816,135 | 12,657,948 | 15,616,934 | 8,518,737 | 11,523,490 | 10,918,345 | 14,041,254 |
| Unrestricted | (871,595) | (1,427,418) | (26,172,324) | (29,878,696) | (33,266,707) | (34,588,076) | (31,900,349) | (25,952,444) | (16,038,935) | (11,124,470) |
| Total District Net Position | <u>\$ 24,275,491</u> | <u>\$ 25,575,934</u> | <u>\$ 236,305</u> | <u>\$ (678,822)</u> | <u>\$ (3,059,289)</u> | <u>\$ (939,942)</u> | <u>\$ 3,409</u> | <u>\$ 9,337,597</u> | <u>\$ 20,559,095</u> | <u>\$ 32,085,667</u> |

Note 1 - Net Position at June 30, 2015 reflects the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and a correction of an error for compensated absences liability.

Note 3 - Net Position at June 30, 2021 was restated to reflect the implementation of GASB Statement No. 87 "Leases".

Source: District financial statements

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

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---|------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 33,789,219 | \$ 33,354,824 | \$ 39,560,046 | \$ 45,499,116 | \$ 48,403,666 | \$ 47,378,571 | \$ 61,409,161 | \$ 58,774,895 | \$ 66,549,132 | \$ 60,077,285 |
| Special Education | 11,115,653 | 11,333,736 | 12,925,784 | 15,010,597 | 17,289,908 | 16,621,434 | 27,386,726 | 27,125,449 | 28,951,522 | 26,598,436 |
| Other Instruction | 2,051,464 | 2,328,603 | 2,753,555 | 3,224,878 | 3,449,483 | 3,210,306 | 3,738,828 | 3,589,091 | 3,747,029 | 3,729,509 |
| School Sponsored Activities and Athletics | 2,033,545 | 1,881,660 | 1,744,437 | 1,970,847 | 2,227,997 | 2,269,278 | 2,267,830 | 1,768,094 | 1,858,461 | 1,806,271 |
| Support Services: | | | | | | | | | | |
| Tuition | 5,753,383 | 5,850,284 | 5,300,618 | 6,044,410 | 6,678,148 | 7,000,963 | | | | |
| Student & Instruction Related Services | 13,630,248 | 13,795,797 | 15,296,922 | 17,791,998 | 19,302,967 | 17,540,603 | 21,465,340 | 20,689,562 | 23,316,910 | 22,052,393 |
| General Administrative Services | 877,269 | 962,018 | 4,824,863 | 1,065,390 | 1,177,771 | 1,330,245 | 1,774,589 | 1,123,138 | 1,827,057 | 1,327,663 |
| School Administrative Services | 3,807,103 | 3,738,373 | 1,231,913 | 5,356,535 | 6,175,303 | 6,182,749 | 7,551,630 | 7,524,095 | 7,361,203 | 6,586,164 |
| Central Administration and Info. Technology | 1,627,556 | 1,995,738 | 2,229,429 | 2,377,684 | 2,489,029 | 2,475,056 | 2,563,278 | 3,190,296 | 3,392,599 | 2,817,535 |
| Plant Operations and Maintenance | 6,741,300 | 7,620,236 | 9,401,587 | 9,758,225 | 10,227,734 | 9,730,533 | 11,594,792 | 12,201,920 | 12,303,949 | 12,678,112 |
| Pupil Transportation | 1,833,554 | 1,978,391 | 2,407,699 | 2,794,002 | 3,087,134 | 2,505,866 | 3,023,372 | 2,943,653 | 1,622,672 | 3,537,667 |
| Unallocated Benefits | 9,345,453 | 8,331,799 | 9,993,897 | 12,469,212 | 15,852,579 | 22,686,341 | | | | |
| Allocated Benefits | 6,305,195 | 8,397,609 | 8,032,117 | | | | | | | |
| Special Schools | | | | | | | | | | |
| Charter Schools | 1,287,670 | 2,478,864 | 2,990,864 | 2,637,660 | 3,185,751 | 3,287,937 | | | | |
| Interest on Long-Term Debt | 186,561 | 165,390 | 145,108 | 127,381 | 114,440 | 82,095 | 57,839 | 28,078 | 78,081 | 352,369 |
| Unallocated Depreciation | 976,090 | 1,104,117 | 1,161,461 | 1,115,703 | 1,142,749 | 1,143,311 | | | | |
| Amortization and Capital Lease Obligations | (33,956) | (33,956) | (33,956) | (33,956) | (33,956) | (33,956) | | | | |
| Capital Outlay - Nondepreciable | 125,489 | 243,549 | 64,638 | 37,814 | 1,128,571 | 836,338 | | | | |
| Total Governmental Activities Expenses | 101,452,796 | 105,527,032 | 120,030,982 | 127,247,496 | 141,899,274 | 144,247,670 | 142,833,385 | 138,958,271 | 151,008,615 | 141,563,404 |
| Business-Type Activities: | | | | | | | | | | |
| Food service | 2,519,991 | 2,699,334 | 2,336,040 | 2,422,862 | 2,400,207 | 2,427,100 | 2,737,472 | 2,484,552 | 2,610,116 | 3,815,723 |
| Total Business-Type Activities Expense | 2,519,991 | 2,699,334 | 2,336,040 | 2,422,862 | 2,400,207 | 2,427,100 | 2,737,472 | 2,484,552 | 2,610,116 | 3,815,723 |
| Total District Expenses | \$ 103,972,787 | \$ 108,226,366 | \$ 122,367,022 | \$ 129,670,358 | \$ 144,299,481 | \$ 146,674,770 | \$ 145,570,857 | \$ 141,442,823 | \$ 153,618,731 | \$ 145,379,127 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | \$ 7,089,863 | \$ 7,183,378 | \$ 5,900,740 | \$ 5,257,746 |
| Operating Grants and Contributions | 4,190,989 | 4,007,107 | 3,778,533 | 4,368,622 | 3,852,009 | 4,537,785 | 40,793,399 | 38,377,215 | 52,107,989 | 39,174,595 |
| Capital Grants and Contributions | 125,124 | 7,390 | 9,112 | 4,254 | 4,285 | 2,875 | 27,500 | 13,058 | 143,431 | 132,919 |
| Total Governmental Activities Program Revenues | \$ 4,316,113 | \$ 4,014,497 | \$ 3,787,645 | \$ 4,372,876 | \$ 3,856,294 | \$ 4,540,660 | \$ 47,910,762 | \$ 45,573,651 | \$ 58,152,160 | \$ 44,565,260 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food Service | \$ 424,644 | \$ 478,178 | \$ 438,598 | \$ 335,273 | \$ 437,568 | \$ 427,223 | \$ 471,145 | \$ 303,497 | \$ 16,181 | \$ 88,688 |
| Operating Grants and Contributions | 1,921,521 | 1,977,656 | 2,138,555 | 2,187,382 | 2,155,209 | 2,241,332 | 2,429,239 | 1,896,130 | 5,334,755 | 4,757,744 |
| Capital Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Business Type Activities Program Revenues | 2,346,165 | 2,455,834 | 2,577,153 | 2,522,655 | 2,592,777 | 2,668,555 | 2,900,384 | 2,199,627 | 5,350,936 | 4,846,432 |
| Total District Program Revenues | \$ 6,662,278 | \$ 6,470,331 | \$ 6,364,798 | \$ 6,895,531 | \$ 6,449,071 | \$ 7,209,215 | \$ 50,811,146 | \$ 47,773,278 | \$ 63,503,096 | \$ 49,411,692 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (97,136,683) | \$ (101,512,535) | \$ (116,243,337) | \$ (122,874,620) | \$ (138,042,980) | \$ (139,707,010) | \$ (94,922,623) | \$ (93,384,620) | \$ (92,856,455) | \$ (96,998,144) |
| Business-Type Activities | (173,826) | (243,500) | 241,113 | 99,793 | 192,570 | 241,455 | 162,912 | (284,925) | 2,740,820 | 1,030,709 |
| Total District-Wide Net Expense | \$ (97,310,509) | \$ (101,756,035) | \$ (116,002,224) | \$ (122,774,827) | \$ (137,850,410) | \$ (139,465,555) | \$ (94,759,711) | \$ (93,669,545) | \$ (90,115,635) | \$ (95,967,435) |

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

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 68,520,822 | \$ 71,216,667 | \$ 73,389,592 | \$ 74,857,383 | \$ 79,062,039 | \$ 81,256,564 | \$ 82,865,444 | \$ 84,522,752 | \$ 85,283,457 | \$ 86,136,292 |
| Property taxes levied for debt service | 572,182 | 654,712 | 757,906 | 725,525 | 696,645 | 664,813 | 635,813 | 623,263 | | |
| Unrestricted grants and contributions | 23,271,486 | 21,970,153 | 33,950,195 | 38,124,112 | 47,401,576 | 51,319,112 | 11,552,967 | 14,254,090 | 15,654,463 | 20,925,184 |
| Tuition Received | 7,859,900 | 8,543,020 | 8,492,535 | 7,943,156 | 8,129,712 | 7,651,040 | | | | |
| Investment earnings | 4,630 | 320 | 4,241 | 10,786 | 16,446 | 33,630 | 210,977 | 210,699 | 59,378 | 51,680 |
| Miscellaneous income | 608,385 | 669,736 | 697,352 | 198,585 | 161,514 | 973,876 | 437,861 | 328,663 | 608,440 | 380,851 |
| Transfers | | | (21,554) | (5,504) | | | | | (13,675) | |
| Total Governmental Activities | 100,837,405 | 103,054,608 | 117,270,267 | 121,854,043 | 135,467,932 | 141,899,035 | 95,703,062 | 99,939,467 | 101,592,063 | 107,494,007 |
| Business-Type Activities: | | | | | | | | | | |
| Investment earnings | 163 | 199 | 152 | 153 | 11 | | | | | |
| Miscellaneous Income | 33,370 | 1,671 | 2,648 | | | 5,946 | | | | |
| Transfers | | | 21,554 | 5,504 | | | | | 13,675 | |
| Total Business-Type Activities | 33,533 | 1,870 | 24,354 | 5,657 | 11 | 5,946 | - | - | 13,675 | - |
| Total District-Wide | \$ 100,870,938 | \$ 103,056,478 | \$ 117,294,621 | \$ 121,859,700 | \$ 135,467,943 | \$ 141,904,981 | \$ 95,703,062 | \$ 99,939,467 | \$ 101,605,738 | \$ 107,494,007 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 3,700,722 | \$ 1,542,073 | \$ 1,026,930 | \$ (1,020,577) | \$ (2,575,048) | \$ 2,192,025 | \$ 780,439 | \$ 6,554,847 | \$ 8,735,608 | \$ 10,495,863 |
| Business-Type Activities | (140,293) | (241,630) | 265,467 | 105,450 | 192,581 | 247,401 | 162,912 | (284,925) | 2,754,495 | 1,030,709 |
| Total District | \$ 3,560,429 | \$ 1,300,443 | \$ 1,292,397 | \$ (915,127) | \$ (2,382,467) | \$ 2,439,426 | \$ 943,351 | \$ 6,269,922 | \$ 11,490,103 | \$ 11,526,572 |

Source: District financial statements

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ 1,911,097 | \$ 4,430,263 | \$ 8,136,294 | \$ 10,200,658 | \$ 11,020,459 | \$ 13,418,250 | \$ 13,184,269 | \$ 16,877,653 | \$ 18,024,782 | \$ 20,192,032 |
| Committed | | | | | | | - | 688,720 | | |
| Assigned | 6,884,100 | 4,291,196 | 2,613,807 | 615,459 | 1,637,489 | 2,198,684 | 1,170,127 | 2,634,393 | 5,807,549 | 8,214,794 |
| Unassigned | 1,488,724 | 1,300,578 | 843,264 | 1,089,606 | 935,090 | 793,394 | (261,120) | (508,601) | 1,582,140 | 473,514 |
| Total General Fund | <u>\$ 10,283,921</u> | <u>\$ 10,022,037</u> | <u>\$ 11,593,365</u> | <u>\$ 11,905,723</u> | <u>\$ 13,593,038</u> | <u>\$ 16,410,328</u> | <u>\$ 14,093,276</u> | <u>\$ 19,692,165</u> | <u>\$ 25,414,471</u> | <u>\$ 28,880,340</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | | | | | | | \$ 158,040 | \$ 379,832 | \$ 9,526,183 | \$ 6,212,608 |
| Committed | \$ 418,023 | | | | | | | | | |
| Assigned | 141,727 | 137 | 18 | 18 | | | | | | |
| Unassigned | | | | | | | | | | |
| Total All Other Governmental Funds | <u>\$ 559,750</u> | <u>\$ 137</u> | <u>\$ 18</u> | <u>\$ 18</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 158,040</u> | <u>\$ 379,832</u> | <u>\$ 9,526,183</u> | <u>\$ 6,212,608</u> |

Note 1 - Fund Balances as of June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source: District financial statements

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|-----------------------|---------------------|----------------------|--------------------|
| Revenues | | | | | | | | | | |
| Property Tax levy | \$ 69,093,004 | \$ 71,871,379 | \$ 74,147,498 | \$ 75,582,908 | \$ 79,758,684 | \$ 81,921,377 | \$ 83,501,257 | \$ 85,146,015 | \$ 85,283,457 | \$ 86,136,292 |
| Tuition | 7,859,900 | 8,543,020 | 8,492,535 | 7,943,156 | 8,129,712 | 7,651,040 | 6,989,382 | 7,083,222 | 5,713,794 | 5,040,477 |
| Interest Earnings | 4,630 | 320 | 4,241 | 10,786 | 16,446 | 33,630 | 210,977 | 210,699 | 59,378 | 51,680 |
| Miscellaneous | 621,355 | 670,620 | 697,352 | 198,585 | 161,514 | 973,876 | 538,342 | 428,819 | 795,386 | 788,159 |
| State Sources | 24,087,294 | 22,731,077 | 23,976,186 | 25,595,547 | 27,118,735 | 31,428,514 | 37,373,225 | 42,912,755 | 49,201,328 | 60,898,634 |
| Federal Sources | 3,498,111 | 3,252,689 | 3,316,277 | 3,853,908 | 3,097,730 | 3,456,224 | 3,445,154 | 3,421,997 | 5,404,278 | 4,637,069 |
| Total Revenues | 105,164,294 | 107,069,105 | 110,634,089 | 113,184,890 | 118,282,821 | 125,464,661 | 132,058,337 | 139,203,507 | 146,457,621 | 157,552,311 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 30,756,018 | 31,158,011 | 32,526,740 | 33,726,562 | 33,224,664 | 34,661,348 | 54,798,763 | 55,407,509 | 59,902,853 | 64,129,873 |
| Special Education Instruction | 9,957,533 | 10,463,045 | 10,245,356 | 10,450,990 | 10,962,493 | 11,313,451 | 25,412,935 | 26,255,293 | 27,018,176 | 28,294,207 |
| Other Instruction | 1,838,113 | 2,150,846 | 2,178,302 | 2,234,337 | 2,193,068 | 2,176,804 | 3,290,741 | 3,375,233 | 3,321,597 | 4,044,096 |
| School Sponsored Activities and Athletics | 1,864,498 | 1,770,382 | 1,476,210 | 1,510,947 | 1,599,235 | 1,725,248 | 2,110,886 | 1,713,625 | 1,753,382 | 1,881,155 |
| Support Services: | | | | | | | | | | |
| Instruction - Tuition | 5,753,383 | 5,850,284 | 5,300,618 | 6,044,410 | 6,678,148 | 7,000,963 | | | | |
| Attendance and Social Work Services | 9,045 | 10,400 | 10,000 | | | 10,025 | | 12,500 | | |
| Health Services | 861,884 | 890,880 | 941,811 | 966,533 | 967,420 | 927,182 | | | | |
| Student & Inst. Related Services | 11,639,734 | 12,048,869 | 11,652,786 | 12,227,179 | 12,395,976 | 11,999,909 | 19,260,335 | 19,630,380 | 21,210,950 | 23,662,603 |
| General Administrative Services | 835,180 | 3,453,363 | 3,822,606 | 872,452 | 929,077 | 1,091,233 | 1,727,546 | 1,102,718 | 1,613,581 | 1,395,189 |
| School Administrative Services | 3,409,905 | 929,071 | 1,120,063 | 3,705,997 | 3,906,676 | 4,195,262 | 6,707,138 | 7,140,247 | 6,614,034 | 7,217,171 |
| Central Services and Info. Technology | 1,483,117 | 1,872,608 | 1,844,386 | 1,706,302 | 1,682,347 | 1,794,776 | 2,327,566 | 3,079,091 | 3,150,977 | 2,974,403 |
| Plant Operations and Maintenance | 6,321,376 | 7,311,018 | 8,396,580 | 8,065,046 | 7,958,977 | 7,981,821 | 10,091,133 | 10,832,833 | 10,569,301 | 11,395,560 |
| Pupil Transportation | 1,826,799 | 1,974,200 | 2,394,399 | 2,768,977 | 3,063,355 | 2,483,988 | 3,003,297 | 2,924,892 | 1,598,929 | 3,533,250 |
| Allocated Employee Benefits | 6,305,195 | 8,397,609 | 8,032,117 | | | | | | | |
| Unallocated Employee Benefits | 6,714,485 | 4,956,683 | 5,321,619 | 13,556,417 | 14,129,465 | 15,227,477 | | | | |
| TPAF Pension/Social Security | 9,217,396 | 8,203,459 | 9,428,672 | 10,994,683 | 12,463,706 | 14,511,019 | - | | | |
| Charter Schools | 1,287,670 | 2,478,864 | 2,990,864 | 2,637,660 | 3,185,751 | 3,287,937 | | | | |
| Capital Outlay | 1,510,974 | 3,187,147 | 600,172 | 663,011 | 1,472,478 | 2,391,640 | 4,864,802 | 2,288,208 | 8,020,887 | 8,289,360 |
| Debt service: | | | | | | | | | | |
| Principal | 620,000 | 615,000 | 610,000 | 595,000 | 585,000 | 580,000 | 1,344,054 | 1,558,183 | 904,501 | 1,549,600 |
| Interest and other charges | 190,100 | 168,863 | 148,025 | 130,525 | 111,663 | 84,813 | 87,097 | 66,528 | 32,483 | 478,815 |
| Cost of Issuance | | | | | | | | | 152,836 | |
| Total Expenditures | 102,402,405 | 107,890,602 | 109,041,326 | 112,867,028 | 117,519,524 | 123,447,371 | 135,026,293 | 135,374,740 | 145,864,487 | 158,845,282 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 2,761,889 | (821,497) | 1,592,763 | 317,862 | 763,297 | 2,017,290 | (2,967,956) | 3,828,767 | 593,134 | (1,292,971) |
| Other Financing sources (uses) | | | | | | | | | | |
| Transfers in | 219,312 | 162,248 | 461,344 | 388,929 | 377,450 | 411,499 | 411,499 | 413,376 | 789,652 | 582,814 |
| Transfers out | (219,312) | (162,248) | (482,898) | (394,433) | (377,450) | (411,499) | (411,499) | (413,376) | (803,327) | (582,814) |
| ESIP Bond Proceeds | | | | | | | | | 11,275,000 | |
| Premium on Issuance of ESIP Bonds | | | | | | | | | 1,986,791 | |
| Financing Agreement Proceeds (Non-Budgeted) | | | | | 924,000 | 800,000 | - | 616,116 | 1,027,407 | 1,445,265 |
| Total Other Financing Sources (Uses) | - | - | (21,554) | (5,504) | 924,000 | 800,000 | - | 616,116 | 14,275,523 | 1,445,265 |
| Net Change in Fund Balances | \$ 2,761,889 | \$ (821,497) | \$ 1,571,209 | \$ 312,358 | \$ 1,687,297 | \$ 2,817,290 | \$ (2,967,956) | \$ 4,444,883 | \$ 14,868,657 | \$ 152,294 |
| Debt service as a percentage of noncapital expenditures | | | | | | | | | | |
| | 0.80% | 0.75% | 0.70% | 0.65% | 0.60% | 0.55% | 1.10% | 1.22% | 0.68% | 1.35% |

* Noncapital expenditures are total expenditures less capital outlay and debt service.

Source: District financial statements

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

| Fiscal Year Ended June 30, | Interest Earned | Tuition | Rentals | E-Rate | Refunds | Miscellaneous | Total |
|---|----------------------------|----------------|----------------|---------------|----------------|----------------------|--------------|
| 2013 | \$ 4,630 | \$ 7,859,900 | \$ 54,388 | | \$ 110,847 | \$ 443,031 | \$ 8,472,796 |
| 2014 | 320 | 8,543,020 | 40,104 | | 119,359 | 510,255 | 9,213,058 |
| 2015 | 4,241 | 8,492,535 | 30,450 | | 14,087 | 652,815 | 9,194,128 |
| 2016 | 56,293 | 4,943,156 | 141,642 | | | 10,356 | 5,151,447 |
| 2017 | 52,652 | 8,129,712 | 122,978 | | 647 | | 8,305,989 |
| 2018 | 126,613 | 7,651,040 | 62,300 | | 11,535 | 807,058 | 8,658,546 |
| 2019 | 210,247 | 6,989,382 | 100,481 | | | 437,861 | 7,737,971 |
| 2020 | 208,636 | 7,083,222 | 100,156 | | 121,652 | 207,011 | 7,720,677 |
| 2021 | 58,761 | 5,713,794 | 90,489 | \$ 56,465 | 94,644 | 366,842 | 6,380,995 |
| 2022 | 38,488 | 5,040,477 | 50,040 | 54,304 | 159,606 | 116,901 | 5,459,816 |

Source: District financial statements

**HACKENSACK BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)**

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^a |
|-------------------------------------|---------------|------------------|-----------|-------|------------------|----------------|----------------|-------------------------|------------------|--------------------------|---|---|
| 2013 | \$ 48,369,100 | \$ 1,995,196,200 | | | \$ 1,718,956,070 | \$ 288,435,400 | \$ 879,727,000 | \$ 4,930,683,770 | \$ 21,534,684 | \$ 4,952,218,454 | \$ 5,607,198,120 | \$ 1.424 |
| 2014 | 47,055,600 | 1,974,545,090 | | | 1,752,931,970 | 283,867,900 | 882,157,400 | 4,940,557,960 | | 4,940,557,960 | 5,312,764,739 | 1.478 |
| 2015 | 48,420,800 | 1,964,113,450 | | | 1,721,451,400 | 277,317,000 | 862,744,900 | 4,874,047,550 | | 4,874,047,550 | 5,508,010,175 | 1.551 |
| 2016 | 42,509,300 | 1,883,698,300 | | | 1,926,523,500 | 315,236,600 | 994,241,400 | 5,162,209,100 | | 5,162,209,100 | 5,162,209,100 | 1.491 |
| 2017 | 57,910,900 | 1,941,114,800 | | | 1,913,353,700 | 322,384,000 | 1,025,760,400 | 5,260,523,800 | | 5,260,523,800 | 5,260,253,800 | 1.537 |
| 2018 | 67,181,700 | 1,972,039,200 | | | 1,953,822,500 | 326,749,900 | 1,068,679,400 | 5,388,472,700 | | 5,388,472,700 | 5,556,091,429 | 1.536 |
| 2019 | 61,899,700 | 2,014,583,100 | | | 1,974,594,400 | 323,042,200 | 1,169,973,000 | 5,544,092,400 | | 5,544,092,400 | 5,741,485,756 | 1.521 |
| 2020 | 68,958,300 | 2,056,633,000 | | | 1,961,591,500 | 333,360,200 | 1,225,258,500 | 5,645,801,500 | | 5,645,801,500 | 5,794,104,130 | 1.510 |
| 2021 | 73,784,300 | 2,103,579,500 | | | 1,917,220,650 | 326,401,500 | 1,155,682,200 | 5,576,668,150 | | 5,576,668,150 | 5,968,392,164 | 1.537 |
| 2022 | 65,174,700 | 2,512,702,100 | | | 2,272,606,600 | 450,618,700 | 1,537,240,800 | 6,838,342,900 | - | 6,838,342,900 | 6,538,713,040 | 1.269 |

Source: County Abstract of Ratables

^a

Tax rates are per \$100

*

HACKENSACK BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

| <u>Calendar Year</u> | <u>Total Direct School Tax Rate</u> | <u>City of Hackensack</u> | <u>Bergen County</u> | <u>Total Direct and Overlapping Tax Rate</u> |
|--------------------------|---|-------------------------------|----------------------|--|
| 2013 | \$ 1.420 | \$ 1.540 | \$ 0.260 | \$ 3.220 |
| 2014 | 1.480 | 1.610 | 0.240 | 3.330 |
| 2015 | 1.550 | 1.690 | 0.260 | 3.500 |
| 2016 | 1.490 | 1.640 | 0.250 | 3.380 |
| 2017 | 1.540 | 1.640 | 0.240 | 3.420 |
| 2018 | 1.536 | 1.629 | 0.248 | 3.413 |
| 2019 | 1.521 | 1.585 | 0.251 | 3.357 |
| 2020 | 1.510 | 1.552 | 0.247 | 3.309 |
| 2021 | 1.537 | 1.565 | 0.256 | 3.358 |
| 2022 | 1.269 | 1.306 | 0.227 | 2.802 |

Source: Municipal Tax Collector

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

| | 2022 | | 2013 | |
|---|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| <u>Taxpayer</u> | | | | |
| 20 Prospect Avenue (HUMC) | \$ 155,801,300 | 2.28% | \$ 126,774,000 | 2.50% |
| Riverside Squire LTD | 136,000,000 | 1.99% | 156,048,800 | 3.08% |
| Continental Plaza (401, 411 & 433 Hack Ave) | 107,891,200 | 1.58% | | |
| 300 Prospect - Prospect Place | 99,094,100 | 1.45% | | |
| 240 Prospect - JP Summit Apts. | 77,070,000 | 1.13% | | |
| Hackensack VF, LLC (Vornado) | 75,000,000 | 1.10% | 71,639,700 | 1.41% |
| Bloomingtondale's Inc | 70,000,000 | 1.02% | 35,917,300 | 0.71% |
| Quail Heights Partnership | | | 41,125,000 | 0.81% |
| S&A Commercial - 185 Prospect | 68,184,000 | 1.00% | | |
| Avalon - 414 Hackensack | 64,203,000 | 0.94% | | |
| Stellar Capital Management | | | 51,455,400 | 1.01% |
| Court Plaza Associates | 63,619,200 | 0.93% | 48,000,000 | 0.95% |
| Pierre Towers | | | 37,000,000 | 0.73% |
| Bart VII, LLC | | | 38,902,800 | 0.77% |
| 10 Hackensack Avenue | | | 35,631,700 | 0.70% |
| | | | | |
| | <u>\$ 916,862,800</u> | <u>13.41%</u> | <u>\$ 642,494,700</u> | <u>12.67%</u> |

Source: Municipal Tax Assessor

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | \$ 69,093,004 | \$ 69,093,004 | 100.00% | |
| 2014 | 71,871,379 | 71,871,379 | 100.00% | |
| 2015 | 74,147,498 | 74,147,498 | 100.00% | |
| 2016 | 75,582,908 | 75,582,908 | 100.00% | |
| 2017 | 79,758,684 | 79,758,684 | 100.00% | |
| 2018 | 81,921,377 | 81,921,377 | 100.00% | |
| 2019 | 83,501,257 | 83,501,257 | 100.00% | |
| 2020 | 85,146,015 | 85,146,015 | 100.00% | |
| 2021 | 85,283,457 | 85,277,183 | 99.99% | \$ 6,274 |
| 2022 | 86,136,292 | 86,130,018 | 99.99% | 6,274 |

Source: District financial records

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

| Fiscal Year Ended June 30, | Governmental Activities | | Leases | Total District | Population | Per Capita |
|-------------------------------|---|---|------------|----------------|------------|------------|
| | General Obligation and ESIP Bonds | Capital and Other Financing Agreements | | | | |
| 2013 | \$ 4,160,000 | \$ 552,286 | | \$ 4,712,286 | 43,409 | \$ 109 |
| 2014 | 3,545,000 | 279,913 | | 3,824,913 | 43,515 | 88 |
| 2015 | 2,935,000 | - | | 2,935,000 | 44,185 | 66 |
| 2016 | 2,340,000 | - | | 2,340,000 | 44,286 | 53 |
| 2017 | 1,755,000 | 688,809 | | 2,443,809 | 44,268 | 55 |
| 2018 | 1,175,000 | 1,262,399 | | 2,437,399 | 44,519 | 55 |
| 2019 | 595,000 | 1,627,368 | | 2,222,368 | 44,358 | 50 |
| 2020 | - | 1,280,301 | | 1,280,301 | 44,189 | 29 |
| 2021 | 11,275,000 | 1,403,207 | | 12,678,207 | 43,981 | 288 |
| 2022 | 11,275,000 | 1,915,353 | \$ 654,968 | 13,845,321 | 45,646 | 303 |

Source: District records

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
|-------------------------------------|---|------------|---|--|-------------------------|
| | General Obligation and ESIP Bonds | Deductions | | | |
| 2013 | \$ 4,160,000 | | \$ 4,160,000 | 0.08% * | \$ 96 |
| 2014 | 3,545,000 | | 3,545,000 | 0.07% | 81 |
| 2015 | 2,935,000 | | 2,935,000 | 0.06% | 66 |
| 2016 | 2,340,000 | | 2,340,000 | 0.05% | 53 |
| 2017 | 1,755,000 | | 1,755,000 | 0.03% | 40 |
| 2018 | 1,175,000 | | 1,175,000 | 0.02% | 26 |
| 2019 | 595,000 | | 595,000 | 0.01% | 13 |
| 2020 | - | | - | 0.00% | - |
| 2021 | 11,275,000 | | 11,275,000 | 0.20% | 256 |
| 2022 | 11,275,000 | | 11,275,000 | 0.16% | 247 |

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

* The Borough underwent a revaluation effective calendar year 2013

**HACKENSACK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

Total Debt

| | |
|---|-----------------------|
| Municipal Debt: (1) | |
| Hackensack Board of Education (As of June 30, 2022) | \$ 11,275,000 |
| City of Hackensack | <u>106,076,762</u> |
| | <u>117,351,762</u> |
| Overlapping Debt Apportioned to the Municipality: | |
| Bergen County: | |
| County of Bergen (A) | 47,352,418 |
| Bergen County Utilities Authority - Water Pollution (B) | <u>22,668,391</u> |
| | <u>70,020,809</u> |
| Total Direct and Overlapping Debt | <u>\$ 187,372,571</u> |

Source:

(1) City of Hackensack's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Hackensack by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

**HACKENSACK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2022

| | | |
|---|---------------------------|--------------------------|
| | Equalized valuation basis | |
| | 2021 | \$ 6,210,098,163 |
| | 2020 | 5,946,704,761 |
| | 2019 | 5,951,151,138 |
| | [A] | <u>\$ 18,107,954,062</u> |
| Average equalized valuation of taxable property | [A/3] | \$ 6,035,984,687 |
| Debt limit (4 % of average equalization value) | [B] | 241,439,387 a |
| Total Net Debt Applicable to Limit | [C] | |
| Legal debt margin | [B-C] | <u>\$ 241,439,387</u> |

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Debt limit | \$ 229,860,092 | \$ 221,207,837 | \$ 218,298,105 | \$ 223,061,645 | \$ 227,501,240 | \$ 229,364,335 | \$ 228,279,753 | \$ 233,145,744 | \$ 236,738,705 | \$ 241,439,387 |
| Total net debt applicable to limit | <u>4,160,000</u> | <u>3,545,000</u> | <u>2,935,000</u> | <u>2,340,000</u> | <u>1,755,000</u> | <u>1,175,000</u> | <u>595,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Legal debt margin | <u>\$ 225,700,092</u> | <u>\$ 217,662,837</u> | <u>\$ 215,363,105</u> | <u>\$ 220,721,645</u> | <u>\$ 225,746,240</u> | <u>\$ 228,189,335</u> | <u>\$ 227,684,753</u> | <u>\$ 233,145,744</u> | <u>\$ 236,738,705</u> | <u>\$ 241,439,387</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 1.81% | 1.60% | 1.34% | 1.05% | 0.77% | 0.51% | 0.26% | 0.00% | 0.00% | 0.00% |

Note 1 - ESIP Refunding Bonds are an exception to the District's debt limitation.

Source: Annual Debt Statements

**HACKENSACK BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Year</u> | <u>Population</u> | <u>County Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|--|--------------------------|
| 2013 | 43,409 | \$ 68,591 | 7.70% |
| 2014 | 43,515 | 71,773 | 6.50% |
| 2015 | 44,185 | 71,286 | 5.50% |
| 2016 | 44,286 | 73,883 | 5.00% |
| 2017 | 44,268 | 77,323 | 4.70% |
| 2018 | 44,519 | 78,836 | 4.30% |
| 2019 | 44,358 | 81,024 | 3.70% |
| 2020 | 44,189 | 85,191 | 11.40% |
| 2021 | 43,981 | 88,241 | 7.30% |
| 2022 | 45,646 | 91,972 | N/A |

N/A - Not Available

Source: New Jersey State Department of Education

**HACKENSACK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

| <u>2022</u> | | | <u>2013</u> | |
|-----------------|------------------|---|------------------|---|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> |

NOT AVAILABLE

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

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 * | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 310 | 284 | 280 | 526 | 427 | 438 | 444 | 327 | 302 | 380 |
| Special Education | 220 | 184 | 193 | 105 | 128 | 163 | 101 | 110 | 108 | 108 |
| Other Special Education | | | | | | | 70 | 60 | 113 | 60 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 87 | 87 | 89 | 60 | 86 | 40 | 86 | 133 | 84 | 92 |
| General administrative services | 6 | 6 | 4 | 3 | 4 | 5 | 18 | 6 | 7 | 7 |
| School administrative services | 60 | 63 | 37 | 36 | 38 | 39 | 49 | 41 | 35 | 42 |
| Business Administrative Services | 14 | 14 | 17 | 14 | 14 | 18 | 12 | 15 | 20 | 21 |
| Plant operations and maintenance | 81 | 68 | 65 | 51 | 62 | 56 | 76 | 58 | 55 | 55 |
| Pupil transportation | | | | | | | 1 | 1 | 1 | |
| Total | <u>778</u> | <u>706</u> | <u>685</u> | <u>795</u> | <u>759</u> | <u>759</u> | <u>857</u> | <u>751</u> | <u>726</u> | <u>765</u> |

Source: District Personnel Records

* Count Discrepancy due to FTE's not properly recorded in prior years

**HACKENSACK BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teacher/Pupil Ratio | | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|--|--------------------------------|----------------------|------------------------|--------------|---------------|--------------|-----------------------------------|--------------------------------------|--|----------------------------------|
| | | | | | Teaching Staff | Elementary | Middle School | High School | | | | |
| 2013 | 5,384 | \$ 100,081,331 | \$ 18,589 | 1.96% | 531 | 1:10 | 1:10 | 1:12 | 5,406 | 5,261 | 3.48% | 97.32% |
| 2014 | 5,506 | 103,919,592 | 18,874 | 1.53% | 467 | 1:12 | 1:12 | 1:12 | 5,463 | 5,232 | 1.05% | 95.77% |
| 2015 | 5,673 | 107,704,683 | 18,985 | 0.59% | 473 | 1:12 | 1:11 | 1:13 | 5,631 | 5,391 | 3.08% | 95.74% |
| 2016 | 5,690 | 111,483,996 | 19,593 | 3.20% | 631 | 1:8 | 1:09 | 1:11 | 5,662 | 5,444 | 0.55% | 96.15% |
| 2017 | 5,657 | 115,350,383 | 20,391 | 4.07% | 555 | 1:10 | 1:10 | 1:11 | 5,645 | 5,451 | -0.30% | 96.56% |
| 2018 | 5,678 | 120,390,918 | 21,203 | 3.98% | 601 | 1:8 | 1:10 | 1:12 | 5,673 | 5,403 | 0.50% | 95.24% |
| 2019 | 5,770 | 128,730,340 | 22,310 | 5.22% | 545 | 1:11 | 1:10 | 1:10 | 5,729 | 5,451 | 0.99% | 95.15% |
| 2020 | 5,626 | 131,461,821 | 23,367 | 4.74% | 437 | Not Provided | Not Provided | Not Provided | 5,617 | 5,448 | -1.95% | 96.99% |
| 2021 | 5,491 | 136,753,780 | 24,905 | 6.58% | 431 | Not Provided | Not Provided | Not Provided | 5,473 | 5,006 | -2.57% | 91.46% |
| 2022 | 5,817 | 148,527,507 | 25,533 | 2.52% | 488 | Not Provided | Not Provided | Not Provided | 5,343 | 4,915 | -2.37% | 91.99% |

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**HACKENSACK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Nellie K. Parker School | | | | | | | | | | |
| Square Feet | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 | 80,280 |
| Capacity (students) | 539 | 539 | 539 | 539 | 539 | 539 | 539 | 539 | 539 | 539 |
| Enrollment | 568 | 541 | 581 | 585 | 575 | 542 | 495 | 533 | 458 | 548 |
| Fairmount School | | | | | | | | | | |
| Square Feet | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 |
| Capacity (students) | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 |
| Enrollment | 670 | 601 | 579 | 581 | 557 | 560 | 603 | 617 | 546 | 577 |
| Fanny M. Hillers School | | | | | | | | | | |
| Square Feet | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Capacity (students) | 526 | 526 | 526 | 526 | 526 | 526 | 526 | 526 | 526 | 526 |
| Enrollment | 562 | 504 | 569 | 583 | 575 | 532 | 519 | 571 | 435 | 482 |
| Jackson Avenue School | | | | | | | | | | |
| Square Feet | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 | 60,800 |
| Capacity (students) | 434 | 434 | 434 | 434 | 434 | 434 | 434 | 434 | 434 | 434 |
| Enrollment | 454 | 399 | 433 | 430 | 424 | 413 | 424 | 443 | 415 | 439 |
| ECDC | | | | | | | | | | |
| Square Feet | | 40,309 | 40,309 | 40,309 | 40,309 | 40,309 | 40,309 | 40,309 | 40,309 | 40,309 |
| Capacity (students) | | 490 | 490 | 490 | 490 | 490 | 490 | 490 | 490 | 490 |
| Enrollment | | 280 | 275 | 309 | 276 | 265 | 277 | 290 | 210 | 233 |
| <u>Middle School</u> | | | | | | | | | | |
| Middle School | | | | | | | | | | |
| Square Feet | 103,293 | 141,932 | 141,932 | 141,932 | 141,932 | 141,932 | 141,932 | 141,932 | 141,932 | 141,932 |
| Capacity (students) | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 |
| Enrollment | 1,327 | 1,406 | 1,395 | 1,401 | 1,415 | 1,465 | 1,509 | 1,571 | 1,570 | 1,535 |
| <u>High School</u> | | | | | | | | | | |
| Hackensack High School | | | | | | | | | | |
| Square Feet | 158,243 | 267,349 | 267,349 | 267,349 | 267,349 | 267,349 | 267,349 | 267,349 | 267,349 | 267,349 |
| Capacity (students) | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 |
| Enrollment | 1,803 | 1,775 | 1,816 | 1,813 | 1,835 | 1,901 | 1,943 | 1,909 | 1,810 | 1,953 |

**HACKENSACK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

| | <u>2013</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>Other</u> | | | | | | | | | | |
| Administration Building | | | | | | | | | | |
| Square Feet | 10,000 | 7,516 | 7,516 | 7,516 | 7,516 | 7,516 | 7,516 | 7,516 | 7,516 | 7,516 |

Number of Schools at June 30, 2022

Elementary = 5

Middle School = 1

High School = 2

Other School = 2

Source: District Records

**HACKENSACK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

| | Project # (s) | <u>2013</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>School Facilities</u> | | | | | | | | | | | |
| Hackensack High School | N/A | \$ 277,050 | \$ 325,944 | \$ 406,956 | \$ 289,651 | \$ 311,184 | \$ 345,441 | \$ 455,351 | \$ 632,489 | \$ 782,478 | \$ 1,135,347 |
| Middle School | N/A | 158,843 | 173,039 | 216,047 | 153,772 | 165,203 | 183,389 | 241,740 | 578,160 | 530,422 | 769,623 |
| Nellie K. Parker School | N/A | 66,681 | 97,875 | 122,201 | 86,977 | 93,443 | 103,730 | 136,734 | 144,363 | 237,705 | 344,901 |
| Fairmount School | N/A | 66,083 | 74,369 | 92,854 | 66,088 | 71,002 | 78,818 | 103,896 | 111,491 | 170,273 | 247,059 |
| Fanny M. Hillers School | N/A | 145,988 | 97,534 | 121,775 | 86,673 | 93,117 | 103,368 | 136,257 | 146,529 | 242,587 | 351,984 |
| Jackson Avenue School | N/A | 113,845 | 74,125 | 92,549 | 65,872 | 70,769 | 78,559 | 103,555 | 111,492 | 186,217 | 270,195 |
| ECDC | N/A | | 49,144 | 61,358 | 43,672 | 46,918 | 52,083 | 68,655 | 91,984 | 131,056 | 190,158 |
| Administration Building | N/A | 3,966 | 9,163 | 11,441 | 8,143 | 8,748 | 9,712 | 12,801 | 15,963 | 27,072 | 39,280 |
| Total School Facilities | | <u>832,456</u> | <u>901,193</u> | <u>1,125,181</u> | <u>800,848</u> | <u>860,384</u> | <u>955,100</u> | <u>1,258,989</u> | <u>1,832,471</u> | <u>2,307,810</u> | <u>3,348,547</u> |
| Other Facilities | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Grand Total | | <u>\$ 832,456</u> | <u>\$ 901,193</u> | <u>\$ 1,125,181</u> | <u>\$ 800,848</u> | <u>\$ 860,384</u> | <u>\$ 955,100</u> | <u>\$ 1,258,989</u> | <u>\$ 1,832,471</u> | <u>\$ 2,307,810</u> | <u>\$ 3,348,547</u> |

Source: District Records

Source: School District's financial statements

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)**

| <u>Company</u> | <u>Type of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|---|---|-------------------|-------------------|
| NJ School Board Association Insurance Group/North Jersey Educational Insurance Fund | Property - | | |
| | Real and Personal Property | \$ 500,000,000 | \$ 5,000 |
| | Total Building and Content Insured Value | \$ 188,358,960 | |
| | Extra Expense | \$ 50,000,000 | \$ 5,000 |
| | Valuable Papers and Records | \$ 10,000,000 | \$ 5,000 |
| | Demolition and Increased Cost of Construction | \$ 25,000,000 | N/A |
| | Loss of Rents | Not Covered | N/A |
| | Loss of Business Income/Tuition | \$ 7,000,000 | 5,000 |
| | Limited Builders Risk | \$ 10,000,000 | 5,000 |
| | Fire Department Service Charge | \$ 10,000 | N/A |
| | Arson Reward | \$ 10,000 | N/A |
| | Pollutant Cleanup and Removal | \$ 250,000 | N/A |
| | Sublimits: Special Flood Hazard Area Flood Zones | \$ 25,000,000 | \$ 1,000,000 |
| | Accounts Receivable | \$ 250,000 | N/A |
| | All Flood Zones | 75,000,000 | \$ 10,000 |
| | Earthquake | \$ 50,000,000 | N/A |
| | Terrorism | \$ 1,000,000 | N/A |
| | Electronic Data Processing - | | |
| | Data Processing Equipment | Included | \$ 1,000 |
| | Equipment - | | |
| | Combined Single Limit per Accident for Property Damage and Business Income | \$ 100,000,000 | \$ 5,000 |
| | Crime - | | |
| | Public Employee Dishonesty with Faithful Performance | \$ 500,000 | \$ 1,000 |
| | Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises | \$ 50,000 | \$ 500 |
| | Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency | \$ 50,000 | \$ 500 |
| | Forgery or Alteration | \$ 50,000 | \$ 500 |
| | Computer Fraud | \$ 50,000 | \$ 500 |
| | Comprehensive General Liability - | | |
| | Bodily Injury and Property Damage | \$ 31,000,000 | N/A |
| | Products and Completed Operations | \$ 31,000,000 | N/A |
| | Sexual Abuse | \$ 15,000,000 | N/A |
| | Personal Injury and Advertising Injury | \$ 31,000,000 | N/A |
| | Employee Benefits Liability | \$ 31,000,000 | \$ 1,000 |
| | Terrorism | Included | N/A |
| | Automobile - | | |
| | Bodily Injury and Property Damage | \$ 31,000,000 | N/A |
| | Workers Compensation- Part 1 Statutory/ Part 2 \$3,000,000 | Statutory | |
| | School Leaders' Errors and Omissions - | | |
| | QBE coverage A and B (each policy period) | 100,000/\$300,000 | \$15,000 |
| | NJSIG (each policy period) | \$30,000,000 | N/A |
| TRAVELERS | Travelers Statutory Bond- | | |
| | Dora Zeno | \$500,000 | N/A |
| | Lydia Singh | \$500,000 | N/A |
| BRIT | Cyber liability Insurance- | \$500,000 | \$50,000 |
| LIBERTY MUTUAL | Student Accident- | | |
| | Base | 25,000 | 0 per injury |

Source: District Records

SINGLE AUDIT SECTION

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Hackensack Board of Education's basic financial statements and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hackensack Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Hackensack Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 25, 2023.

Hackensack Board of Education's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Hackensack Board of Education's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Hackensack Board of Education's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hackensack Board of Education
Hackensack, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Hackensack Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Hackensack Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The Hackensack Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hackensack Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Hackensack Board of Education's response to the noncompliance finding identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Hackensack Board of Education's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

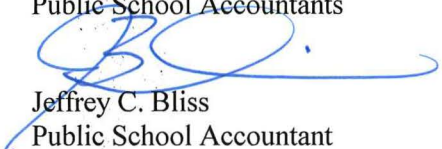
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hackensack Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal AL Number | FAIN Number | Project Period | Award Amount | Balance, June 30, 2021 | | | Carryover/ Deferred Revenue | Carryover/ (Accounts Receivable) | Cash Received | Budgetary Expenditures | Returned To Grantor | Adjustments | Balance, June 30, 2022 | | | Memo GAAP Receivable |
|--|-------------------------|----------------|-------------------|-----------------|------------------------|--------------------------|-------------------|-----------------------------------|--|------------------|---------------------------|---------------------------|-------------|------------------------|--------------------------|-------------------|----------------------------|
| | | | | | Unearned Revenue | (Accounts Receivable) | Due to Grantor | | | | | | | Unearned Revenue | (Accounts Receivable) | Due to Grantor | |
| U.S. Department of Agriculture | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | |
| Enterprise Fund | | | | | | | | | | | | | | | | | |
| National School Breakfast Program | 10.553 | 221NJ304N1099 | 7/1/21-6/30/22 | \$ 1,485,498 | | | | | \$ 1,350,038 | \$ 1,485,498 | | | | | \$ (135,460) | | \$ (135,460) |
| National School Breakfast Program | 10.553 | 211NJ304N1099 | 7/1/20-6/30/20 | 1,830,464 | - | \$ (238,694) | | | 238,694 | - | - | - | - | - | - | - | - |
| National School Lunch Program | 10.555 | | | | | | | | | | | | | | | | |
| Non-Cash Assistance (Food Distribution) | | 221NJ304N1099 | 7/1/21-6/30/22 | 222,009 | | | | | 222,009 | 219,455 | | | | \$ 2,554 | | | |
| Non-Cash Assistance (Food Distribution) | | 211NJ304N1099 | 7/1/20-6/30/21 | 193,146 | \$ 2,042 | | | | | 2,042 | | | | | | | |
| Cash Assistance | | 221NJ304N1099 | 7/1/21-6/30/22 | 2,931,746 | | | | | 2,678,495 | 2,931,746 | | | | | (253,251) | | (253,251) |
| Cash Assistance | | 211NJ304N1099 | 7/1/20-6/30/20 | 2,915,784 | | (380,221) | | | 380,221 | | | | | | | | |
| Afternoon Snack Program | 10.555 | 221NJ304N1099 | 7/1/21-6/30/22 | 31,067 | | | | | 28,088 | 31,067 | | | | | (2,979) | | (2,979) |
| Emergency Operational Cost Program | 10.555 | 202121H170341 | 7/1/20-6/30/21 | 218,027 | | (218,027) | | | 218,027 | | | | | | - | | - |
| P-EBT Administrative Costs | 10.649 | 2121215900941 | 7/1/21-6/30/22 | 3,135 | | | | | 3,135 | 3,135 | | | | | | | |
| P-EBT Administrative Costs | 10.649 | 2021215900941 | 7/1/20-6/30/21 | 3,063 | - | (3,063) | - | - | - | 3,063 | - | - | - | - | - | - | - |
| Total U.S. Department of Agriculture/Child Nutrition Cluster | | | | | 2,042 | (840,005) | - | - | - | 5,121,770 | 4,672,943 | - | - | 2,554 | (391,690) | - | (391,690) |
| Total Enterprise Fund | | | | | 2,042 | (840,005) | - | - | - | 5,121,770 | 4,672,943 | - | - | 2,554 | (391,690) | - | (391,690) |
| U.S. Department of Education | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | |
| Special Revenue Fund | | | | | | | | | | | | | | | | | |
| IDEA Part B | 84.027 | H027A200100 | 7/1/21-9/30/22 | 1,450,790 | | | | \$ 29,056 | \$ (29,056) | 232,261 | 1,464,302 | | - | 15,544 | (1,247,585) | | (1,232,041) |
| IDEA Part B | 84.027 | H027A200100 | 7/1/20-9/30/21 | 1,521,704 | 29,056 | (429,077) | | (29,056) | 29,056 | 400,021 | - | | - | - | - | | - |
| IDEA Part B, APR Basic | 84.027X | H027X210100 | 7/1/21-9/30/22 | 298,045 | | | | | | 264,556 | 290,604 | | | 7,441 | (33,489) | - | (26,048) |
| IDEA Preschool | 84.173 | H173A200114 | 7/1/21-9/30/22 | 53,024 | | | | | | - | 39,960 | | | 13,064 | (53,024) | | (39,960) |
| IDEA ARP Preschool | 84.173X | H173X210114 | 7/1/21-9/30/22 | 25,290 | - | - | - | - | - | - | - | - | - | 25,290 | (25,290) | - | - |
| Total Special Education Cluster (IDEA) | | | | | 29,056 | (429,077) | - | - | - | 896,838 | 1,794,866 | - | - | 61,339 | (1,359,388) | - | (1,298,049) |
| ESEA Title I | 84.010 | S010A1200030 | 7/1/21-9/30/22 | 1,117,017 | | | | 191,128 | (191,128) | 1,103,795 | 1,194,972 | | | 113,173 | (204,350) | | (91,177) |
| ESEA Title I | 84.010 | S010A1200030 | 7/1/20-9/30/21 | 1,279,383 | 191,128 | (397,887) | | (191,128) | 191,128 | 206,759 | - | | - | - | - | | - |
| ESEA Title I Reallocated | 84.010 | S010A200030 | 7/1/20-9/30/21 | 121,616 | | (21,035) | | | | 21,035 | - | | - | - | - | | - |
| ESEA Title I Reallocated | 84.010 | S010A180030 | 7/1/18-9/30/19 | 145,856 | - | - | \$ 26,953 | - | - | - | - | \$ 26,953 | - | - | - | - | - |
| Total Title I | | | | | 191,128 | (418,922) | 26,953 | - | - | 1,331,589 | 1,194,972 | 26,953 | - | 113,173 | (204,350) | - | (91,177) |
| ESEA Title II- A | 84.367A | S367A210029 | 7/1/21-9/30/22 | 155,220 | | | | 3,874 | (3,874) | 112,427 | 114,363 | | | 44,731 | (46,667) | | (1,936) |
| ESEA Title II- A | 84.367A | S367A200029 | 7/1/20-9/30/21 | 202,257 | 3,874 | (35,084) | - | (3,874) | 3,874 | 31,210 | - | - | - | - | - | - | - |
| Total Title II | | | | | 3,874 | (35,084) | - | - | - | 143,637 | 114,363 | - | - | 44,731 | (46,667) | - | (1,936) |
| ESEA Title III | 84.365 | S365A210030 | 7/1/21-9/30/22 | 133,062 | | | | 23,233 | (23,233) | 66,851 | 90,331 | | | 65,964 | (89,444) | | (23,480) |
| ESEA Title III | 84.365 | S365A200030 | 7/1/20-9/30/21 | 118,777 | 23,233 | (23,447) | | (23,233) | 23,233 | 214 | - | | - | - | - | | - |
| ESSA Title III - Immigrant | 84.365 | S365A210030 | 7/1/21-9/30/22 | | | | | 183 | (183) | 181 | 181 | | | 2 | (2) | | - |
| ESSA Title III - Immigrant | 84.365 | S365A200030 | 7/1/20-9/30/21 | - | 183 | (3,948) | - | (183) | 183 | 3,765 | - | - | - | - | - | - | - |
| Total Title III | | | | | 23,416 | (27,395) | - | - | - | 71,011 | 90,512 | - | - | 65,966 | (89,446) | - | (23,480) |
| ESEA Title IV | 84.424 | S424A210031 | 7/1/21-9/30/22 | 89,368 | | | | 3,966 | (3,966) | 39,006 | 91,882 | | | 1,452 | (54,328) | - | (52,876) |
| ESEA Title IV | 84.424 | S424A200031 | 7/1/20-9/30/21 | 89,295 | 3,966 | (15,916) | - | (3,966) | 3,966 | 11,950 | - | - | - | - | - | - | - |
| Total Title IV | | | | | 3,966 | (15,916) | - | - | - | 50,956 | 91,882 | - | - | 1,452 | (54,328) | - | (52,876) |

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Balance, June 30, 2021 | | | | | | | | | | | | | | Balance, June 30, 2022 | | | | | | * | Memo |
|---|-------------------------|---------------------|-------------------|-----------------|---------------------|--------------------------|-------------------|-----------------------------------|--|------------------|---------------------------|---------------------------|-------------|------------------------|--------------------------|-------------------|---|--------------------|--|---|------|
| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal AL Number | FAIN Number | Project Period | Award Amount | Unearned Revenue | (Accounts Receivable) | Due to Grantor | Carryover/ Deferred Revenue | Carryover/ (Accounts Receivable) | Cash Received | Budgetary Expenditures | Returned To Grantor | Adjustments | Unearned Revenue | (Accounts Receivable) | Due to Grantor | * | GAAP Receivable | | | |
| Elementary and Secondary School Emergency Relief (ESSER) | | | | | | | | | | | | | | | | | | | | | |
| Coronavirus Aid, Relief, and Economic Security (CARES) Act | | | | | | | | | | | | | | | | | | | | | |
| CARES Emergency Relief Grant | 84.425D | S425D200027 | 3/13/20-9/30/22 | \$ 1,045,357 | \$ 54,624 | \$ (142,074) | | | | \$ 129,141 | \$ 43,352 | | | \$ 11,272 | \$ (12,933) | - | * | \$ (1,661) | | | |
| Elementary and Secondary School Emergency Relief (ESSER II) | | | | | | | | | | | | | | | | | | | | | |
| Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act | | | | | | | | | | | | | | | | | | | | | |
| ESSER II | 84.425D | S425D210027 | 3/13/20-9/30/23 | 4,013,033 | 4,013,033 | (4,013,033) | | | | 246,122 | 1,808,426 | | | 2,204,607 | (3,766,911) | | | (1,562,304) | | | |
| Learning Acceleration | 84.425D | S425D210027 | 3/13/20-9/30/23 | 257,536 | 257,536 | (257,536) | | | | 98,578 | 103,538 | | | 153,998 | (158,958) | | | (4,960) | | | |
| Mental Health | 84.425D | S425D210027 | 3/13/20-9/30/23 | 45,000 | 45,000 | (45,000) | | | | 24,875 | 20,150 | | | 24,850 | (20,125) | | | - | | | |
| American Rescue Plan | | | | | | | | | | | | | | | | | | | | | |
| ARP ESSER III | 84.425U | S425U210027 | 3/13/20-9/30/24 | 9,019,032 | | | | | | 626,727 | 708,200 | | | 8,310,832 | (8,392,305) | | | (81,473) | | | |
| Accelerated Learning Coach & Educator Sup | 84.425U | S425U210027 | 3/13/20-9/30/24 | 550,973 | | | | | | | 3,761 | | | 547,212 | (550,973) | | | (3,761) | | | |
| Evidence Based Summer Learning & Enrichm | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | | | | | | | 40,000 | | | - | (40,000) | | | (40,000) | | | |
| Evidence Based Comprehensive Beyond the | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | | | | | | | | | | 40,000 | (40,000) | | | - | | | |
| NJTSS Mental Health Support Staffing | 84.425U | S425U210027 | 3/13/20-9/30/24 | 45,000 | - | - | - | - | - | - | - | - | - | 45,000 | (45,000) | - | | - | | | |
| Total ESSER Cluster | | | | | 4,370,193 | (4,457,643) | - | - | - | 1,125,443 | 2,727,427 | - | - | 11,337,771 | (13,027,205) | - | * | (1,694,159) | | | |
| Coronavirus Relief Fund | | | | | | | | | | | | | | | | | | | | | |
| CARES Act - Bergen County Pass Thru | 21.019 | N/A | 3/1/20-12/31/21 | 291,659 | 30,541 | - | - | - | - | | 14,488 | - | | 16,053 | - | - | * | - | | | |
| Coronavirus Relief Fund | 21.019 | N/A | 3/1/20-12-31-21 | 545,032 | 2 | - | - | - | - | - | - | - | \$ 240 | 242 | - | - | * | - | | | |
| Total CRF Program Cluster | | | | | 30,543 | - | - | - | - | - | 14,488 | - | 240 | 16,295 | - | - | * | - | | | |
| Project ACES | | | | | | | | | | | | | | | | | | | | | |
| Project ACES | 17.259 | AA-26795-16-55-A-34 | 7/1/13-6/30/14 | 108,000 | | (414) | | | | | | | | | (414) | | * | (414) | | | |
| Project ACES | 17.259 | AA-26795-16-55-A-34 | 7/1/12-6/30/13 | 57,600 | - | (2,799) | - | - | - | - | - | - | - | - | (2,799) | - | * | (2,799) | | | |
| Total Project ACES Cluster | | | | | - | (3,213) | - | - | - | - | - | - | - | - | (3,213) | - | * | (3,213) | | | |
| Total U.S. Department of Education | | | | | 4,652,176 | (5,387,250) | \$ 26,953 | - | - | 3,619,474 | 6,028,510 | \$ 26,953 | 240 | 11,640,727 | (14,784,597) | - | * | (3,164,890) | | | |
| Total Special Revenue Fund | | | | | 4,652,176 | (5,387,250) | 26,953 | - | - | 3,619,474 | 6,028,510 | 26,953 | 240 | 11,640,727 | (14,784,597) | - | * | (3,164,890) | | | |
| U.S. Department of Health and Human Services | | | | | | | | | | | | | | | | | | | | | |
| Medicaid Cluster | | | | | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | | | | | |
| Medicaid Assistance Program (SEMI) | 93.778 | 2005NJ5MAP | 7/1/20-6/30/21 | 56,639 | - | - | - | - | - | \$ 56,639 | \$ 56,639 | - | - | - | - | - | * | - | | | |
| Total General Fund Fund | | | | | - | - | - | - | - | 56,639 | 56,639 | - | - | - | - | - | * | - | | | |
| Total Federal Awards | | | | | \$ 4,654,218 | \$ (6,227,255) | \$ 26,953 | \$ - | \$ - | \$ 8,797,883 | \$ 10,758,092 | \$ 26,953 | \$ 240 | \$ 11,643,281 | \$ (15,176,287) | \$ - | * | \$ (3,556,580) | | | |

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2021 | Carryover Amount | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Transfers / Adjustments | Balance, June 30, 2022 | | | MEMO | |
|---|----------------------------------|-----------------|-----------------|--------------------------|---------------------|------------------|---------------------------|--|----------------------------|------------------------|--------------------------|-------------------|--------------------|-------------------------------------|
| | | | | | | | | | | Unearned Revenue | (Accounts Receivable) | Due to Grantor | GAAP Receivable | Cumulative Total Expenditures |
| State Department of Education | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | |
| Equalization Aid | 22-495-034-5120-078 | 7/1/21-6/30/22 | \$ 21,532,939 | | | \$ 19,490,658 | \$ 21,532,939 | | | | \$ (2,042,281) | | | \$ 21,532,939 |
| Equalization Aid | 21-495-034-5120-078 | 7/1/20-6/30/21 | 15,777,591 | \$ (1,434,526) | | 1,434,526 | | | | | - | | | |
| Security Aid | 22-495-034-5120-084 | 7/1/21-6/30/22 | 2,121,557 | | | 1,920,339 | 2,121,557 | | | | (201,218) | | | 2,121,557 |
| Security Aid | 21-495-034-5120-084 | 7/1/20-6/30/21 | 2,121,557 | (192,896) | | 192,896 | | | | | - | | | |
| Special Education Aid | 22-495-034-5120-089 | 7/1/21-6/30/22 | 4,787,838 | | | 4,333,738 | 4,787,838 | | | | (454,100) | | | 4,787,838 |
| Special Education Aid | 21-495-034-5120-089 | 7/1/20-6/30/21 | 4,787,838 | (435,319) | - | 435,319 | - | - | - | - | - | - | - | - |
| Total State Aid Public Cluster | | | | (2,062,741) | - | 27,807,476 | 28,442,334 | - | - | - | (2,697,599) | - | - | 28,442,334 |
| | | | | | | | | | | | | | | |
| Transportation Aid | 22-495-034-5120-014 | 7/1/21-6/30/22 | 682,382 | | | 617,662 | 682,382 | | | | (64,720) | | | 682,382 |
| Transportation Aid | 21-495-034-5120-014 | 7/1/20-6/30/21 | 682,382 | (62,043) | - | 62,043 | - | - | - | - | - | - | - | - |
| Total Transportation Aid Cluster | | | | (62,043) | - | 679,705 | 682,382 | - | - | - | (64,720) | - | - | 682,382 |
| | | | | | | | | | | | | | | |
| Extraordinary Aid | 22-495-034-5120-044 | 7/1/21-6/30/22 | 2,022,970 | | | | 2,022,970 | | | | (2,022,970) | | | 2,022,970 |
| Extraordinary Aid | 21-495-034-5120-044 | 7/1/20-6/30/21 | 1,714,459 | (1,714,459) | | 1,714,459 | | | | | - | | | |
| On-Behalf TPAF Pension System Contributions NCGI | 22-495-034-5094-004 | 7/1/21-6/30/22 | 267,439 | | | 267,439 | 267,439 | | | | - | | | 267,439 |
| On-Behalf TPAF Pension System Contributions Normal Costs and Accrued Liability | 22-495-034-5094-002 | 7/1/21-6/30/22 | 18,955,741 | | | 18,955,741 | 18,955,741 | | | | - | | | 18,955,741 |
| On-Behalf TPAF Contributions Post Retirement Medical Benefits | 22-495-034-5094-001 | 7/1/21-6/30/22 | 4,491,312 | | | 4,491,312 | 4,491,312 | | | | - | | | 4,491,312 |
| On-Behalf TPAF Contributions Long-Term Disability Insurance Premium | 22-495-034-5094-004 | 7/1/21-6/30/22 | 4,903 | | | 4,903 | 4,903 | | | | - | | | 4,903 |
| Reimbursed TPAF Social Security Contributions | 22-495-034-5094-003 | 7/1/21-6/30/22 | 3,786,359 | - | - | 3,596,715 | 3,786,359 | - | - | - | (189,644) | - | \$ (189,644) | 3,786,359 |
| Total General Fund | | | | (3,839,243) | - | 57,517,750 | 58,653,440 | - | - | - | (4,974,933) | - | (189,644) | 58,653,440 |
| Special Revenue: | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Preschool Education Aid | 22-495-034-5120-086 | 7/1/21-6/30/22 | 2,836,521 | | \$ 764,265 | 2,567,493 | 3,408,301 | | \$ 535,509 | \$ 727,994 | (269,028) | | | 3,408,301 |
| Preschool Education Aid | 21-495-034-5120-086 | 7/1/20-6/30/21 | 2,855,052 | 504,681 | (764,265) | 259,584 | | | | | - | | | - |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | |
| Auxiliary Services: | | | | | | | | | | | | | | |
| Compensatory Education | 22-100-034-5120-067 | 7/1/21-6/30/22 | 34,040 | | | 34,040 | 21,320 | | | | - | \$ 12,720 | | 21,320 |
| Compensatory Education | 21-100-034-5120-067 | 7/1/20-6/30/21 | 23,515 | 11,504 | | | | \$ 11,504 | | | - | - | | - |
| English as a Second Language | 22-100-034-5120-067 | 7/1/21-6/30/22 | 2,466 | - | - | 2,466 | 1,188 | - | - | - | - | 1,278 | - | 1,188 |
| Total Auxiliary Services (Chapter 192) Cluster | | | | 11,504 | - | 36,506 | 22,508 | 11,504 | - | - | - | 13,998 | - | 22,508 |
| | | | | | | | | | | | | | | |
| Handicapped Services: | | | | | | | | | | | | | | |
| Examination and Classification | 22-100-034-5120-066 | 7/1/21-6/30/22 | 30,703 | | | 30,703 | 20,846 | | | | - | 9,857 | | 20,846 |
| Examination and Classification | 21-100-034-5120-066 | 7/1/20-6/30/21 | 24,899 | 13,385 | | | | 13,385 | | | - | - | | - |
| Corrective Speech | 22-100-034-5120-066 | 7/1/21-6/30/22 | 12,090 | | | 12,090 | 7,905 | | | | - | 4,185 | | 7,905 |
| Corrective Speech | 21-100-034-5120-066 | 7/1/20-6/30/21 | 10,025 | 7,109 | | | | 7,109 | | | - | - | | - |
| Supplemental Instruction | 22-100-034-5120-066 | 7/1/21-6/30/22 | 14,868 | | | 14,868 | 9,003 | | | | - | 5,865 | | 9,003 |
| Supplemental Instruction | 21-100-034-5120-066 | 7/1/20-6/30/21 | 10,523 | 5,553 | - | - | - | 5,553 | - | - | - | - | - | - |
| Total Handicapped Services (Chapter 193) Cluster | | | | 26,047 | - | 57,661 | 37,754 | 26,047 | - | - | - | 19,907 | - | 37,754 |

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2021 | Carryover Amount | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Transfers / Adjustments | Balance, June 30, 2022 | | | MEMO | |
|---|-------------------------------|----------------|--------------|-----------------------|------------------|---------------|------------------------|------------------------------------|-------------------------|------------------------|-----------------------|----------------|-----------------|-------------------------------|
| | | | | | | | | | | Unearned Revenue | (Accounts Receivable) | Due to Grantor | GAAP Receivable | Cumulative Total Expenditures |
| Nonpublic Textbook Aid | 22-100-034-5120-064 | 7/1/21-6/30/22 | \$ 5,642 | | | \$ 5,642 | \$ 5,598 | | | | | \$ 44 | | \$ 5,598 |
| Nonpublic Textbook Aid | 21-100-034-5120-064 | 7/1/20-6/30/21 | 6,170 | \$ 27 | | | | \$ 27 | | | | - | | - |
| Nonpublic Nursing Services | 22-100-034-5120-070 | 7/1/21-6/30/22 | 10,640 | | | 10,640 | 10,639 | | | | | 1 | | 10,639 |
| Nonpublic Technology | 22-100-034-5120-373 | 7/1/21-6/30/22 | 3,948 | | | 3,948 | 3,799 | | | | | 149 | | 3,799 |
| Nonpublic Security | 22-100-034-5120-509 | 7/1/21-6/30/22 | 16,625 | | | 16,625 | 16,625 | | | | | - | | 16,625 |
| Depart of Human Services - SBYFS | | | | | | | | | | | | | | |
| Friendly Family | 22-016-1620-100-007 | 7/1/21-6/30/22 | 53,648 | | | 53,648 | 51,731 | | | | | 1,917 | | 51,731 |
| Friendly Family | 21-016-1620-100-007 | 7/1/20-6/30/21 | 45,463 | 10,729 | | | | | | | | 10,729 | | - |
| Friendly Family | 20-016-1620-100-007 | 7/1/19-6/30/20 | 45,463 | 6,560 | | | | | | | | 6,560 | | - |
| Friendly Family | 19-016-1620-100-007 | 7/1/18-6/30/19 | 45,463 | 2,163 | | | | | | | | 2,163 | | - |
| Friendly Family | 18-016-1620-100-007 | 7/1/17-6/30/18 | 45,963 | 1,689 | | | | | | | | 1,689 | | - |
| School Based Youth Service Program | 22-016-1630-100-013 | 7/1/21-6/30/22 | 353,940 | | | 353,940 | 333,742 | | | \$ 3,973 | | 16,225 | | 333,742 |
| School Based Youth Service Program | 21-016-1630-100-013 | 7/1/20-6/30/21 | 299,940 | 264 | | | | | | | | 264 | | - |
| School Based Youth Service Program | 20-016-1630-100-013 | 7/1/19-6/30/20 | 299,940 | 2,944 | - | - | - | - | - | - | - | 2,944 | - | - |
| Total SBYS Program Cluster | | | | 24,349 | - | 407,588 | 385,473 | - | - | 3,973 | - | 42,491 | - | 385,473 |
| Schools Development Authority (SDA) | | | | | | | | | | | | | | |
| Emergent and Capital Maintenance Needs | | | 134,114 | - | - | 134,114 | - | - | - | 134,114 | - | - | - | - |
| New Jersey Schools Development Authority | | | | | | | | | | | | | | |
| Alyssa's Law School Security Grant | 22-034-5120-588-001 | N/A | 313,241 | - | - | 313,241 | 308,817 | - | - | 4,424 | - | - | - | 308,817 |
| Total Special Revenue Fund | | | | 566,608 | - | 3,813,042 | 4,199,514 | 37,578 | 535,509 | 870,505 | \$ (269,028) | 76,590 | - | 4,199,514 |
| State Department of Agriculture | | | | | | | | | | | | | | |
| Enterprise Fund | | | | | | | | | | | | | | |
| State School Lunch Program | 22-100-010-3350-023 | 7/1/21-6/30/22 | 68,917 | | | 63,089 | 68,917 | | | | (5,828) | | \$ (5,828) | 68,917 |
| State School Lunch Program | 21-100-010-3350-023 | 7/1/20-6/30/21 | 164,096 | (26,933) | - | 42,817 | 15,884 | - | - | | - | - | - | 15,884 |
| Total Enterprise Fund | | | | (26,933) | - | 105,906 | 84,801 | - | - | - | (5,828) | - | (5,828) | 84,801 |
| Total State Financial Assistance Subject to Single Audit Determination | | | | (3,299,568) | - | 61,436,698 | 62,937,755 | 37,578 | 535,509 | 870,505 | (5,249,789) | 76,590 | (195,472) | 62,937,755 |
| State Financial Assistance | | | | | | | | | | | | | | |
| Not Subject to Major Program Determination | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | |
| On-Behalf TPAF Pension System Contributions-NCGI | 22-495-034-5094-004 | 7/1/21-6/30/22 | 267,439 | | | (267,439) | (267,439) | | | | | | | (267,439) |
| On-Behalf TPAF Normal Costs | 22-495-034-5094-002 | 7/1/21-6/30/22 | 18,955,741 | | | (18,955,741) | (18,955,741) | | | | | | | (18,955,741) |
| On-Behalf TPAF Post-Retirement Medical Contributions | 22-495-034-5094-001 | 7/1/21-6/30/22 | 4,491,312 | | | (4,491,312) | (4,491,312) | | | | | | | (4,491,312) |
| On-Behalf TPAF Long-Term Disability Ins. Contributions | 22-495-034-5094-004 | 7/1/21-6/30/22 | 4,903 | - | - | (4,903) | (4,903) | - | - | - | - | - | - | (4,903) |
| Total State Financial Assistance Subject to Major Program Determination | | | | \$ (3,299,568) | \$ - | \$ 37,717,303 | \$ 39,218,360 | \$ 37,578 | \$ 535,509 | \$ 870,505 | \$ (5,249,789) | \$ 76,590 | \$ (195,472) | \$ 39,218,360 |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Hackensack Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$946,046 for the general fund and a decrease of \$1,920,845 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|---------------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 56,639 | \$ 57,707,394 | \$ 57,764,033 |
| Special Revenue Fund | 4,580,430 | 3,191,240 | 7,771,670 |
| Food Service Fund | <u>4,672,943</u> | <u>84,801</u> | <u>4,757,744</u> |
| Total Awards and Financial Assistance | <u>\$ 9,310,012</u> | <u>\$ 60,983,435</u> | <u>\$ 70,293,447</u> |

**HACKENSACK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$3,786,359 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$19,233,180, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,491,312 and TPAF Long-Term Disability Insurance in the amount of \$4,903 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that are not considered to be material weakness(es)? X yes none reported

Noncompliance material to the basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 Part 200 of U.S. Uniform Guidance? X yes no

Identification of major federal programs:

| <u>AL Number(s)</u> | <u>FAIN</u> | <u>Name of Federal Program or Cluster</u> |
|----------------------|----------------------|---|
| <u>10.553/10.555</u> | <u>221NJ304N1099</u> | <u>Child Nutrition Program Cluster</u> |
| <u>84.425D</u> | <u>S425D200027</u> | <u>CARES ESSER Program Cluster</u> |
| <u>84.425D</u> | <u>S425D210027</u> | <u>CRRSA ESSER Program Cluster</u> |
| <u>84.425U</u> | <u>S425U210027</u> | <u>ARP ESSER Program Cluster</u> |

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

Auditee qualified as low-risk auditee? X yes no

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

(1) Material weaknesses identified?

_____ yes X no

2) Were significant deficiencies identified that are not considered to be material weakness(es)?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

_____ yes X no

Identification of major state programs:

| <u>GMIS Number</u> | <u>Name of State Program or Cluster</u> |
|----------------------------|---|
| <u>22-495-034-5120-078</u> | <u>Equalization Aid - State Aid Public Cluster</u> |
| <u>22-495-034-5120-084</u> | <u>Security Aid - State Aid Public Cluster</u> |
| <u>22-495-034-5120-089</u> | <u>Special Education Aid - State Aid Public Cluster</u> |
| <u>22-034-5120-588-001</u> | <u>Alyssa's Law Security Grant</u> |
| _____ | _____ |

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,176,551

Auditee qualified as low-risk auditee?

 X yes _____ no

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2022-001

Our audit of year end open purchase orders in the General Fund revealed certain purchase orders were not reviewed at year end for proper classification and validity. We noted numerous encumbrances which we deemed accounts payable and others which were deemed invalid at year end.

Criteria or specific requirement:

Internal controls over year end closing procedures of open purchase orders.

Condition

Certain open purchase orders classified as encumbrances at June 30, 2022 were determined to be accounts payable as goods and services were received prior to year end. In addition we determined certain encumbrances not to be valid and should have been cancelled prior to the financial statement close-out at year end.

Context

- Encumbrances recorded in the General Fund at June 30, 2022 totaling \$1,705,690 were determined to be accounts payable.
- Encumbrances recorded in the General Fund at June 30, 2022 totaling \$592,509 were determined to be invalid.

Effect

Financial statements do not properly reflect liabilities and fund balances at year end.

Cause

Procedures to review open purchase orders at year end did not appear to be completed properly.

Recommendation

Procedures be revised to ensure open purchase orders are reviewed at year end for proper classification and validity and adjusted accordingly.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2022-002

Certain pensionable wages covered by the Teachers' Pension and Annuity Fund that were funded by the Federal ESSER III program were excluded from the calculation to reimburse the State for on behalf social security and pension contributions (NJSA 18A:66-90).

Criteria or specific requirement

NJSA 18A:66-90 federal funds; state to be reimbursed; ascertainment of amount

Condition

District employees enrolled in the TPAF pension system whose pensionable base pay was funded by the Federal ESSER III program were not included in the calculation to reimburse the State.

Context

TPAF pensionable salaries charged to the ESSER III grant totaled \$86,766 resulting in a reimbursable amount of \$46,090.

Effect

Amount reimbursed for TPAF pensionable wages funded by federal grants was understated.

Cause

TPAF pensionable wages charged to the Federal ESSER III program were not included in calculation to reimburse State.

Recommendation

Procedures be reviewed and revised to ensure all federally funded TPAF pensionable salaries are included in the calculation to reimburse the State in accordance with NJSA 18A:66-90.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2022-003

Our audit revealed net cash resources exceeded three months of average expenditures at June 30, 2022 in the Food Service Fund.

Federal program information:

| | |
|---------------------------------|---------------|
| Child Nutrition Program Cluster | 10.553/10.555 |
|---------------------------------|---------------|

Criteria or specific requirement:

Federal Grant Compliance Supplement – School Breakfast Program/National School Lunch Program – Special Tests and Provisions

Condition:

See Finding 2022-003.

Questioned Costs:

None.

Context:

Net cash resources of \$4,294,309 at June 30, 2022 exceed three months of average expenditures of \$1,130,100 for 2021/2022 resulting in an excess of \$3,164,209 at year end.

Effect:

Non-profit status of Food Service Fund

Cause:

Food service revenues exceeded expenditures.

Recommendation

The District develop a plan to eliminate the excess of net cash resources in the Food Service Fund.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and indicated it will develop a plan to ensure corrective action is taken.

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**HACKENSACK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2021-001

Condition

Encumbrances at June 30, 2021 in the capital project fund were not recorded at year end.

Current Status

Corrective action has been taken

Finding 2021-002

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law and State procurement regulations.

Current Status

Corrective action has been taken.