

HACKENSACK BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Hackensack, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Hackensack Board of Education

Hackensack New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION



Date: 11/17/23

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, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of Operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four (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 States 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). 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 2022-23 fiscal year with an Average Daily Enrollment of 5,086 students, which is 257 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>
2022/23	5,086	(257)	-4.81%
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%

For the 2022-2023 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 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 and was further extended on June 30, 2023. The district is currently exploring options and hopes to have a district owned replacement facility by the time the lease expires.

2. MAJOR INITIATIVES 2022-2023

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. Teachers provide for engaging and rigorous learning in classroom environments that privilege culturally relevant pedagogy, inquiry, problem-solving, digital learning, career-readiness skills, to prepare all students to be College and Career Ready.

The 2022-2023 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 2022-23 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. Professional Learning via math coaches focused on preparing teachers for a new math curriculum and instructional program. 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 2022-2023 school year, the major focus for the elementary schools was on a Year 3 continuum to focus on Guided Reading, Running Records, Small-Group Instruction and Conferencing. Additionally, grade 3 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 3) for grade 5 and year 1 for grade 6. 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 7 - 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 refocusing on the standards-based instruction from the bilingual lens. Consultants have been hired to provide professional learning on reading instruction. The focus for the professional development was on small group instruction. 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 and 6 teams. 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.

In the area of Science in SY 2022-2023 the major focus of work for the elementary schools was incorporating year 2 of the newly purchased Amplify science units into the curriculum. In the 2022-2023 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 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. Teachers will also continue to receive training in Inquiry Hub Biology and Inquiry Hub Chemistry in preparation to support our initiative for detracting biology and chemistry at the high school.

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

Jackson Avenue

- Elevator

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)

Middle School

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

Nellie K. Parker

- Entry Stairway Reconstruction

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, 2023.

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, 2023, the District had outstanding bonds of \$10,830,000, capital financing agreements of \$635,385, other financing agreements of \$980,993. 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 2022-23 budget under the State's funding formula. An analysis of the

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.

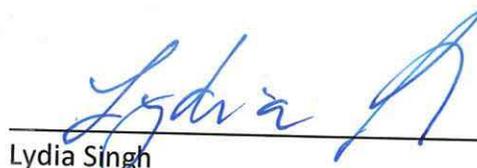
11. ACKNOWLEDGMENTS

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.

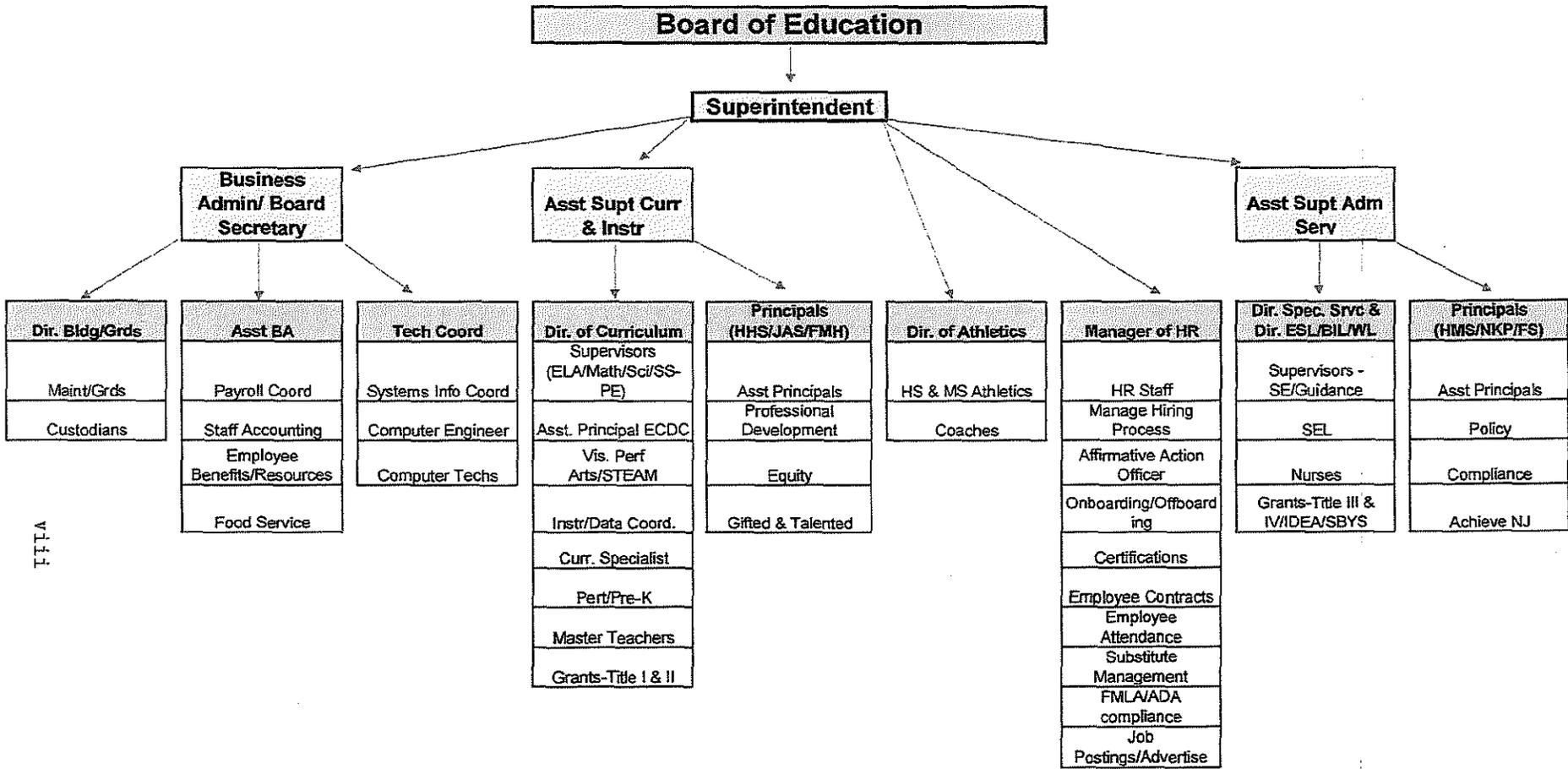
Respectfully submitted,



Roberto Sanchez
Superintendent of Schools



Lydia Singh
School Business Administrator/Board Secretary



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HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

Members of the Board of Education

Term Expires

Scott James-Vickery, President	2025
Anthony Rodriguez, Vice President	2023
Demetrius Carroll	2025
Christopher Coleman	2023
Jennifer Maury	2024
Andrew Meehan	2023
Lissette Cordero-Outen	2025
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, 2023

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



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

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

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, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 November 17, 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
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Fair Lawn, New Jersey
November 17, 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, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 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 \$43,738,680. (Net Position)
- The District's total net position increased by \$11,653,013, or 36%.
- Overall District revenues were \$164,619,726. General revenues accounted for \$117,164,215, or 71%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,455,511 or 29% of total revenues.
- The school district had \$149,185,915 in expenses for governmental activities; only \$43,355,001 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$117,164,215 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 \$30,706,819. Of this amount, \$8,581,193 is restricted for capital projects, \$2,807,095 is restricted for required maintenance of District facilities, 5,556,748 is restricted for excess surplus, \$1,780,296 is restricted for other purposes, \$14,330,765 is committed or assigned for year-end encumbrances and the subsequent years budget and the remaining amount is the unassigned fund deficit of (\$2,349,278).
- The General Fund fund balance at June 30, 2023 was \$27,713,194, a decrease of \$1,167,146 compared to the ending fund balance at June 30, 2022 of \$28,880,340.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$3,359,186, which represents a decrease of \$1,899,617 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$5,258,803.

HACKENSACK BOARD OF EDUCATION

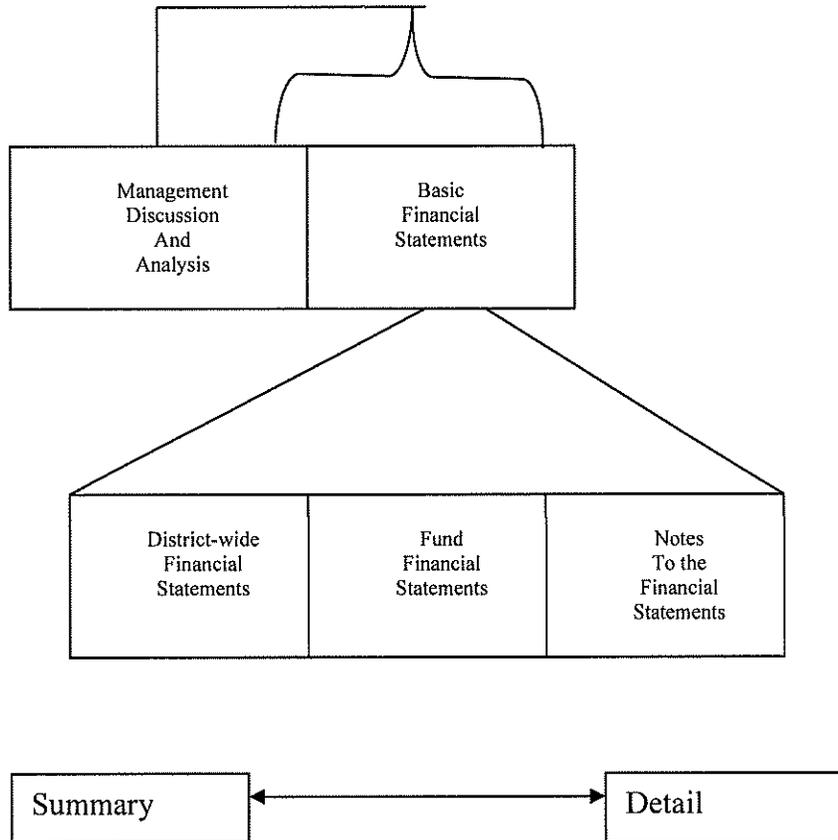
Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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, 2023

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, 2023

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 fund financial statements.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Other Information

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

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

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

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$43,738,680 and \$32,085,667 on June 30, 2023 and 2022, respectively as follows:

Net Position As of June 30, 2023 and 2022

	Net Position As of June 30, 2023 and 2022					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 44,118,973	\$ 43,315,401	\$ 3,796,310	\$ 4,577,248	\$ 47,915,283	\$ 47,892,649
Capital Assets, net of accumulated depreciation	48,699,336	36,876,567	1,848,647	644,847	50,547,983	37,521,414
Total Assets	<u>92,818,309</u>	<u>80,191,968</u>	<u>5,644,957</u>	<u>5,222,095</u>	<u>98,463,266</u>	<u>85,414,063</u>
Deferred Outflows of Resources	<u>1,953,126</u>	<u>839,889</u>	<u>-</u>	<u>-</u>	<u>1,953,126</u>	<u>839,889</u>
Liabilities						
Long-Term liabilities	39,044,046	34,214,346	-	-	39,044,046	34,214,346
Other Liabilities	13,493,312	8,303,747	352,186	249,583	13,845,498	8,553,330
Total Liabilities	<u>52,537,358</u>	<u>42,518,093</u>	<u>352,186</u>	<u>249,583</u>	<u>52,889,544</u>	<u>42,767,676</u>
Deferred Inflows of Resources	<u>3,785,067</u>	<u>11,398,055</u>	<u>3,101</u>	<u>2,554</u>	<u>3,788,168</u>	<u>11,400,609</u>
Net Position						
Net Investment in Capital Assets	36,846,303	28,524,036	1,848,647	644,847	38,694,950	29,168,883
Restricted	10,362,360	14,041,254			10,362,360	14,041,254
Unrestricted	(8,759,653)	(15,449,581)	3,441,023	4,325,111	(5,318,630)	(11,124,470)
Total Net Position	<u>\$ 38,449,010</u>	<u>\$ 27,115,709</u>	<u>\$ 5,289,670</u>	<u>\$ 4,969,958</u>	<u>\$ 43,738,680</u>	<u>\$ 32,085,667</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, 2023

The District's total net position of \$43,738,680 at June 30, 2023 represents a \$11,653,013, or 36%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Change in Net Position For The Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities		Business- Type Activities		Total	
	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenue						
Charges for Services	\$ 4,307,218	\$ 5,257,746	\$ 587,637	\$ 88,688	\$ 4,894,855	\$ 5,346,434
Operating Grants and Contributions	35,544,467	39,174,595	3,512,873	4,757,744	39,057,340	43,932,339
Capital Grants and Contributions	3,503,316	132,919			3,503,316	132,919
General Revenues						
Property Taxes	87,403,788	86,136,292			87,403,788	86,136,292
Unrestricted State Aid	28,081,548	20,925,184			28,081,548	20,925,184
Other	1,678,879	432,531	-	-	1,678,879	432,531
Total Revenues	160,519,216	152,059,267	4,100,510	4,846,432	164,619,726	156,905,699
Expenses						
Instruction						
Regular	60,923,251	60,077,285			60,923,251	60,077,285
Special Education	27,974,763	26,598,436			27,974,763	26,598,436
Other Instruction	3,742,134	3,729,509			3,742,134	3,729,509
School Sponsored Activities and Athletics	2,091,248	1,806,271			2,091,248	1,806,271
Support Services						
Student and Instruction Related Services	23,943,312	22,052,393			23,943,312	22,052,393
General Administrative Services	1,465,301	1,327,663			1,465,301	1,327,663
School Administrative Services	6,850,925	6,586,164			6,850,925	6,586,164
Central Services and Info. Technology	3,265,515	2,817,535			3,265,515	2,817,535
Plant Operations and Maintenance	13,983,109	12,678,112			13,983,109	12,678,112
Pupil Transportation	4,623,733	3,537,667			4,623,733	3,537,667
Interest on Long-Term Debt	322,624	352,369			322,624	352,369
Food Services	-	-	3,780,798	3,815,723	3,780,798	3,815,723
Total Expenses	149,185,915	141,563,404	3,780,798	3,815,723	152,966,713	145,379,127
Increase in Net Position	11,333,301	10,495,863	319,712	1,030,709	11,653,013	11,526,572
Net Position, Beginning of Year	27,115,709	16,619,846	4,969,958	3,939,249	32,085,667	20,559,095
Net Position, End of Year	\$ 38,449,010	\$ 27,115,709	\$ 5,289,670	\$ 4,969,958	\$ 43,738,680	\$ 32,085,667

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$160,519,216 for the fiscal year ended June 30, 2023, property taxes of \$87,403,788 represented 54% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$67,129,331 and represented 42% of revenues.

The total cost of all governmental activities programs and services was \$149,185,915 for the fiscal year ended June 30, 2023. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$94,731,396 (63%) of total expenses and support services costs were \$54,131,895 (36%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$11,333,301 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$149,185,915 After applying program revenues, derived from operating and capital grants and contributions of \$39,047,783 and charges for services of \$4,307,218 the net cost of services of the District is \$105,830,914 for the fiscal year ended June 30, 2023.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction				
Regular	\$ 60,923,251	\$ 60,077,285	\$ 45,385,177	\$ 41,966,446
Special Education	27,974,763	26,598,436	16,397,982	13,164,124
Other Instruction	3,742,134	3,729,509	2,979,660	2,799,382
School Sponsored Activities and Athletics	2,091,248	1,806,271	1,759,194	1,470,475
Support Services				
Student and Instruction Related Services	23,943,312	22,052,393	16,735,529	15,454,595
General Administrative Services	1,465,301	1,327,663	1,331,654	1,158,300
School Administrative Services	6,850,925	6,586,164	5,712,093	5,190,526
Central Services and Info. Technology	3,265,515	2,817,535	3,160,508	2,560,479
Plant Operations and Maintenance	13,983,109	12,678,112	8,108,504	10,039,636
Pupil Transportation	4,623,733	3,537,667	3,937,989	2,841,812
Interest on Long-Term Debt	322,624	352,369	322,624	352,369
Total	\$ 149,185,915	\$ 141,563,404	\$ 105,830,914	\$ 96,998,144

Business-Type Activities – The District's total business-type activities revenues were \$4,100,510 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for 86% of total revenues and the remaining 14% of revenues was from charges for services and sales.

Total cost of all business-type activities programs and services was \$3,780,798 for the fiscal year ended June 30, 2023. Food service expenses represented 100% of the total expenses.

For fiscal year 2023, total business-type activities revenues exceeded expenses increasing net position by \$319,712, or 6% from the previous year.

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 \$30,706,819 at June 30, 2023, a decrease of \$4,386,129 from last year's fund balance of \$35,092,948. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$170,941,216 while total expenditures were \$177,322,425 for the fiscal year ended June 30, 2023.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Taxes	\$ 87,403,788	\$ 86,136,292	\$ 1,267,496	1%
Tuition	4,003,944	5,040,477	(1,036,533)	-21%
Other	1,397,153	419,339	977,814	233%
State Sources	65,775,852	57,707,394	8,068,458	14%
Federal Sources	<u>391,519</u>	<u>56,639</u>	<u>334,880</u>	591%
 Total General Fund Revenues	 <u>\$ 158,972,256</u>	 <u>\$ 149,360,141</u>	 <u>\$ 9,612,115</u>	 6%

For fiscal year 2023, total General Fund revenues increased \$9,612,115, or 6% from the previous year.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 98,463,921	\$ 91,196,806	\$ 7,267,115	8%
Support Services	52,940,119	47,516,268	5,423,851	11%
Capital Outlay	6,637,018	5,114,629	1,522,389	30%
Debt Service	<u>2,526,143</u>	<u>1,498,365</u>	<u>1,027,778</u>	100%
 Total Expenditures	 <u>\$ 160,567,201</u>	 <u>\$ 145,326,068</u>	 <u>\$ 15,241,133</u>	 10%

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND (Continued)

For fiscal year 2023, total General Fund expenditures increased \$15,241,133, or 10% from the previous year.

In fiscal year 2023, General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$1,167,146. Therefore, the total fund balance at June 30, 2022 of \$28,880,340 decreased to a fund balance of \$27,713,194 at June 30, 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the District had \$48,699,336 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$1,848,647 for business type activity. The following is a comparison of the June 30, 2023 and 2022 balances:

Capital Assets as of June 30, 2023 and 2022 (Net of Accumulated Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 1,492,393	\$ 1,525,816		
Building and Building Improvements	23,793,437	21,957,288	\$ 260,946	\$ 280,557
Right-to-use Leased Buildings	1,195,080	501,422		
Machinery and Equipment	2,696,040	1,891,218	214,292	228,590
Construction in Progress	<u>19,522,386</u>	<u>11,000,823</u>	<u>1,373,409</u>	<u>135,700</u>
Total Capital Assets, Net	<u>\$ 48,699,336</u>	<u>\$ 36,876,567</u>	<u>\$ 1,848,647</u>	<u>\$ 644,847</u>

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

LONG TERM LIABILITIES

At June 30, 2023 the District had \$39,044,046 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities increased by \$4,829,700. The following is a comparison of the June 30, 2023 and 2022 balances:

Outstanding Long-Term Liabilities as of June 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Serial Bonds (including unamortized premium)	\$ 12,524,085	\$ 13,118,522
Capital Financing Agreements	635,382	322,240
Other Financing Agreements	980,993	1,593,113
Compensated Absences	1,259,831	1,238,321
Leases Payable	1,195,080	654,968
Net Pension Liability	<u>22,448,675</u>	<u>17,287,182</u>
Total Long-Term Liabilities	<u>\$ 39,044,046</u>	<u>\$ 34,214,346</u>

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

HACKENSACK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts and the appropriation of restricted fund balances.

For fiscal year 2023 General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources decreasing budgetary fund balance \$243,971. After deducting fund balances restricted committed and assigned, the unassigned budgetary fund balance decreased \$1,899,617 from an unassigned fund balance of \$5,258,803 at June 30, 2022 to \$3,359,186 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$6,079,679, maintenance reserve of \$2,808,095, emergency reserve of \$304,710, unemployment compensation reserve of \$983,475 and reserved excess surplus of \$5,556,748.

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 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 4% to \$146,985,721 for fiscal year 2023-2024. Budgeted special education tuition costs, as well as, employee benefits and Charter School costs were the main factors for the increase.

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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 31,254,457	\$ 3,192,868	\$ 34,447,325
Receivables, net	12,817,849	565,220	13,383,069
Other Assets	46,667	-	46,667
Inventory		38,222	38,222
Capital Assets, Not Being Depreciated	19,591,186	1,373,409	20,964,595
Capital Assets, Being Depreciated, Net	<u>29,108,150</u>	<u>475,238</u>	<u>29,583,388</u>
Total Assets	<u>92,818,309</u>	<u>5,644,957</u>	<u>98,463,266</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,953,126</u>	<u>-</u>	<u>1,953,126</u>
Total Deferred Outflows of Resources	<u>1,953,126</u>	<u>-</u>	<u>1,953,126</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	4,529,633	344,774	4,874,407
Accrued Interest Payable	81,158		81,158
Unearned Revenue	8,882,521	7,412	8,889,933
Noncurrent Liabilities			
Due Within One Year	2,196,290		2,196,290
Due Beyond One Year	<u>36,847,756</u>	<u>-</u>	<u>36,847,756</u>
Total Liabilities	<u>52,537,358</u>	<u>352,186</u>	<u>52,889,544</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenues		3,101	3,101
Deferred Amounts on Net Pension Liability	<u>3,785,067</u>	<u>-</u>	<u>3,785,067</u>
Total Deferred Inflows of Resources	<u>3,785,067</u>	<u>3,101</u>	<u>3,788,168</u>
NET POSITION			
Net Investment in Capital Assets	36,846,303	1,848,647	38,694,950
Restricted for			
Capital Projects	6,079,679		6,079,679
Plant Maintenance	2,807,095		2,807,095
Unemployment Compensation	983,475		983,475
Student Activities	296,540		296,540
Other Purposes	195,571		195,571
Unrestricted	<u>(8,759,653)</u>	<u>3,441,023</u>	<u>(5,318,630)</u>
Total Net Position	<u>\$ 38,449,010</u>	<u>\$ 5,289,670</u>	<u>\$ 43,738,680</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, 2023**

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	\$ 60,923,251	\$ 3,444,101	\$ 12,083,090	\$ 10,883	\$ (45,385,177)		\$ (45,385,177)
Special Education	27,974,763	559,843	11,016,938		(16,397,982)		(16,397,982)
Other Instruction	3,742,134		762,474		(2,979,660)		(2,979,660)
School Sponsored Activities and Athletics	2,091,248	303,274	28,780		(1,759,194)		(1,759,194)
Support Services							
Student and Instruction Related Services	23,943,312		7,207,783		(16,735,529)		(16,735,529)
General Administrative Services	1,465,301		133,647		(1,331,654)		(1,331,654)
School Administrative Services	6,850,925		1,138,832		(5,712,093)		(5,712,093)
Central Services and Info. Technology	3,265,515		105,007		(3,160,508)		(3,160,508)
Plant Operations and Maintenance	13,983,109		2,382,172	3,492,433	(8,108,504)		(8,108,504)
Pupil Transportation	4,623,733		685,744		(3,937,989)		(3,937,989)
Interest on Long Term Debt	322,624	-	-	-	(322,624)	-	(322,624)
Total Governmental Activities	149,185,915	4,307,218	35,544,467	3,503,316	(105,830,914)	-	(105,830,914)
Business-Type Activities							
Food Service	3,780,798	587,637	3,512,873	-	-	\$ 319,712	319,712
Total Business-Type Activities	3,780,798	587,637	3,512,873	-	-	319,712	319,712
Total Primary Government	\$ 152,966,713	\$ 4,894,855	\$ 39,057,340	\$ 3,503,316	(105,830,914)	319,712	(105,511,202)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					87,403,788		87,403,788
Unrestricted State Aid					28,081,548		28,081,548
Investment Earnings					904,747	-	904,747
Miscellaneous Income					774,132	-	774,132
Total General Revenues and Transfers					117,164,215	-	117,164,215
Change in Net Position					11,333,301	319,712	11,653,013
Net Position, Beginning of Year					27,115,709	4,969,958	32,085,667
Net Position, End of Year					\$ 38,449,010	\$ 5,289,670	\$ 43,738,680

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 29,640,541	\$ 492,111	\$ 1,121,805	\$ -	\$ 31,254,457
Receivables from Other Governments	1,074,751	11,110,042			12,184,793
Other Receivables			633,056		633,056
Due from Other Funds	1,702,826		952,062		2,654,888
Security Deposit	46,667	-	-	-	46,667
	<u>32,464,785</u>	<u>11,602,153</u>	<u>2,706,923</u>	<u>-</u>	<u>46,773,861</u>
Total Assets	<u>\$ 32,464,785</u>	<u>\$ 11,602,153</u>	<u>\$ 2,706,923</u>	<u>\$ -</u>	<u>\$ 46,773,861</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,804,757	\$ 438,660	\$ 205,409		\$ 3,448,826
Payable to State Government	49,617	86,035			135,652
Payroll Deductions and Withholdings Payable	792,841				792,841
Due to Other Funds	952,062	1,702,826	-		2,654,888
Other Liabilities	152,314				152,314
Unearned Revenue	-	8,882,521	-	-	8,882,521
	<u>4,751,591</u>	<u>11,110,042</u>	<u>205,409</u>	<u>-</u>	<u>16,067,042</u>
Total Liabilities	<u>4,751,591</u>	<u>11,110,042</u>	<u>205,409</u>	<u>-</u>	<u>16,067,042</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	3,079,679				3,079,679
Capital Reserve-Designated for Subsequent Year's Expenditures	3,000,000				3,000,000
Maintenance Reserve	1,007,095				1,007,095
Maintenance Reserve-Designated for Subsequent Year's Expenditures	1,800,000				1,800,000
Emergency Reserve	304,710				304,710
Unemployment Compensation Reserve	983,475				983,475
Excess Surplus	2,654,562				2,654,562
Excess Surplus-Designated for Subsequent Year's Expenditures	2,902,186				2,902,186
Student Activities		296,540			296,540
Scholarships		195,571			195,571
Capital Projects			2,501,514		2,501,514
Committed Fund Balance					
Year End Encumbrances	5,523,895				5,523,895
Assigned Fund Balance					
Year End Encumbrances	1,486,275				1,486,275
Designated for Subsequent Year's Expenditures					
	7,320,595				7,320,595
Unassigned Fund Balance	<u>(2,349,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,349,278)</u>
Total Fund Balances	<u>27,713,194</u>	<u>492,111</u>	<u>2,501,514</u>	<u>-</u>	<u>30,706,819</u>
Total Liabilities and Fund Balances	<u>\$ 32,464,785</u>	<u>\$ 11,602,153</u>	<u>\$ 2,706,923</u>	<u>\$ -</u>	<u>\$ 46,773,861</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, 2023**

Total Fund Balances (Exhibit B-1) \$ 30,706,819

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 \$94,617,629 and the accumulated depreciation is \$45,918,293.

48,699,336

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

Deferred Outflows of Resources	\$ 1,953,126	
Deferred Inflows of Resources	<u>(3,785,067)</u>	(1,831,941)

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:

(81,158)

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	(12,524,085)	
Capital Financing Agreements	(635,382)	
Other Financing Agreements	(980,993)	
Compensated Absences	(1,259,831)	
Leases Payable	(1,195,080)	
Net Pension Liability	<u>(22,448,675)</u>	<u>(39,044,046)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 38,449,010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 87,403,788				\$ 87,403,788
Tuition	4,003,944				4,003,944
Interest	623,021		\$ 281,726		904,747
Miscellaneous	<u>774,132</u>	<u>\$ 321,893</u>	<u>29,059</u>	<u>-</u>	<u>1,125,084</u>
Total - Local Sources	92,804,885	321,893	310,785	-	93,437,563
State Sources	65,775,852	3,637,643	89,931		69,503,426
Federal Sources	<u>391,519</u>	<u>6,947,503</u>	<u>661,205</u>	<u>-</u>	<u>8,000,227</u>
Total Revenues	<u>158,972,256</u>	<u>10,907,039</u>	<u>1,061,921</u>	<u>-</u>	<u>170,941,216</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	63,552,986	3,346,772	\$ -		66,899,758
Special Education Instruction	28,855,781	1,493,294			30,349,075
Other Instruction	4,184,305	36,008			4,220,313
School-Sponsored Activities and Athletics	1,870,849	331,242			2,202,091
Support Services					
Student and Instruction Related Services	22,739,146	3,576,181			26,315,327
General Administrative Services	1,549,320				1,549,320
School Administrative Services	7,767,629				7,767,629
Central Services and Info. Technology	3,509,833				3,509,833
Plant Operations and Maintenance	12,748,314				12,748,314
Pupil Transportation	4,625,877				4,625,877
Debt Service					
Principal	2,053,946	145,000			2,198,946
Interest	472,197		-		472,197
Capital Outlay	<u>6,637,018</u>	<u>2,723,121</u>	<u>5,103,606</u>	<u>-</u>	<u>14,463,745</u>
Total Expenditures	<u>160,567,201</u>	<u>11,651,618</u>	<u>5,103,606</u>	<u>-</u>	<u>177,322,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,594,945)</u>	<u>(744,579)</u>	<u>(4,041,685)</u>	<u>-</u>	<u>(6,381,209)</u>
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreement Proceeds			800,000		800,000
Leases Issued	1,195,080				1,195,080
Transfers In	1	767,282	-		767,283
Transfers Out	<u>(767,282)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(767,283)</u>
Total Other Financing Sources and Uses	<u>427,799</u>	<u>767,282</u>	<u>800,000</u>	<u>(1)</u>	<u>1,995,080</u>
Net Change in Fund Balances	(1,167,146)	22,703	(3,241,685)	(1)	(4,386,129)
Fund Balance, Beginning of Year	<u>28,880,340</u>	<u>469,408</u>	<u>5,743,199</u>	<u>1</u>	<u>35,092,948</u>
Fund Balance , End of Year	<u>\$ 27,713,194</u>	<u>\$ 492,111</u>	<u>\$ 2,501,514</u>	<u>\$ -</u>	<u>\$ 30,706,819</u>

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (4,386,129)**

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	\$ 14,463,745	
Depreciation Expense	<u>(2,640,976)</u>	
		11,822,769

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	(21,510)	
Net Decrease in Pension Expense	<u>3,564,732</u>	
		3,543,222

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		
Bond Principal	445,000	
Capital Financing Agreements	486,858	
Other Financing Agreements	612,120	
Leases Payable	<u>654,968</u>	
		2,198,946

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:		
Capital Financing Agreement Proceeds	(800,000)	
Leases Issued	<u>(1,195,080)</u>	
		(1,995,080)

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		149,437
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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>136</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 11,333,301**

**HACKENSACK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,192,868
Intergovernmental Receivable	325,731
Other Accounts Receivable	239,489
Inventory	<u>38,222</u>
Total Current Assets	<u>3,796,310</u>
Capital Assets	
Building and Building Improvements	392,221
Machinery and Equipment	665,773
Construction in Progress	1,373,409
Less: Accumulated Depreciation	<u>(582,756)</u>
Total Capital Assets, Net	<u>1,848,647</u>
Total Assets	<u>5,644,957</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	344,774
Unearned Revenue	<u>7,412</u>
Total Current Liabilities	<u>352,186</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>3,101</u>
Total Deferred Inflows of Resources	<u>3,101</u>
NET POSITION	
Investment in Capital Assets	1,848,647
Unrestricted	<u>3,441,023</u>
Total Net Position	<u>\$ 5,289,670</u>

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

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales:	
Reimbursable Programs - Child Nutrition Programs	\$ 384,342
Non-Reimbursable Programs	<u>203,295</u>
Total Operating Revenues	<u>587,637</u>
OPERATING EXPENSES	
Salaries and Benefits	1,859,094
Cost of Sales - Reimbursable Programs	1,222,160
Cost of Sales - Non-Reimbursable Programs	148,876
Insurance	158,861
Other Purchased Services	17,162
Purchased Management Services	132,205
Repairs and Maintenance	32,917
Supplies	102,188
Miscellaneous	54,144
Depreciation	<u>53,191</u>
Total Operating Expenses	<u>3,780,798</u>
Operating Loss	<u>(3,193,161)</u>
NONOPERATING REVENUES	
State Sources	
School Breakfast Program	17,965
After the Bell Breakfast	30,116
School Lunch Program	67,322
Federal Sources	
National School Breakfast Program	867,886
National School Lunch Program	1,834,251
Snack Program	68,687
Supply Chain Assistance	251,982
Equipment Assistance Grant	66,808
Food Distribution Program	<u>307,856</u>
Total Nonoperating Revenues	<u>3,512,873</u>
Change in Net Position	319,712
Net Position, Beginning of Year	<u>4,969,958</u>
Net Position, End of Year	<u>\$ 5,289,670</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, 2023**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 338,420
Cash Payment for Salaries and Benefits	(1,859,094)
Cash Payments to Suppliers for Goods and Services	<u>(1,452,645)</u>
Net Cash Used by Operating Activities	<u>(2,973,319)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements and Grants	<u>3,276,804</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,276,804</u>
Cash Flows from Capital and Related Financial Activities	
Acquisition and Construction of Capital Assets	<u>(1,256,991)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,256,991)</u>
Net Decrease in Cash and Cash Equivalents	(953,506)
Cash and Cash Equivalents, Beginning of Year	<u>4,146,374</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,192,868</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (3,193,161)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	53,191
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	307,856
Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Other Accounts Receivable	(239,489)
(Increase)/Decrease in Inventory	(4,866)
Increase/(Decrease) in Accounts Payable	112,331
Increase (Decrease) in Unearned Revenue	(9,728)
Increase/(Decrease) in Deferred Commodities Revenue	<u>547</u>
Total Adjustments	<u>219,842</u>
Net Cash Used by Operating Activities	<u>\$ (2,973,319)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received for Food Distribution Program	\$ 305,303

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, 2023**

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

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

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

The 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Property taxes, tuition, 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. 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.

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	12
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 arises 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. 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 vacation, 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.

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

Leases Payable

Non-cancellable leases for the use of another entity's buildings 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 2C).

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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 2023/2024 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 2D)

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 2023/2024 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 2E).

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, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 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, 2022 audited excess surplus that was appropriated in the 2023/2024 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.

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

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

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

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

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

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

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

12. Fund Balance Policies

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

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

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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$5,172,802 and the special revenue fund by \$15,965,684. The increases were funded by the additional appropriation of capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations from the general fund of capital reserve of \$1,810,841.

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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,349,278 in the General Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$2,349,278 in the General Fund is less than the delayed state aid payments at June 30, 2023.

C. 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, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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

Balance, July 1, 2022		\$ 10,322,463
Increased by		
Interest Earnings	\$ 132,017	
Return of Unencumbered Budget Withdrawals	<u>636,040</u>	
Total Increases		<u>768,057</u>
		11,090,520
Decreased by:		
Withdrawals Approved in District Budget	(3,200,000)	
Withdrawals Approved By Board Resolution	<u>(1,810,841)</u>	
		<u>(5,010,841)</u>
Balance, June 30, 2023		<u><u>\$ 6,079,679</u></u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$3,000,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. 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, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

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

Balance, July 1, 2022		\$	2,285,762
Increased by			
Interest Earnings	\$	21,333	
Deposits Approved by Board Resolution		<u>800,000</u>	
			<u>821,333</u>
			3,107,095
Withdrawals Approved in District Budget			<u>(300,000)</u>
Balance, June 30, 2023		\$	<u>2,807,095</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,228,144. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$1,800,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

E. 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, 2023 is as follows:

Balance, July 1, 2022		\$	300,263
Increased by			
Interest Earnings		<u>4,447</u>	
Balance, June 30, 2023		\$	<u>304,710</u>

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$5,556,748. Of this amount, \$2,902,186 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$2,654,562 will be appropriated in the 2024/2025 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$33,331,278 and bank and brokerage firm balances of the Board’s deposits amounted to \$36,987,806. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 36,201,733
Uninsured and Collateralized	<u>786,073</u>
	<u>\$ 36,987,806</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board’s bank balance of \$786,073 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>786,073</u>
	<u>\$ 786,073</u>

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, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
NJ ARM Managed Account - Local Government Investment Pool	\$ <u>1,116,047</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, \$1,116,047 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>\$ 1,116,047</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, 2023, the Board’s investment in NJ ARM was rated AAAM 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 the NJ ARM Rebate Management Program (NJARM). These investments are 100% of the District’s total investments.

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, 2023 are categorized as Level 2.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental-					
Federal		\$ 11,110,042	633,056	\$ 315,510	\$ 12,058,608
State	\$ 272,470			10,221	282,691
Local	802,281			-	802,281
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,489</u>	<u>239,489</u>
Gross Receivables	1,074,751	11,110,042	633,056	565,220	13,383,069
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,074,751</u>	<u>\$ 11,110,042</u>	<u>\$ 633,056</u>	<u>\$ 565,220</u>	<u>\$ 13,383,069</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	\$ 728,933
Grant Draw Downs for Year-End Encumbrances	<u>8,153,588</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 8,882,521</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,800	-	-	\$ 68,800
Construction in Progress	<u>11,000,823</u>	<u>\$ 10,197,211</u>	<u>\$ 1,675,648</u>	<u>19,522,386</u>
Total Capital Assets, Not Being Depreciated	<u>11,069,623</u>	<u>10,197,211</u>	<u>1,675,648</u>	<u>19,591,186</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,923,260	161,655		2,084,915
Buildings and Building Improvements	54,460,308	3,249,873		57,710,181
Right-to-use Leased Buildings	5,014,219	1,195,080		6,209,299
Machinery and Equipment	<u>7,686,474</u>	<u>1,335,574</u>	-	<u>9,022,048</u>
Total Capital Assets Being Depreciated	<u>69,084,261</u>	<u>5,942,182</u>	<u>-</u>	<u>75,026,443</u>
Less Accumulated Depreciation for:				
Land Improvements	(466,244)	(195,078)		(661,322)
Buildings and Building Improvements	(32,503,020)	(1,413,724)		(33,916,744)
Right-to-use Leased Buildings	(4,512,797)	(501,422)		(5,014,219)
Machinery and Equipment	<u>(5,795,256)</u>	<u>(530,752)</u>	-	<u>(6,326,008)</u>
Total Accumulated Depreciation	<u>(43,277,317)</u>	<u>(2,640,976)</u>	<u>-</u>	<u>(45,918,293)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,806,944</u>	<u>3,301,206</u>	<u>-</u>	<u>29,108,150</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,876,567</u>	<u>\$ 13,498,417</u>	<u>\$ 1,675,648</u>	<u>\$ 48,699,336</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	135,700	\$ 1,237,709	-	\$ 1,373,409
Total Capital Assets, Not Being Depreciated	<u>135,700</u>	<u>1,237,709</u>	<u>-</u>	<u>1,373,409</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 392,221			\$ 392,221
Equipment	646,491	19,282	-	665,773
Total Capital Assets Being Depreciated	<u>1,038,712</u>	<u>19,282</u>	<u>-</u>	<u>1,057,994</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(111,664)	\$ (19,611)		(131,275)
Equipment	(417,901)	(33,580)	-	(451,481)
Total Accumulated Depreciation	<u>(529,565)</u>	<u>(53,191)</u>	<u>-</u>	<u>(582,756)</u>
Total Capital Assets, Being Depreciated, Net	<u>509,147</u>	<u>(33,909)</u>	<u>-</u>	<u>475,238</u>
Business-Type Activities Capital Assets, Net	<u>\$ 644,847</u>	<u>\$ 1,203,800</u>	<u>\$ -</u>	<u>\$ 1,848,647</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular Instruction	\$ 121,639
Special Education Instruction	53,359
Other Instruction	6,715
School-Sponsored Activities and Athletics	<u>100,424</u>
Total Instruction	<u>282,137</u>

Support Services

Student and Instruction Related Services	40,511
General Administrative Services	2,388
School Administrative Services	14,886
Central Services and Info. Technology	168,802
Plant Operations and Maintenance	2,103,328
Pupil Transportation	<u>28,924</u>
Total Support Services	<u>2,358,839</u>

Total Governmental Funds	<u>\$ 2,640,976</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 53,191</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 53,191</u>
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**HACKENSACK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects and other significant commitments as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
District-Wide Energy Savings Improvement Project	\$ 1,977,700
Hillers Rooftop Unit Replacement Project	166,568
High School and Middle School Cafeteria Upgrades	1,981,466
Jackson Avenue Boiler Replacement Project	427,065
High School Field House Renovation	784,531
High School Fitness Room Renovation	393,530
Fairmount Avenue Univent Systems Upgrades	2,031,034
Acquisition of Fitness Equipment	204,650
High School Track Improvement Project	316,767
Nellie K Parker Mercury Floor Abatement and Replacement	236,000
High School Auditorium Project	3,284,000
Middle School HVAC System Upgrade	<u>5,885,000</u>
 Total	 <u>\$ 17,688,311</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,702,826
Capital Projects Fund	General Fund	<u>952,062</u>
 Total		 <u>\$ 2,654,888</u>

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 767,282	\$ 767,282
Debt Service Fund	\$ 1	-	1
	<u>\$ 1</u>	<u>\$ 767,282</u>	<u>\$ 767,283</u>

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

F. Leases

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 year for an amended lease term of 10 years through June 30, 2023. The December 18, 2018 amended lease liability was recorded in the amount of \$5,014,219. The December 18, 2018 lease had an interest rate of 4.00%. On March 27, 2023 the lease agreement was amended and extended for an additional two year term through June 30, 2025. The amended lease liability was recorded in the additional amount of \$1,195,080. The March 27, 2023 lease extension has an interest rate of 5.02%. The District is required to make monthly payment of \$53,058 to \$54,119. The building has a twelve year estimated useful life. The value of the right-to-use asset as of June, 30, 2023 is \$6,209,299 and had accumulated depreciation of \$5,014,219.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 576,698	\$ 59,993	\$ 636,691
2025	<u>618,382</u>	<u>31,043</u>	<u>649,425</u>
Total	<u>\$ 1,195,080</u>	<u>\$ 91,036</u>	<u>\$ 1,286,116</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

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

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

\$800,000, fiscal year 2023 Agreement for the acquisition of a interactive flat panels for a term of 5 years due in annual principal installments of \$151,534 to \$166,310 through December 1, 2026, interest rate at 3.15%	<u>\$ 635,382</u>
Total	<u>\$ 635,382</u>

The unexpended proceeds from the capital financing agreement, including interest earned on balances which remain on deposit are held with the respective fiscal agent. The following is a summary of balances by account type as June 30, 2023:

Webster Bank Escrow Account	<u>\$5,757</u>
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Other Financing Agreements

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

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

\$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%	\$ 258,390
\$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>722,603</u>
Total	<u>\$ 980,993</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements (Continued)

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>	
2024	\$ 151,534	\$ 20,015	\$ 618,058	\$ 12,292	\$ 801,899
2025	156,307	15,241	362,935	3,297	537,780
2026	161,231	10,318			171,549
2027	166,310	5,239	-	-	171,549
Total	<u>\$ 635,382</u>	<u>\$ 50,813</u>	<u>\$ 980,993</u>	<u>\$ 15,589</u>	<u>\$ 1,682,777</u>

H. Long-Term Debt

General Obligation Bonds

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

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

\$11,275,000, 2021 ESIP Refunding Bonds, due in annual installments of \$345,000 to \$795,000 through May 1, 2042, interest at 3.00% to 4.00% \$10,830,000

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>	
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	435,000	332,950	767,950
2029-2033	2,690,000	1,377,550	4,067,550
2034-2028	3,410,000	759,550	4,169,550
2039-2042	2,385,000	183,600	2,568,600
Total	<u>\$ 10,830,000</u>	<u>\$ 4,160,250</u>	<u>\$ 14,990,250</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Debt (Continued)

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 257,028,133
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 257,028,133</u>

ESIP Refunding Bonds are exempt from the District's debt limitation.

J. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
ESIP Bonds Payable	\$ 11,275,000		\$ 445,000	\$ 10,830,000	\$ 725,000
Add: Unamortized Premium	<u>1,843,522</u>	<u>-</u>	<u>149,437</u>	<u>1,694,085</u>	<u>-</u>
Total Bonds Payable	13,118,522	-	594,437	12,524,085	725,000
Capital Financing Agreements	322,240	\$ 800,000	486,858	635,382	\$ 151,534
Other Financing Agreements	1,593,113	-	612,120	980,993	618,058
Compensated Absences	1,238,321	145,206	123,696	1,259,831	125,000
Leases Payable	654,968	1,195,080	654,968	1,195,080	576,698
Net Pension Liability	<u>17,287,182</u>	<u>7,039,349</u>	<u>1,877,856</u>	<u>22,448,675</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 34,214,346</u>	<u>\$ 9,179,635</u>	<u>\$ 4,349,935</u>	<u>\$ 39,044,046</u>	<u>\$ 2,196,290</u>

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

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the 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.

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 respective insurance funds are on file with the School's Business Administrator.

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

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>
2023	None	\$ 101,095	\$ 19,856	\$ -	\$ 983,475
2022	None	97,878	1,204	45,331	963,620
2021	None	65,142	190	159,606	802,810

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

NOTE 4 OTHER INFORMATION (Continued)

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, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

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

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

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

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 1,877,856	\$ 18,792,870	\$ 99,658
2022	1,708,969	19,223,180	76,616
2021	1,566,632	13,466,208	69,433

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$4,705, \$4,903 and \$5,112, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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 \$3,932,793 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$22,448,675 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .14875 percent, which was an increase of .00282 percent from its proportionate share measured as of June 30, 2021 of .14593 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$(1,686,876) for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 162,024	\$ 142,882
Changes of Assumptions	69,553	3,361,455
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	929,130	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>792,419</u>	<u>280,730</u>
Total	<u>\$ 1,953,126</u>	<u>\$ 3,785,067</u>

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

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (2,229,930)
2024	(873,781)
2025	(6,020)
2026	1,271,638
2027	6,152
Thereafter	<u>-</u>
	<u>\$ (1,831,941)</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, 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>28,839,972</u>	\$ <u>22,448,675</u>	\$ <u>17,009,424</u>

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

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,393,779 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$237,573,977. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .46046 percent, which was an increase of .00586 percent from its proportionate share measured as of June 30, 2021 of .45460 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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>\$ 278,560,537</u>	<u>\$ 237,573,977</u>	<u>\$ 203,047,951</u>

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$4,936,842, \$4,491,312 and \$4,220,100, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$6,913,933. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$183,523,984. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .36236 percent, which was a decrease of .00036 percent from its proportionate share measured as of June 30, 2021 of .36272 percent.

Actuarial Assumptions

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

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>217,660,531</u>
Changes Recognized for the Fiscal Year:	
Service Cost	9,941,297
Interest on the Total OPEB Liability	4,863,588
Differences Between Expected and Actual Experience	4,953,502
Changes of Assumptions	(49,231,955)
Gross Benefit Payments	(4,817,528)
Contributions from the Member	154,549
Net Changes	<u>\$ (34,136,547)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 183,523,984</u>

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 215,713,138</u>	<u>\$ 183,523,984</u>	<u>\$ 157,725,986</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>\$ 151,693,790</u>	<u>\$ 183,523,984</u>	<u>\$ 225,334,876</u>

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

F. 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.

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

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$16,215,957 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 87,403,788		\$ 87,403,788	\$ 87,403,788	
Tuition from Other LEA's	4,178,174		4,178,174	4,003,944	\$ (174,230)
Interest on Emergency Reserve	500		500	4,447	3,947
Interest on Maintenance Reserve	1,000		1,000	21,333	20,333
Interest on Unemployment Reserve	-		-	19,856	19,856
Interest on Capital Reserve	5,000		5,000	132,017	127,017
Interest on Investments				445,368	445,368
Unrestricted Miscellaneous	400,000	-	400,000	774,132	374,132
Total Local Sources	91,988,462	-	91,988,462	92,804,885	816,423
State Sources					
Transportation Aid	682,382		682,382	682,382	
Special Education Aid	4,787,838	-	4,787,838	4,787,838	-
Equalization Aid	28,808,278	-	28,808,278	28,808,278	
Security Aid	2,121,557	-	2,121,557	2,121,557	
Extraordinary Aid	1,500,000	-	1,500,000	2,209,742	709,742
Payment for Institutionalized Children (Homeless Tuition Reimbursement)				422,020	422,020
On-behalf TPAF Pension System Contributions-Normal Costs & Accrued Liabilities (Non-Budget)				18,535,708	18,535,708
On-behalf TPAF Pension System Contributions-NCGI (Non-Budget)				257,162	257,162
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				4,936,842	4,936,842
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				4,705	4,705
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	3,932,793	3,932,793
Total State Sources	37,900,055	-	37,900,055	66,699,027	28,798,972
Federal Sources					
Medicaid Reimbursement	210,497		210,497	368,131	157,634
CARES Act SEMI	-	-	-	23,388	23,388
Total Federal Sources	210,497	-	210,497	391,519	181,022
Total Revenues	130,099,014	-	130,099,014	159,895,431	29,796,417
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,434,415	(91,300)	1,343,115	1,325,478	17,637
Grades 1-5	9,305,256	126,942	9,432,198	9,420,160	12,038
Grades 6-8	7,151,155	27,001	7,178,156	7,158,690	19,466
Grades 9-12	11,319,574	(2,408)	11,317,166	11,308,803	8,363
Regular Program - Home Instruction					
Salaries of Teachers	275,554	(184,314)	91,240	91,239	1
Purchased Professional-Educational Services	23,000	31,524	54,524	48,951	5,573
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	371,365	173,287	544,652	539,779	4,873
Purchased Professional-Educational Services	1,421,165	369,397	1,790,562	1,750,133	40,429
Purchased Technical Services	97,342	45,413	142,755	111,752	31,003
Other Purchased Services	1,733,238	83,097	1,816,335	1,326,396	489,939
General Supplies	3,859,379	(733,037)	3,126,342	2,439,853	686,489
Textbooks	836,348	(43,267)	793,081	663,751	129,330
Other Objects	8,141	(1)	8,140	3,355	4,785
Total Regular Programs	37,835,932	(197,666)	37,638,266	36,188,340	1,449,926

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

	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	\$ 1,625,149	\$ (49,200)	\$ 1,575,949	\$ 1,558,115	\$ 17,834
Other Salaries for Instruction	715,682	56,056	771,738	748,963	22,775
General Supplies	5,445	-	5,445	1,268	4,177
Total Learning and/or Language Disabilities	2,346,276	6,856	2,353,132	2,308,346	44,786
Emotional Regulation Impairment					
Salaries of Teachers	226,685	-	226,685	219,880	6,805
Other Salaries for Instruction	340,395	(110,900)	229,495	219,048	10,447
General Supplies	1,075	-	1,075	-	1,075
Total Emotional Regulation Impairment	568,155	(110,900)	457,255	438,928	18,327
Multiple Disabilities					
Salaries of Teachers	911,015	16,000	927,015	917,100	9,915
Other Salaries for Instruction	641,715	81,536	723,251	705,131	18,120
General Supplies	525	-	525	507	18
Total Multiple Disabilities	1,553,255	97,536	1,650,791	1,622,738	28,053
Resource Room/ Resource Center					
Salaries of Teachers	5,158,226	(96,662)	5,061,564	5,002,389	59,175
Other Salaries for Instruction	1,134,042	198,919	1,332,961	1,302,563	30,398
General Supplies	4,775	-	4,775	802	3,973
Total Resource Room/Resource Center	6,297,043	102,257	6,399,300	6,305,754	93,546
Preschool Disabilities - Part Time					
General Supplies	51,800	(50,000)	1,800	1,794	6
Other Objects	1,500	-	1,500	498	1,002
Total Preschool Disabilities - Part Time	53,300	(50,000)	3,300	2,292	1,008
Preschool Disabilities - Full Time					
Salaries of Teachers	1,314,939	(293,405)	1,021,534	990,345	31,189
Other Salaries for Instruction	630,983	203,545	834,528	704,734	129,794
General Supplies	10,725	(6,000)	4,725	2,517	2,208
Other Objects	500	-	500	103	397
Total Preschool Disabilities - Full Time	1,957,147	(95,860)	1,861,287	1,697,699	163,588
Home Instruction					
Salaries of Teachers	103,876	-	103,876	103,366	510
Purchased Professional-Educational Services	15,000	-	15,000	2,680	12,320
Total Home Instruction	118,876	-	118,876	106,046	12,830
Total Special Education	12,894,052	(50,111)	12,843,941	12,481,803	362,138
Bilingual Education					
Salaries of Teachers	2,446,558	12,512	2,459,070	2,431,013	28,057
Other Salaries for Instruction	69,050	19,112	88,162	88,162	-
Other Purchased Services	500	-	500	-	500
General Supplies	6,050	-	6,050	2,719	3,331
Textbooks	500	-	500	-	500
Total Bilingual Education	2,522,658	31,624	2,554,282	2,521,894	32,388
School Sponsored Co/Extra Curricular Activities					
Salaries	115,554	-	115,554	111,401	4,153
Purchased Services	13,600	1,453	15,053	10,352	4,701
Supplies and Materials	41,400	7,702	49,102	41,938	7,164
Other Objects	1,000	9,462	10,462	10,282	180
Total School Sponsored Co/Extra Curricular Activities	171,554	18,617	190,171	173,973	16,198

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School-Sponsored Athletics - Instruction					
Salaries	\$ 1,207,300	\$ (133,601)	\$ 1,073,699	\$ 937,097	\$ 136,602
Purchased Services	234,050	(46,056)	187,994	104,350	83,644
Supplies and Materials	181,900	48,713	230,613	212,618	17,995
Other Objects	56,800	605	57,405	47,481	9,924
Total School-Sponsored Athletics - Instruction	1,680,050	(130,339)	1,549,711	1,301,546	248,165
Summer School - Instruction					
Salaries of Teachers	120,790	(85,000)	35,790	-	35,790
Total Summer School - Instruction	120,790	(85,000)	35,790	-	35,790
Instructional Alternative Education Program - Instruction					
Salaries of Teachers	218,359	(20,790)	197,569	82,180	115,389
Total Instructional Alternative Education Program - Instruction	218,359	(20,790)	197,569	82,180	115,389
Total Instruction	55,443,395	(433,665)	55,009,730	52,749,736	2,259,994
Instruction					
Tuition to Other LEAs Within the State-Regular	98,000	(86,616)	11,384	11,383	1
Tuition to Other LEAs Within the State-Special	1,939,767	-	1,939,767	1,112,113	827,654
Tuition to County Vocational School District - Regular	501,581	74,999	576,580	537,136	39,444
Tuition to County Vocational School District - Special	431,100	(121,000)	310,100	308,637	1,463
Tuition to CSSD & Regional Day Schools	2,814,790	(277,000)	2,537,790	1,905,447	632,343
Tuition to APSSD Within the State	6,111,939	(304,731)	5,807,208	5,774,545	32,663
Tuition - State Facilities	-	-	-	-	-
Total Undistributed Expenditures - Instruction	11,897,177	(714,348)	11,182,829	9,649,261	1,533,568
Attendance and Social Work Services					
Salaries	12,500	1,700	14,200	1,649	12,551
Salaries of Drop-Out Prevention Officer/Coordinator	231,422	13,700	245,122	245,063	59
Total Attendance and Social Work Services	243,922	15,400	259,322	246,712	12,610
Health Services					
Salaries	830,426	161,979	992,405	975,752	16,653
Purchased Professional and Technical Services	60,600	15,307	75,907	37,527	38,380
Other Purchased Services	30,200	920	31,120	5,431	25,689
Supplies and Materials	40,608	6,987	47,595	34,772	12,823
Total Health Services	961,834	185,193	1,147,027	1,053,482	93,545
Speech, OT, PT & Related Services					
Salaries	1,448,350	94,918	1,543,268	1,522,497	20,771
Purchased Professional-Educational Services	1,945,000	401,359	2,346,359	2,324,768	21,591
Supplies and Materials	12,500	34	12,534	7,392	5,142
Total Speech, OT, PT & Related Services	3,405,850	496,311	3,902,161	3,854,657	47,504
Other Support Serv. Students- Extra Serv.					
Salaries	420,635	70,300	490,935	394,384	96,551
Purchased Professional-Educational Services	1,219,875	(149,180)	1,070,695	1,002,054	68,641
Supplies and Materials	7,750	(7,750)	-	-	-
Total Other Support Serv. Students- Extra Serv.	1,648,260	(86,630)	1,561,630	1,396,438	165,192
Guidance					
Salaries of Other Professional Staff	1,653,507	(137,074)	1,516,433	1,496,048	20,385
Salaries of Secretaries and Clerical Assistants	150,772	3,200	153,972	152,408	1,564
Other Purchased Professional and Technical Services	50,750	(4,850)	45,900	19,917	25,983
Other Purchased Services	4,300	50	4,350	3,449	901
Supplies and Materials	8,850	6,289	15,139	11,207	3,932
Total Guidance	1,868,179	(132,385)	1,735,794	1,683,029	52,765

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 3,324,359	\$ 579,710	\$ 3,904,069	\$ 3,829,315	\$ 74,754
Salaries of Secretaries and Clerical Assistants	293,951	-	293,951	278,927	15,024
Purchased Professional-Educational Services	223,250	(37,897)	185,353	177,891	7,462
Other Purchased Professional and Technical Services	166,000	(44,329)	121,671	118,565	3,106
Other Purchased Services	-	5,126	5,126	2,200	2,926
Residential Costs	5,000	(5,000)	-	-	-
Supplies and Materials	60,825	(5,519)	55,306	44,680	10,626
Other Objects	5,500	-	5,500	4,977	523
Total Child Study Teams	4,078,885	492,091	4,570,976	4,456,555	114,421
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	567,850	57,700	625,550	625,132	418
Salaries of Other Professional Staff	935,737	(385,700)	550,037	539,606	10,431
Salaries of Secretaries and Clerical Assistants	776,130	(560,000)	216,130	162,377	53,753
Other Purchased Services	44,500	5,731	50,231	42,288	7,943
Supplies and Materials	36,594	-	36,594	32,204	4,390
Other Objects	10,550	33	10,583	3,192	7,391
Total Improvement of Instructional Services	2,371,361	(882,236)	1,489,125	1,404,799	84,326
Educational Media Services/School Library					
Salaries	527,134	8,900	536,034	499,446	36,588
Other Purchased Services	27,300	(374)	26,926	13,130	13,796
Supplies and Materials	65,065	(3,065)	62,000	48,295	13,705
Total Educational Media Serv./School Library	619,499	5,461	624,960	560,871	64,089
Instructional Staff Training Services					
Purchased Professional-Educational Services	267,000	(38,120)	228,880	176,837	52,043
Other Purchased Services	110,050	48,015	158,065	53,813	104,252
Supplies and Materials	18,700	(800)	17,900	9,625	8,275
Total Instructional Staff Training Services	395,750	9,095	404,845	240,275	164,570
Support Services General Administration					
Salaries	468,733	(18,000)	450,733	450,434	299
Legal Services	300,000	331,810	631,810	562,298	69,512
Audit Fees	85,000	50,400	135,400	63,871	71,529
Architectural/Engineering	12,000	(7,490)	4,510	1,485	3,025
Other Purchased Professional Services	80,850	(64,570)	16,280	16,169	111
Communications/Telephone	60,350	(25,514)	34,836	22,111	12,725
BOE Other Purchased Services	21,000	(10,000)	11,000	6,178	4,822
Misc Purchased Services	65,000	(49,746)	15,254	10,675	4,579
General Supplies	25,100	3,143	28,243	23,479	4,764
BOE In-House Training/Meeting Supplies	2,500	880	3,380	3,023	357
Miscellaneous Expenditures	20,800	2,474	23,274	22,901	373
BOE Membership Dues and Fees	32,000	(2,000)	30,000	27,853	2,147
Total Support Services General Administration	1,173,333	211,387	1,384,720	1,210,477	174,243
Support Services School Administration					
Salaries of Principal/Asst. Principals	3,793,755	(49,900)	3,743,855	3,724,958	18,897
Salaries of Secretarial and Clerical Assistants	1,037,280	143,394	1,180,674	1,077,805	102,869
Other Purchased Services	26,650	-	26,650	2,471	24,179
Supplies and Materials	72,315	9,749	82,064	53,736	28,328
Other Objects	14,518	3,794	18,312	8,486	9,826
Total Support Services School Administration	4,944,518	107,037	5,051,555	4,867,456	184,099

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 801,300	\$ 442,339	\$ 1,243,639	\$ 1,217,543	\$ 26,096
Purchased Professional Services	10,300	(4,800)	5,500	55	5,445
Purchased Professional Services - Public Relations Costs		9,800	9,800		9,800
Purchased Technical Services	25,500	(5,000)	20,500	15,740	4,760
Travel		15,375	15,375	11,305	4,070
Miscellaneous Purchased Services	94,000	(32,346)	61,654	27,984	33,670
Supplies and Materials	14,200	7,106	21,306	18,646	2,660
Interest on Lease Purchase Agreements	65,000	-	65,000		65,000
Miscellaneous Expenditures	28,500	(2,019)	26,481	26,166	315
Total Central Services	1,038,800	430,455	1,469,255	1,317,439	151,816
Admin. Info. Technology					
Salaries	836,933	4,600	841,533	841,371	162
Purchased Professional Services	8,000	50,354	58,354	50,149	8,205
Other Purchased Services	710,419	67,865	778,284	640,367	137,917
Supplies and Material	51,700	20,680	72,380	58,664	13,716
Total Admin. Info. Technology	1,607,052	143,499	1,750,551	1,590,551	160,000
Required Maintenance for School Facilities					
Salaries	922,558	(44,400)	878,158	876,908	1,250
Cleaning, Repair and Maint. Serv.	2,861,499	443,312	3,304,811	2,833,570	471,241
General Supplies	578,570	(48,668)	529,902	322,151	207,751
Total Required Maintenance for School Fac.	4,362,627	350,244	4,712,871	4,032,629	680,242
Custodial Services					
Salaries	3,239,502	34,541	3,274,043	3,273,495	548
Salaries of Non-Instructional Aides	52,990	-	52,990	52,990	-
Purchased Professional and Technical Services	145,000	1,139	146,139	49,340	96,799
Cleaning, Repair and Maint. Serv.	417,300	(172,009)	245,291	193,425	51,866
Rental of Land and Building Other Than Lease Purchase Agmt.	673,150	123	673,273	559,849	113,424
Lease Purchase Payments - Energy Savings Improvement Program	872,150	-	872,150	872,150	-
Other Purchased Property Services	161,876	(12,922)	148,954	109,966	38,988
Insurance	907,000	(25,981)	881,019	881,019	-
Miscellaneous Purchased Services	5,500	-	5,500	-	5,500
General Supplies	386,221	59,056	445,277	381,654	63,623
Energy (Natural Gas)	588,250	123,989	712,239	581,218	131,021
Energy (Electricity)	875,000	(123,989)	751,011	623,564	127,447
Other Objects	2,000	-	2,000	1,870	130
Total Custodial Services	8,325,939	(116,053)	8,209,886	7,580,540	629,346
Care and Upkeep of Grounds					
Salaries	125,633	(18,000)	107,633	107,055	578
Cleaning, Repair and Maint. Serv.	320,000	(52,221)	267,779	158,056	109,723
General Supplies	230,000	(207,445)	22,555	11,398	11,157
Total Care and Upkeep of Grounds	675,633	(277,666)	397,967	276,509	121,458
Security					
Purch. Professional and Technical Services	411,300	25,871	437,171	395,330	41,841
Cleaning, Repair, and Maintenance Services	193,000	12,959	205,959	163,519	42,440
General Supplies	186,050	(30,010)	156,040	64,957	91,083
Total Security	790,350	8,820	799,170	623,806	175,364

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Trans (Other Than Between Home & School)	\$ 141,900	\$ 34,001	\$ 175,901	\$ 154,187	\$ 21,714
Other Purchased Professional and Technical Services	3,500	-	3,500	2,000	1,500
Cleaning, Repair, and Maintenance Services	35,000	3,154	38,154	285	37,869
Contract Services-Aid in Lieu Payments - Charter School	325,000	(283,634)	41,366	24,474	16,892
Contract Services (Between Home and School)-Vendors	230,000	(24,610)	205,390	205,390	-
Contract Services (Other Than Between Home and School)-Vendors	260,850	21,936	282,786	102,841	179,945
Contract Services (Between Home and School)-ESCs and CTSAs	-	300,642	300,642	300,642	-
Contract Services (Special Ed Students)-ESCs and CTSAs	2,960,000	816,301	3,776,301	3,775,301	1,000
Miscellaneous Purchased Services - Transportation	-	2,500	2,500	50	2,450
Transportation Supplies	-	2,691	2,691	-	2,691
Other Objects	-	3,391	3,391	2,572	819
Total Student Transportation Services	3,956,250	876,372	4,832,622	4,567,742	264,880
Unallocated Benefits - Employee Benefits					
Social Security Contributions	1,417,500	-	1,417,500	1,094,786	322,714
Other Retirement Contributions-PERS	1,879,866	-	1,879,866	1,877,856	2,010
Other Retirement Contributions - DCRP	123,600	-	123,600	99,658	23,942
Workmen's Compensation	798,250	30,000	828,250	819,720	8,530
Health Benefits	13,173,337	(628,000)	12,545,337	11,974,247	571,090
Tuition Reimbursement	8,755	-	8,755	7,626	1,129
Other Employee Benefits	23,124	-	23,124	9,065	14,059
Unused Sick Payment to Terminated/Retired Staff	257,500	51,000	308,500	123,696	184,804
Total Unallocated Benefits - Employee Benefits	17,681,932	(547,000)	17,134,932	16,006,654	1,128,278
On-behalf TPAF Pension System Contributions- Normal Costs & Accrued Liability (Non-Budget)					
				18,535,708	(18,535,708)
On-behalf TPAF Pension System Contributions-NCGI Cost (Non-Budget)					
				257,162	(257,162)
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)					
				4,936,842	(4,936,842)
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)					
				4,705	(4,705)
Reimbursed TPAF Social Security Payments (Non-Budget)					
	-	-	-	3,932,793	(3,932,793)
Total TPAF On-Behalf	-	-	-	27,667,210	(27,667,210)
Total Undistributed Expenditures	72,047,151	575,047	72,622,198	94,287,092	(21,664,894)
Interest Earned on Maintenance Reserve					
	1,000	-	1,000	-	1,000
Interest Earned on Current Expense Emergency Reserve					
	500	-	500	-	500
Total Expenditures - Current Expenditures	127,492,046	141,382	127,633,428	147,036,828	(19,403,400)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures-Instruction		306,490	306,490	18,710	287,780
Undistributed Expenditures-Administrative Information Technology	439,000	241,874	680,874	548,280	132,594
Undistributed Expenditures-Required Maint. For School Facilities	-	72,109	72,109	56,149	15,960
Undistributed Expenditures-Security	-	84,205	84,205	84,205	-
School Buses - Regular	101,506	2,422	103,928	103,928	-
Total Equipment	540,506	707,100	1,247,606	811,272	436,334

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 917,500	\$ 205,527	\$ 1,123,027	\$ 713,305	\$ 409,722
Other Purchased Prof. and Tech. Services		357	357	-	357
Construction Services	5,932,500	3,404,163	9,336,663	4,198,842	5,137,821
Assessment for Debt Service on SDA Funding	37,812	-	37,812	37,812	-
Total Facilities Acquisition and Construction Services	<u>6,887,812</u>	<u>3,610,047</u>	<u>10,497,859</u>	<u>4,949,959</u>	<u>5,547,900</u>
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Assets Acquired Under Leases (Nonbudgeted)					
Leased Buildings	-	-	-	1,195,080	(1,195,080)
Total Assets Acquired Under Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,195,080</u>	<u>(1,195,080)</u>
Total Capital Outlay	<u>7,433,318</u>	<u>4,317,147</u>	<u>11,750,465</u>	<u>6,956,311</u>	<u>4,794,154</u>
TRANSFER OF FUNDS TO CHARTER SCHOOL	<u>6,274,236</u>	<u>312,432</u>	<u>6,586,668</u>	<u>6,574,062</u>	<u>12,606</u>
Total Expenditures	<u>141,199,600</u>	<u>4,770,961</u>	<u>145,970,561</u>	<u>160,567,201</u>	<u>(14,596,640)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(11,100,586)</u>	<u>(4,770,961)</u>	<u>(15,871,547)</u>	<u>(671,770)</u>	<u>15,199,777</u>
Other Financing Sources (Uses)					
Leases Issued				1,195,080	1,195,080
Transfers In - Debt Service Fund				1	1
Transfers Out - Special Revenue Fund	(717,282)	(50,000)	(767,282)	(767,282)	-
Transfers Out - Capital Projects Fund	-	(351,841)	(351,841)	-	351,841
Total Other Financing Sources (Uses)	<u>(717,282)</u>	<u>(401,841)</u>	<u>(1,119,123)</u>	<u>427,799</u>	<u>1,546,922</u>
Net Change in Fund Balances	<u>(11,817,868)</u>	<u>(5,172,802)</u>	<u>(16,990,670)</u>	<u>(243,971)</u>	<u>16,746,699</u>
Fund Balance, Beginning of Year	<u>33,665,629</u>	<u>-</u>	<u>33,665,629</u>	<u>33,665,629</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 21,847,761</u>	<u>\$ (5,172,802)</u>	<u>\$ 16,674,959</u>	<u>\$ 33,421,658</u>	<u>\$ 16,746,699</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 3,079,679	
Capital Reserve - Designated for Subsequent Year's Expenditures (2023/24 Budget)				3,000,000	
Maintenance Reserve				1,007,095	
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2023/24 Budget)				1,800,000	
Emergency Reserve				304,710	
Unemployment Compensation Reserve				983,475	
Excess Surplus				2,654,562	
Excess Surplus - Designated for Subsequent Year's Expenditures (2023/24 Budget)				2,902,186	
Committed Fund Balance					
Year-End Encumbrances				5,523,895	
Assigned Fund Balance					
Year-End Encumbrances				1,486,275	
Designated for Subsequent Year's Expenditures (2023/24 Budget)				7,320,595	
Unassigned Fund Balance				<u>3,359,186</u>	
Reconciliation to Governmental Funds Statements (GAAP):				33,421,658	
Less: Final State Aid Payments Not Recognized on GAAP Basis				<u>(5,708,464)</u>	
Final Balance Per Governmental Fund (GAAP)				<u>\$ 27,713,194</u>	

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 2,603,786	\$ 13,261,538	\$ 15,865,324	\$ 13,596,553	\$ (2,268,771)
State	3,204,728	2,238,780	5,443,508	3,162,279	(2,281,229)
Local Sources					
Miscellaneous	-	415,366	415,366	321,893	(93,473)
Total Revenues	<u>5,808,514</u>	<u>15,915,684</u>	<u>21,724,198</u>	<u>17,080,725</u>	<u>(4,643,473)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,328,899	(636,000)	1,692,899	1,393,260	299,639
Other Salaries for Instruction	455,224	85,728	540,952	412,753	128,199
Purchased Professional Services & Technical Serv	37,717	381,024	418,741	300,165	118,576
Other Purchased Services	1,244,295	754,507	1,998,802	1,799,301	199,501
General Supplies	144,800	395,140	539,940	340,825	199,115
Textbooks	4,514	2,746	7,260	6,920	340
Co-Curricular/Extra-Curricular Activities		277,790	277,790	277,790	-
Athletic Activities	-	53,452	53,452	53,452	-
Total Instruction	<u>4,215,449</u>	<u>1,314,387</u>	<u>5,529,836</u>	<u>4,584,466</u>	<u>945,370</u>
Support Services					
Salaries	442,723	1,201,763	1,644,486	1,197,317	447,169
Salaries of Program Directors	103,611	4,241	107,852	101,792	6,060
Salaries of Other Professional Staff	284,679	186,825	471,504	220,306	251,198
Secretary of Secretarial and Clerical Assistants	49,748	48,033	97,781	52,263	45,518
Salaries of Community Involvement Specialist	31,349	-	31,349	31,349	-
Salaries of Master Teachers	76,076	51,218	127,294	95,366	31,928
Other Salaries	65,237	55,569	120,806	68,108	52,698
Personnel Services - Employee Benefits	581,018	1,178,921	1,759,939	1,441,392	318,547
Purchased Professional and Technical Services	3,158	375,410	378,568	263,284	115,284
Purchased Ed Services - Contracted Pre-K	360,437	36,661	397,098	391,856	5,242
Other Purchased Professional-Education Services	76,291	15,578	91,869	54,130	37,739
Other Purchased Professional Service		7,225	7,225	-	7,225
Rentals	145,000	-	145,000	145,000	-
Other Purchased Services	-	128,842	128,842	82,349	46,493
Contracted Services Transportation	4,500	-	4,500	2,913	1,587
Travel	4,000	18,638	22,638	4,002	18,636
Miscellaneous Purchased Services	7,600	44,107	51,707	44,596	7,111
Supplies and Materials	74,920	81,982	156,902	102,569	54,333
Other Objects	-	18,885	18,885	3,268	15,617
Scholarship Awards	-	8,070	8,070	8,070	-
Total Support Services	<u>2,310,347</u>	<u>3,461,968</u>	<u>5,772,315</u>	<u>4,309,930</u>	<u>1,462,385</u>

**HACKENSACK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay					
Construction Services		\$ 10,638,331	\$ 10,638,331	\$ 8,920,025	\$ 1,718,306
Instructional Equipment		324,343	324,343		324,343
Non Instructional Equipment	-	226,655	226,655	10,883	215,772
Total Capital Outlay	-	11,189,329	11,189,329	8,930,908	2,258,421
Total Expenditures	\$ 6,525,796	15,965,684	22,491,480	17,825,304	4,666,176
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(717,282)	(50,000)	(767,282)	(744,579)	22,703
Other Financing Sources					
Transfers In- General Fund	717,282	50,000	767,282	767,282	-
Net Change in Fund Balances	-	-	-	22,703	22,703
Fund Balances, Beginning of Year	469,408	-	469,408	469,408	-
Fund Balances, End of Year	\$ 469,408	\$ -	\$ 469,408	\$ 492,111	\$ 22,703
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 296,540	
Scholarships				195,571	
				\$ 492,111	

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, 2023**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 159,895,431	(C-2) \$ 17,080,725
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2021/2022) State Aid and Extraordinary Aid)	4,785,289	
State Aid payment recognized for Budgetary purposes, not recognized for GAAP statements (2022/2023) State Aid and Extraordinary Aid)	(5,708,464)	
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, 2022, Net of Cancellations		1,979,902
Encumbrances, June 30, 2023	-	(8,153,588)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>158,972,256</u>	(B-2) \$ <u>10,907,039</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 160,567,201	(C-2) \$ 17,825,304
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, 2022, Net of Cancellations		1,979,902
Encumbrances, June 30, 2023	-	(8,153,588)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>160,567,201</u>	(B-2) \$ <u>11,651,618</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 Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.14875%	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>\$ 22,448,675</u>	<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	\$ 10,467,526	\$ 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	214.46%	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	62.91%	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 Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,877,856	\$ 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>1,877,856</u>	<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>								
District's Covered Payroll	\$ 10,767,204	\$ 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	17.44%	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 if 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 Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	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	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 237,573,977</u>	<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>\$ 237,573,977</u>	<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	\$ 52,186,846	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 9,941,297	\$ 11,137,456	\$ 6,166,632	\$ 6,060,784	\$ 6,786,487	\$ 8,179,939
Interest on Total OPEB Liability	4,863,588	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	4,953,502	(36,449,772)	43,740,760	(27,290,290)	(11,082,850)	
Changes of Assumptions	(49,231,955)	214,739	44,140,571	2,182,968	(18,744,553)	(24,707,925)
Gross Benefit Payments	(4,817,528)	(4,447,737)	(4,206,872)	(4,494,315)	(4,367,763)	(4,258,398)
Contribution from the Member	154,549	144,349	127,510	133,224	150,957	156,805
Net Change in Total OPEB Liability	<u>(34,136,547)</u>	<u>(23,986,295)</u>	<u>95,237,968</u>	<u>(16,935,246)</u>	<u>(20,507,689)</u>	<u>(14,793,108)</u>
Total OPEB Liability - Beginning	<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>	<u>198,644,901</u>
Total OPEB Liability - Ending	<u>\$ 183,523,984</u>	<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	\$0
State's Proportionate Share of OPEB Liability	<u>183,523,984</u>	<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>\$ 183,523,984</u>	<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	\$ 10,467,526	\$ 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%	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, 2023**

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, 2023

	ESEA Title I	ESEA Title I SIA-A	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	\$ 1,380,453	\$ 9,210	\$ 217,814	\$ 52,256	\$ 12,541	\$ 97,318	\$ 1,390,063	\$ 72,192	\$ 10,883	\$ 3,242,730
Total Revenues	\$ 1,380,453	\$ 9,210	\$ 217,814	\$ 52,256	\$ 12,541	\$ 97,318	\$ 1,390,063	\$ 72,192	\$ 10,883	\$ 3,242,730
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 276,382				\$ 4,375					\$ 280,757
Other Salaries for Instruction						\$ 78,278				177,775
Purchased Professional and Technical Services	99,497									197,764
Other Purchased Services	197,764	\$ 6,975					\$ 1,383,494	\$ 72,192		1,660,425
General Supplies	94,283			31,057.00		1,012				126,352
Textbooks										-
Co-Curricular/Extra-Curricular Activities										-
Athletic Activities										-
Total Instruction	667,926	6,975	-	31,057	4,375	79,290	1,383,494	72,192	-	2,245,309
Support Services										
Salaries	309,120		119,467	2,319	7,275	16,747				454,928
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										-
Personnel Services - Employee Benefits	323,771		9,139	177	891	1,281				335,259
Purchased Professional and Technical Services	49,250	2,235	80,830	9,217			6,569			148,101
Purchased Ed Services - Contracted Pre-K										-
Other Purchased Professional-Education Services										-
Rentals										-
Other Purchased Services	16,047		4,485	6,500						27,032
Contracted Services Transportation										-
Travel			3,893							3,893
Miscellaneous Purchased Services										-
Supplies and Materials	14,339			2,986						17,325
Other Objects										-
Scholarship Awards										-
Total Support Services	712,527	2,235	217,814	21,199	8,166	18,028	6,569	-	-	986,538
Capital Outlay										
Construction Services										
Instructional Equipment									\$ 10,883	10,883
Total Capital Outlay									10,883	10,883
Total Expenditures	\$ 1,380,453	\$ 9,210	\$ 217,814	\$ 52,256	\$ 12,541	\$ 97,318	\$ 1,390,063	\$ 72,192	\$ 10,883	\$ 3,242,730
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, 2023

	ARP Basic	ARP Preschool	CRRSA			ARP		ARP Homeless	Preschool Education Aid	
			ESSER II	Learning Acceleration	Mental Health	ESSER III	Evidence Based Beyond the School Day			
REVENUES										
Local									\$ 2,687,338	\$ 2,687,338
State									-	10,353,823
Federal	\$ 5,039	\$ 25,290	\$ 2,048,538	\$ 135,767	\$ 22,701	\$ 8,038,427	\$ 23,852	\$ 54,209		
Total Revenues	\$ 5,039	25,290	2,048,538	135,767	22,701	8,038,427	23,852	54,209	\$ 2,687,338	\$ 13,041,161
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 27,977	\$ 49,334					\$ 1,003,151	\$ 1,080,462
Other Salaries for Instruction									411,883	411,883
Purchased Professional and Technical Services						\$ 21,046	\$ 23,852		11,220	56,118
Other Purchased Services	\$ 5,039	\$ 25,290				103,902			4,645	138,876
General Supplies			24,441	66,451		16,051			81,988	188,931
Textbooks										-
Co-Curricular/Extra-Curricular Activities										-
Athletic Activities										-
Total Instruction	5,039	25,290	52,418	115,785	-	140,999	23,852	-	1,512,887	1,876,270
Support Services										
Salaries			39,544			419,338				458,882
Salaries of Program Directors									101,792	101,792
Salaries of Other Professional Staff									220,306	220,306
Secretary of Secretarial and Clerical Assistants									52,263	52,263
Salaries of Community Involvement Specialist									31,349	31,349
Salaries of Master Teachers									95,366	95,366
Other Salaries									68,108	68,108
Personnel Services - Employee Benefits			5,856	3,610		403,064			670,144	1,082,674
Purchased Professional and Technical Services				16,372	\$ 18,000	76,210				110,582
Purchased Ed Services - Contracted Pre-K									391,856	391,856
Other Purchased Professional-Education Services									40,080	40,080
Rentals									145,000	145,000
Other Purchased Services								\$ 54,209		54,209
Contracted Services Transportation									2,913	2,913
Travel									109	109
Miscellaneous Purchased Services									44,596	44,596
Supplies and Materials					4,701	29,511			27,851	62,063
Other Objects										-
Scholarship Awards										-
Total Support Services	-	-	45,400	19,982	22,701	928,123	-	54,209	1,891,733	2,962,148
Capital Outlay										
Construction Services			1,950,720			6,969,305				8,920,025
Instructional Equipment										-
Total Capital Outlay	-	-	1,950,720	-	-	6,969,305	-	-	-	8,920,025
Total Expenditures	\$ 5,039	\$ 25,290	\$ 2,048,538	\$ 135,767	\$ 22,701	\$ 8,038,427	\$ 23,852	\$ 54,209	\$ 3,404,620	\$ 13,758,443
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	(717,282)	(717,282)
Other Financing Sources										
Transfers In- General Fund									717,282	717,282
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, 2023

	Climate Change	School Based Youth Services	Family Friendly	Non-Public Chapter 192 / 193					Non-Public STEM	Subtotal
				Comp. Education	ESL	Examination and Classification	Corrective Speech	Supplemental Instruction		
REVENUES										
Local										
State	6,635	308,497	\$ 39,123	\$ 43,189	\$ 1,604	\$ 7,585	\$ 10,416	\$ 5,865	\$ 9,763	\$ 432,677
Federal	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 6,635	\$ 308,497	\$ 39,123	\$ 43,189	\$ 1,604	\$ 7,585	\$ 10,416	\$ 5,865	\$ 9,763	\$ 432,677
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 22,278						\$ 9,763	\$ 32,041
Other Salaries for Instruction			870							870
Purchased Professional and Technical Services				\$ 43,189	\$ 1,604		\$ 10,416			55,209
Other Purchased Services										-
General Supplies	\$ 6,635		11,879							18,514
Textbooks										-
Co-Curricular/Extra-Curricular Activities										-
Athletic Activities										-
Total Instruction	6,635	-	35,027	43,189	1,604	-	10,416	-	9,763	106,634
Support Services										
Salaries		\$ 281,347	2,160							283,507
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										-
Personnel Services - Employee Benefits		21,523	1,936							23,459
Purchased Professional and Technical Services										-
Purchased Ed Services - Contracted Pre-K										-
Other Purchased Professional-Education Services		600				\$ 7,585		\$ 5,865		14,050
Rentals										-
Other Purchased Services		1,108								1,108
Contracted Services Transportation										-
Travel										-
Miscellaneous Purchased Services										651
Supplies and Materials		651								651
Other Objects		3,268								3,268
Scholarship Awards										-
Total Support Services	-	308,497	4,096	-	-	7,585	-	5,865	-	326,043
Capital Outlay										
Construction Services										-
Equipment										-
Instructional Equipment										-
Non-Instructional Equipment										-
Total Capital Outlay										-
Total Expenditures	\$ 6,635	\$ 308,497	\$ 39,123	\$ 43,189	\$ 1,604	\$ 7,585	\$ 10,416	\$ 5,865	\$ 9,763	\$ 432,677
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, 2023

	Local	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	Student Activities	Scholarship	Page 1 Subtotal	Page 2 Subtotal	Page 3 Subtotal	Total
REVENUES											
Local	\$ 9,878					\$ 303,274	\$ 8,741				\$ 321,893
State		6,920	\$ 8,213	\$ 22,530	\$ 4,601				\$ 2,687,338	\$ 432,677	3,162,279
Federal								3,242,730	10,353,823		13,596,553
Total Revenues	\$ 9,878	\$ 6,920	\$ 8,213	\$ 22,530	\$ 4,601	\$ 303,274	\$ 8,741	\$ 3,242,730	\$ 13,041,161	\$ 432,677	\$ 17,080,725
EXPENDITURES											
Instruction								\$ 280,757	\$ 1,080,462	\$ 32,041	\$ 1,393,260
Salaries of Teachers								411,883	870		412,753
Other Salaries for Instruction											
Purchased Professional-Educational Services											
Purchased Professional and Technical Services	\$ 2,850		\$ 8,213					177,775	56,118	55,209	300,165
Other Purchased Services								1,660,425	138,876		1,799,301
General Supplies	7,028							126,332	188,931	18,514	340,825
Textbooks		\$ 6,920									6,920
Co-Curricular/Extra-Curricular Activities						277,790					277,790
Athletic Activities						53,452					53,452
Total Instruction	9,878	6,920	8,213			331,242		2,245,309	1,876,270	106,634	4,584,466
Support Services								454,928	458,882	283,507	1,197,317
Salaries									101,792		101,792
Salaries of Program Directors									220,306		220,306
Salaries of Other Professional Staff									52,263		52,263
Secretary of Secretarial and Clerical Assistants									31,349		31,349
Salaries of Community Involvement Specialist									95,366		95,366
Salaries of Master Teachers									68,108		68,108
Other Salaries											
Personnel Services - Employee Benefits								335,259	1,082,674	23,459	1,441,392
Purchased Professional and Technical Services					\$ 4,601			148,101	110,582		263,284
Purchased Ed Services - Contracted Pre-K									391,856		391,856
Other Purchased Professional-Education Services									40,080	14,050	54,130
Rentals									145,000		145,000
Other Purchased Services								27,032	54,209	1,108	82,349
Contracted Services - Transportation									2,913		2,913
Travel								3,893	109		4,002
Miscellaneous Purchased Services									44,596		44,596
Supplies and Materials				\$ 22,530				17,325	62,063	651	102,569
Other Objects										3,268	3,268
Scholarship Awards											8,070
Total Support Services				22,530	4,601			986,538	2,962,148	326,043	4,309,930
Capital Outlay									8,920,025		8,920,025
Construction Services								10,883			10,883
Instructional Equipment											
Total Capital Outlay								10,883	8,920,025		8,930,908
Total Expenditures	\$ 9,878	\$ 6,920	\$ 8,213	\$ 22,530	\$ 4,601	\$ 331,242	\$ 8,070	\$ 3,242,730	\$ 13,758,443	\$ 432,677	\$ 17,825,304
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures						(27,968)	671		(717,282)		(744,579)
Other Financing Sources						50,000			717,282		767,282
Transfers In- General Fund											
Net Changes in Fund Balances						22,032	671				22,703
Fund Balance, Beginning of Year						274,508	194,900				469,408
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,540	\$ 195,571	\$ -	\$ -	\$ -	\$ 492,111

**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, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 1,217,886	\$ (130,914)	\$ 1,086,972	1,003,151	\$ 83,821
Other Salaries for Instruction	455,224	83,328	538,552	411,883	126,669
Purchased Professional-Educational Services		11,482	11,482	11,220	262
Other Purchased Services	18,000	969	18,969	4,645	14,324
General Supplies	74,800	11,327	86,127	81,988	4,139
Total Instruction	<u>1,765,910</u>	<u>(23,808)</u>	<u>1,742,102</u>	<u>1,512,887</u>	<u>229,215</u>
Support Services					
Salaries of Program Directors	103,611	4,241	107,852	101,792	6,060
Salaries of Other Professional Staff	284,679	186,825	471,504	220,306	251,198
Salaries of Secretarial and Clerical Assistants	49,748	48,033	97,781	52,263	45,518
Other Salaries	65,237	55,569	120,806	68,108	52,698
Salaries of Community Involvement Spec	31,349	-	31,349	31,349	-
Salaries of Master Teachers	76,076	51,218	127,294	95,366	31,928
Personal Services - Employee Benefits	515,018	155,126	670,144	670,144	-
Purchased Ed Services - Contracted Pre-K	360,437	36,661	397,098	391,856	5,242
Other Purchased Professional - Education Servi	27,000	25,000	52,000	40,080	11,920
Other Purchased Prof Services		-	-	-	-
Rentals	145,000	-	145,000	145,000	-
Purchased Property Service		-	-	-	-
Contracted Services Transportation	4,500	-	4,500	2,913	1,587
Travel	4,000	3,183	7,183	109	7,074
Miscellaneous Purchased Services	7,600	44,107	51,707	44,596	7,111
Supplies and Materials	31,620	10,000	41,620	27,851	13,769
Total Support Services	<u>1,705,875</u>	<u>619,963</u>	<u>2,325,838</u>	<u>1,891,733</u>	<u>434,105</u>
Capital Outlay					
Instructional Equipment	-	226,655	226,655	-	226,655
Noninstructional Equipment	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>226,655</u>	<u>226,655</u>	<u>-</u>	<u>226,655</u>
Total Expenditures	<u>\$ 3,471,785</u>	<u>\$ 822,810</u>	<u>\$ 4,294,595</u>	<u>3,404,620</u>	<u>\$ 889,975</u>

Calculation of Budget Carryover

Total revised 2022-2023 Preschool Education Aid Allocation	\$ 2,654,748
Cancelled Prior Year Accounts Payable	-
General Fund Contribution	717,282
Add: Actual ECPA/PEA Carryover (June 30, 2022)	727,994
Total Preschool Ed. Aid Funds Available for 2022-2023 Budget	<u>4,100,024</u>
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>4,294,595</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	<u>(194,571)</u>
Add: June 30, 2023 Unexpended Preschool Education Aid 2022-20223C/O - Preschool Education Aid Programs	<u>889,975</u> <u>\$ 695,404</u>
2022-23 Preschool Education Aid C/O Budgeted in 2023-2024	<u>\$ 99,000</u>

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, 2023**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Project Balance June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Energy Savings Improvement Program	\$ 14,336,472	\$ 7,532,048	\$ 4,308,667	\$ 2,495,757
Acquisition of Interactive Flat Panels	<u>800,696</u>	<u>-</u>	<u>794,939</u>	<u>5,757</u>
	<u>\$ 15,137,168</u>	<u>\$ 7,532,048</u>	<u>\$ 5,103,606</u>	<u>\$ 2,501,514</u>
				Fund Balance, June 30, 2023- GAAP Basis
				<u>\$ 2,501,514</u>
<u>Reconciliation to Fund Balance</u>				
				Restricted for Capital Projects
				Year End Encumbrances
				\$ 1,788,792
				Available for Capital Projects
				<u>712,722</u>
				Total Fund Balance - Restricted for Capital Projects
				<u>\$ 2,501,514</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, 2023**

Revenues and Other Financing Sources	
Investment Earning	\$ 281,726
Local Sources - Rebates	29,059
State Sources - NJ Clean Energy Program	89,931
Federal Sources - School and Small Business Grants	661,205
Capital Financing Agreement Proceeds	<u>800,000</u>
 Total Revenues and Other Financing Sources	 <u>1,861,921</u>
 Expenditures and Other Financing Uses	
Capital Outlay	
Other Professional Services	10,450
Construction Services	4,298,217
Instructional Equipment	<u>794,939</u>
 Total Expenditures and Other Financing Uses	 <u>5,103,606</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (3,241,685)
 Fund Balance, Beginning of Year	 <u>5,743,199</u>
 Fund Balance, End of Year	 <u>\$ 2,501,514</u>
 <u>Reconciliation to GAAP</u>	
 Fund Balance, End of Year - Budgetary Basis	 <u>\$ 2,501,514</u>
 Fund Balance, June 30, 2023 - GAAP Basis	 <u>\$ 2,501,514</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, 2023**

	<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	13,456	\$ 281,030	294,486	294,486
Local Sources - Rebates		29,059	29,059	29,059
State Sources - NJ Clean Energy Program		89,931	89,931	89,931
Federal Sources - School and Small Business Grant		661,205	661,205	661,205
Transfer from Capital Reserve	-	-	-	-
	<u>13,275,247</u>	<u>1,061,225</u>	<u>14,336,472</u>	<u>14,336,472</u>
Expenditures and Other Financing Uses				
Capital Outlay				
Other Professional Services - Architectural/Engineering	207,536	10,450	217,986	500,000
Construction Services	6,757,578	4,298,217	11,055,795	12,490,142
General Supplies	-		-	779,396
Debt Service				
Other Purchased Services - Cost of Issuance	152,836		152,836	152,836
Interest on ESIP Bonds	414,098	-	414,098	414,098
	<u>7,532,048</u>	<u>4,308,667</u>	<u>11,840,715</u>	<u>14,336,472</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,743,199</u>	<u>\$ (3,247,442)</u>	<u>\$ 2,495,757</u>	<u>\$ -</u>

HACKENSACK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF INTERACTIVE FLAT PANELS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Financing Agreement Proceeds	\$ -	\$ 800,000	\$ 800,000	\$ 800,000
Investment Earnings	<u>-</u>	<u>696</u>	<u>696</u>	<u>696</u>
Total Revenues and Other Financing Sources	<u>-</u>	<u>800,696</u>	<u>800,696</u>	<u>800,696</u>
Expenditures and Other Financing Uses				
Instruction				
Instructional Equipment	<u>-</u>	<u>794,939</u>	<u>794,939</u>	<u>800,696</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>794,939</u>	<u>794,939</u>	<u>800,696</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 5,757</u>	<u>\$ 5,757</u>	<u>\$ -</u>

ENTERPRISE FUND

EXHIBIT G-1

**HACKENSACK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

HACKENSACK BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2021 Energy Savings Incentive Program (ESIP) Refunding Bonds	5/12/2021	\$ 11,275,000	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	\$ 11,275,000	\$ -	\$ 445,000	\$ 10,830,000			
Totals						\$ 11,275,000	\$ -	\$ 445,000	\$ 10,830,000

HACKENSACK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS, OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>						
Phone System	\$ 800,000	2.934%	\$ 165,791		\$ 165,791	\$ -
School Buses	400,000	2.380%	101,505		101,505	-
Copier Lease	216,116	2.390%	54,944		54,944	-
Interactive Flat Panels	800,000	3.15%	-	800,000	164,618	635,382
Total Capital Financing Agreements			<u>\$ 322,240</u>	<u>\$ 800,000</u>	<u>\$ 486,858</u>	<u>\$ 635,382</u>
<u>Other Financing Agreements</u>						
2020 Chromebooks and Various Information Technology Items	1,027,407	1.056%	\$ 514,081		\$ 255,691	\$ 258,390
2022 Chromebook Lease	1,445,265	0.909%	1,079,032	-	356,429	722,603
Total Other Financing Agreements			<u>\$ 1,593,113</u>	<u>\$ -</u>	<u>\$ 612,120</u>	<u>\$ 980,993</u>
<u>Leases Payable</u>						
School Building (Pre-K through K at St Francis School)	5,014,219	4.000%	\$ 654,968	-	\$ 654,968	\$ -
School Building (Pre-K through K at St Francis School)	1,195,080	5.020%	-	1,195,080	-	1,195,080
Total Leases Payable			<u>\$ 654,968</u>	<u>\$ 1,195,080</u>	<u>\$ 654,968</u>	<u>\$ 1,195,080</u>

HACKENSACK BOARD OF EDUCATION
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources (Uses)					
Transfers Out	-	-	-	(1)	(1)
Net Change in Fund Balance	-	-	-	(1)	(1)
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the 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 annual comprehensive financial reports for the relevant year.

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

	2014	2015	2016	2017	as of June 30,		2020	2021	2022	2023
					2018 (Restated)	2019				
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 36,846,303
Restricted	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	10,362,360
Unrestricted	(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)	(8,759,653)
Total Governmental Activities Net Position	\$ 25,080,066	\$ (525,030)	\$ (1,545,607)	\$ (4,118,655)	\$ (2,246,709)	\$ (1,466,270)	\$ 8,152,843	\$ 16,619,846	\$ 27,115,709	\$ 38,449,010
Business-type Activities										
Net Investment in Capital Assets	\$ 346,164	\$ 318,696	\$ 291,668	\$ 326,094	\$ 326,579	\$ 382,705	\$ 571,561	\$ 522,703	\$ 644,847	\$ 1,848,647
Unrestricted	149,704	442,639	575,117	733,272	980,188	1,086,974	613,193	3,416,546	4,325,111	3,441,023
Total Business-Type Activities Net Position	\$ 495,868	\$ 761,335	\$ 866,785	\$ 1,059,366	\$ 1,306,767	\$ 1,469,679	\$ 1,184,754	\$ 3,939,249	\$ 4,969,958	\$ 5,289,670
District-wide										
Net Investment in Capital Assets	\$ 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	\$ 38,694,950
Restricted	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	10,362,360
Unrestricted	(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)	(5,318,630)
Total District Net Position	\$ 25,575,934	\$ 236,305	\$ (678,822)	\$ (3,059,289)	\$ (939,942)	\$ 3,409	\$ 9,337,597	\$ 20,559,095	\$ 32,085,667	\$ 43,738,680

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 60,923,251
Special Education	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	27,974,763
Other Instruction	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	3,742,134
School Sponsored Activities and Athletics	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	2,091,248
Support Services:										
Tuition	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963	-	-	-	-	-
Student & Instruction Related Services	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	23,943,312
General Administrative Services	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	1,465,301
School Administrative Services	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	6,850,925
Central Administration and Info. Technology	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	3,265,515
Plant Operations and Maintenance	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	13,983,109
Pupil Transportation	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	4,623,733
Unallocated Benefits	8,331,799	9,993,897	12,469,212	15,852,579	22,686,341	-	-	-	-	-
Allocated Benefits	8,397,609	8,032,117	-	-	-	-	-	-	-	-
Special Schools										
Charter Schools	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937	-	-	-	-	-
Interest on Long-Term Debt	165,390	145,108	127,381	114,440	82,095	57,839	28,078	78,081	352,369	322,624
Unallocated Depreciation	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)	-	-	-	-	-
Capital Outlay - Nondepreciable	243,549	64,638	37,814	1,128,571	836,338	-	-	-	-	-
Total Governmental Activities Expenses	<u>105,527,032</u>	<u>120,030,982</u>	<u>127,247,496</u>	<u>141,899,274</u>	<u>144,247,670</u>	<u>142,833,385</u>	<u>138,958,271</u>	<u>151,008,615</u>	<u>141,563,404</u>	<u>149,185,915</u>
Business-Type Activities:										
Food service	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	3,780,798
Total Business-Type Activities Expense	<u>2,699,334</u>	<u>2,336,040</u>	<u>2,422,862</u>	<u>2,400,207</u>	<u>2,427,100</u>	<u>2,737,472</u>	<u>2,484,552</u>	<u>2,610,116</u>	<u>3,815,723</u>	<u>3,780,798</u>
Total District Expenses	<u>\$ 108,226,366</u>	<u>\$ 122,367,022</u>	<u>\$ 129,670,358</u>	<u>\$ 144,299,481</u>	<u>\$ 146,674,770</u>	<u>\$ 145,570,857</u>	<u>\$ 141,442,823</u>	<u>\$ 153,618,731</u>	<u>\$ 145,379,127</u>	<u>\$ 152,966,713</u>
Program Revenues										
Governmental Activities:										
Charges for Services	-	-	-	-	-	\$ 7,089,863	\$ 7,183,378	\$ 5,900,740	\$ 5,257,746	\$ 4,307,218
Operating Grants and Contributions	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	35,544,467
Capital Grants and Contributions	7,390	9,112	4,254	4,285	2,875	27,500	13,058	143,431	132,919	3,503,316
Total Governmental Activities Program Revenues	<u>\$ 4,014,497</u>	<u>\$ 3,787,645</u>	<u>\$ 4,372,876</u>	<u>\$ 3,856,294</u>	<u>\$ 4,540,660</u>	<u>\$ 47,910,762</u>	<u>\$ 45,573,651</u>	<u>\$ 58,152,160</u>	<u>\$ 44,565,260</u>	<u>\$ 43,355,001</u>
Business-Type Activities:										
Charges for services	-	-	-	-	-	-	-	-	-	-
Food Service	\$ 478,178	\$ 438,598	\$ 335,273	\$ 437,568	\$ 427,223	\$ 471,145	\$ 303,497	\$ 16,181	\$ 88,688	\$ 587,637
Operating Grants and Contributions	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	3,512,873
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>2,455,834</u>	<u>2,577,153</u>	<u>2,522,655</u>	<u>2,592,777</u>	<u>2,668,555</u>	<u>2,900,384</u>	<u>2,199,627</u>	<u>5,350,936</u>	<u>4,846,432</u>	<u>4,100,510</u>
Total District Program Revenues	<u>\$ 6,470,331</u>	<u>\$ 6,364,798</u>	<u>\$ 6,895,531</u>	<u>\$ 6,449,071</u>	<u>\$ 7,209,215</u>	<u>\$ 50,811,146</u>	<u>\$ 47,773,278</u>	<u>\$ 63,503,096</u>	<u>\$ 49,411,692</u>	<u>\$ 47,455,511</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (105,830,914)
Business-Type Activities	(243,500)	241,113	99,793	192,570	241,455	162,912	(284,925)	2,740,820	1,030,709	319,712
Total District-Wide Net Expense	<u>\$ (101,756,035)</u>	<u>\$ (116,002,224)</u>	<u>\$ (122,774,827)</u>	<u>\$ (137,850,410)</u>	<u>\$ (139,465,555)</u>	<u>\$ (94,759,711)</u>	<u>\$ (93,669,545)</u>	<u>\$ (90,115,635)</u>	<u>\$ (95,967,435)</u>	<u>\$ (105,511,202)</u>

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

	For the Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 87,403,788
Property taxes levied for debt service	654,712	757,906	725,525	696,645	664,813	635,813	623,263			
Unrestricted grants and contributions	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	28,081,548
Tuition Received	8,543,020	8,492,535	7,943,156	8,129,712	7,651,040					
Investment earnings	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378	51,680	904,747
Miscellaneous income	669,736	697,352	198,585	161,514	973,876	437,861	328,663	608,440	380,851	774,132
Transfers		(21,554)	(5,504)					(13,675)		
Total Governmental Activities	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	117,164,215
Business-Type Activities:										
Investment earnings	199	152	153	11		-	-	-	-	-
Miscellaneous Income	1,671	2,648			5,946					
Transfers		21,554	5,504					13,675		
Total Business-Type Activities	1,870	24,354	5,657	11	5,946	-	-	13,675	-	-
Total District-Wide	\$ 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	\$ 117,164,215
Change in Net Position										
Governmental Activities	\$ 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	\$ 11,333,301
Business-Type Activities	(241,630)	265,467	105,450	192,581	247,401	162,912	(284,925)	2,754,495	1,030,709	319,712
Total District	\$ 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	\$ 11,653,013

Source: District financial statements

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

	As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 15,731,707
Committed						-	688,720			5,523,895
Assigned	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	8,806,870
Unassigned	1,300,578	843,264	1,089,606	935,090	793,394	(261,120)	(508,601)	1,582,140	473,514	(2,349,278)
Total General Fund	<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>	<u>\$ 27,713,194</u>
All Other Governmental Funds										
Restricted						\$ 158,040	\$ 379,832	\$ 9,526,183	\$ 6,212,608	\$ 2,993,625
Committed										
Assigned	137	18	18							
Unassigned										
Total All Other Governmental Funds	<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>	<u>\$ 2,993,625</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)

	2014		2015		2016		2017		For the Fiscal Year Ended June 30		2020		2021		2022		2023	
									2018	2019								
Revenues																		
Property Taxes	\$ 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	\$ 87,403,788								
Tuition	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	4,003,944								
Interest Earnings	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378	51,680	904,747								
Miscellaneous	670,620	697,352	198,585	161,514	973,876	538,342	428,819	795,386	788,159	1,125,084								
State Sources	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	69,503,426								
Federal Sources	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	8,000,227								
Total Revenues	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	170,941,216								
Expenditures																		
Instruction																		
Regular Instruction	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	66,899,758								
Special Education Instruction	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	30,349,075								
Other Instruction	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	4,220,313								
School Sponsored Activities and Athletics	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	2,202,091								
Support Services:																		
Instruction - Tuition	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963													
Attendance and Social Work Services	10,400	10,000	10,000	10,025	12,500													
Health Services	890,880	941,811	966,533	967,420	927,182													
Student & Inst. Related Services	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	26,315,327								
General Administrative Services	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	1,549,320								
School Administrative Services	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	7,767,629								
Central Services and Info. Technology	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	3,509,833								
Plant Operations and Maintenance	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	12,748,314								
Pupil Transportation	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	4,625,877								
Allocated Employee Benefits	8,397,609	8,032,117																
Unallocated Employee Benefits	4,956,683	5,321,619	13,556,417	14,129,465	15,227,477													
TPAF Pension/Social Security	8,203,459	9,428,672	10,994,683	12,463,706	14,511,019	-												
Charter Schools	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937													
Capital Outlay	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	14,463,745								
Debt service:																		
Principal	615,000	610,000	595,000	585,000	580,000	1,344,054	1,558,183	904,501	1,549,600	2,198,946								
Interest and other charges	168,863	148,025	130,525	111,663	84,813	87,097	66,528	32,483	478,815	472,197								
Cost of Issuance								152,836	-									
Total Expenditures	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	177,322,425								
Excess (Deficiency) of Revenues over (under) Expenditures	(821,497)	1,592,763	317,862	763,297	2,017,290	(2,967,956)	3,828,767	593,134	(1,292,971)	(6,381,209)								
Other Financing sources (uses)																		
Transfers in	162,248	461,344	388,929	377,450	411,499	411,499	413,376	789,652	582,814	767,283								
Transfers out	(162,248)	(482,898)	(394,433)	(377,450)	(411,499)	(411,499)	(413,376)	(803,327)	(582,814)	(767,283)								
ESIP Bond Proceeds								11,275,000	-									
Premium on Issuance of ESIP Bonds								1,986,791										
Capital Financing Agreement Proceeds				924,000	800,000		616,116			800,000								
Other Financing Agreement Proceeds								1,027,407	1,445,265									
Leases Issued																		1,195,080
Total Other Financing Sources (Uses)	-	(21,554)	(5,504)	924,000	800,000	-	616,116	14,275,523	1,445,265	1,995,080								
Net Change in Fund Balances	\$ (821,497)	\$ 1,571,209	\$ 312,358	\$ 1,687,297	\$ 2,817,290	\$ (2,967,956)	\$ 4,444,883	\$ 14,868,657	\$ 152,294	\$ (4,386,129)								
Debt service as a percentage of noncapital expenditures	0.75%	0.70%	0.65%	0.60%	0.55%	1.10%	1.22%	0.68%	1.35%	1.64%								

* 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)**

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Fiscal Year Ended June 30,	Interest Earned	Tuition	Rentals	E-Rate	Refunds	Miscellaneous	Total
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
2023	623,021	4,003,944	139,732	299,981	209,226	125,193	5,401,097

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.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate *
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
2023	42,272,300	2,571,153,300			2,195,701,900	484,790,700	1,522,091,100	6,816,009,300	-	6,816,009,300	7,137,002,994	1.296

Source: County Abstract of Ratables

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* 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>
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
2023	1.296	1.339	0.244	2.879

Source: Municipal Tax Collector

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

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Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
20 Prospect Avenue (HUMC)	\$ 150,000,000	2.20%	\$ 126,774,000	2.56%
Riverside Squire LTD	136,000,000	2.00%	156,048,800	3.15%
300 Prospect - Prospect Place	99,500,000	1.46%		
Continental Plaza (401, 411 & 433 Hack Ave)	90,000,000	1.32%		
240 Prospect - JP Summit Apts.	79,200,000	1.16%		
Hackensack VF, LLC (Vornado)	75,000,000	1.10%	66,000,000	1.33%
Avalon - 414 Hackensack	65,200,000	0.96%		
Bloomingtondale's Inc	62,000,000	0.91%	35,917,300	0.73%
185 Prospect Ave. Co.	60,000,000	0.88%		
Stellar Capital Management			54,455,400	1.10%
Hackensack University Medical			50,000,000	1.01%
Court Plaza Associates	58,026,000	0.85%		
Equity One Riverfront			40,050,300	0.81%
GSG Residential Prospect Towers			38,902,800	0.79%
Pierre Towers			37,000,000	0.75%
10 Hackensack Avenue			35,631,700	0.72%
	<u>\$ 874,926,000</u>	<u>12.84%</u>	<u>\$ 640,780,300</u>	<u>12.95%</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	
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
2023	87,403,788	87,397,504	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			Total District	Population	Per Capita
	General Obligation and ESIP Bonds	Capital and Other Financing Agreements	Leases			
2014	3,545,000	279,913		3,824,913	43,519	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	43,984	288
2022	11,275,000	1,915,353	\$ 654,968	13,845,321	45,646	303
2023	10,830,000	1,616,375	1,195,080	13,641,455	45,633	299

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			
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
2023	10,830,000		10,830,000	0.16%	237

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, 2022
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Hackensack Board of Education (As of June 30, 2022)	\$ 10,830,000
City of Hackensack	<u>135,681,734</u>
	<u>146,511,734</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	50,682,177
Bergen County Utilities Authority - Water Pollution (B)	<u>21,709,337</u>
	<u>72,391,514</u>
Total Direct and Overlapping Debt	<u>\$ 218,903,248</u>

Source:

(1) City of Hackensack's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Hackensack by dividing the municipality's 2022 equalized value by the total 2022 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	
	2022	\$ 7,120,307,060
	2021	6,210,098,163
	2020	5,946,704,761
	[A]	<u>\$ 19,277,109,984</u>
Average equalized valuation of taxable property	[A/3]	\$ 6,425,703,328
Debt limit (4 % of average equalization value)	[B]	257,028,133 a
Total Net Debt Applicable to Limit	[C]	
Legal debt margin	[B-C]	<u>\$ 257,028,133</u>

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 257,028,133
Total net debt applicable to limit	3,545,000	2,935,000	2,340,000	1,755,000	1,175,000	595,000	-	-	-	-
Legal debt margin	<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>	<u>\$ 257,028,133</u>
Total net debt applicable to the limit as a percentage of debt limit	1.60%	1.34%	1.05%	0.77%	0.51%	0.26%	0.00%	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>
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	3.90%
2023	45,633	97,343	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)

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 *</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	284	280	526	427	438	444	327	302	380	389
Special Education	184	193	105	128	163	101	110	108	108	108
Other Special Education						70	60	113	60	53
Support Services:										
Student & instruction related services	87	89	60	86	40	86	133	84	92	85
General administrative services	6	4	3	4	5	18	6	7	7	7
School administrative services	63	37	36	38	39	49	41	35	42	43
Business Administrative Services	14	17	14	14	18	12	15	20	21	23
Plant operations and maintenance	68	65	51	62	56	76	58	55	55	52
Pupil transportation						1	1	1		
Total	<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>	<u>760</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)

Teacher/Pupil

Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2023	5,316	160,187,537	30,133	18.01%	492	Not Provided	Not Provided	Not Provided	5,190	4,829	-2.86%	93.04%

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary										
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	541	581	585	575	542	495	533	458	548	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	601	579	581	557	560	603	617	546	577	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	504	569	583	575	532	519	571	435	482	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	399	433	430	424	413	424	443	415	439	439
ECDC										
Square Feet	40,309	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	490
Enrollment	280	275	309	276	265	277	290	210	233	233
Middle School										
Middle School										
Square Feet	141,932	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	1,406	1,395	1,401	1,415	1,465	1,509	1,571	1,570	1,535	1,535
High School										
Hackensack High School										
Square Feet	267,349	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	1,775	1,816	1,813	1,835	1,901	1,943	1,909	1,810	1,953	1,953

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other										
Administration Building										
Square Feet	7,516	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)

Project # (s)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
<u>School Facilities</u>											
Hackensack High School	N/A	\$ 325,944	\$ 406,956	\$ 289,651	\$ 311,184	\$ 345,441	\$ 455,351	\$ 632,489	\$ 782,478	\$ 1,135,347	\$ 1,458,523
Middle School	N/A	173,039	216,047	153,772	165,203	183,389	241,740	578,160	530,422	769,623	774,310
Nellie K. Parker School	N/A	97,875	122,201	86,977	93,443	103,730	136,734	144,363	237,705	344,901	437,968
Fairmount School	N/A	74,369	92,854	66,088	71,002	78,818	103,896	111,491	170,273	247,059	332,785
Fanny M. Hillers School	N/A	97,534	121,775	86,673	93,117	103,368	136,257	146,529	242,587	351,984	436,440
Jackson Avenue School	N/A	74,125	92,549	65,872	70,769	78,559	103,555	111,492	186,217	270,195	331,694
ECDC	N/A	49,144	61,358	43,672	46,918	52,083	68,655	91,984	131,056	190,158	219,906
Administration Building	N/A	9,163	11,441	8,143	8,748	9,712	12,801	15,963	27,072	39,280	41,003
Total School Facilities		<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>	<u>4,032,629</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>\$ 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>	<u>\$ 4,032,629</u>

Source: District Records

Source: School District's financial statements

**HACKENSACK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(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	\$ 187,219,718	
	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	\$ 9,000,000	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	\$ 100,000	\$ 500	
Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	\$ 100,000	\$ 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- Lydia Singh	\$550,000	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



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2023 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 November 17, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no 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.

However, we 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 November 17, 2023.

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
November 17, 2023

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JOHN CUIFFO, CPA

**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the 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 2023-001. 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, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated November 17, 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
November 17, 2023

HACKENSACK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, June 30, 2022					Cash Received	Budgetary Expenditures	Returned To Grantor	Adjustments	Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
Enterprise Fund																	
National School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	\$867,886						\$ 786,281	\$ 867,886			(81,605)			\$ (81,605)
National School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	1,485,498	(135,460)					135,460				-			-
National School Lunch Program	10.555																
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	308,403						308,403	305,302				3,101		
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	222,009		2,554					2,554						
Cash Assistance		221NJ304N1099	7/1/22-6/30/23	1,834,251						1,671,866	1,834,251			(162,385)			(162,385)
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	2,931,746	(253,251)					253,251							
Afternoon Snack Program	10.555	231NJ304N1099	7/1/22-6/30/23	68,687						63,975	68,687			(4,712)			(4,712)
Afternoon Snack Program	10.555	221NJ304N1099	7/1/21-6/30/22	31,067	(2,979)					2,979							
Equipment Assistance Grant	10.579		3/20/23-8/30/23	70,918							66,808			(66,808)			(66,808)
Supply Chain Assistance			7/1/22-6/30/23	251,982						251,982	251,982						
Total U.S. Department of Agriculture/Child Nutrition Cluster					(391,690)	2,554	-	-	-	3,474,197	3,397,470	-	-	(315,510)	3,101	-	(315,510)
Total Enterprise Fund					(391,690)	2,554	-	-	-	3,474,197	3,397,470	-	-	(315,510)	3,101	-	(315,510)
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
IDEA Part B	84.027	H027A210100	7/1/22-9/30/23	1,490,006				\$ 15,544	(15,544)	1,368,620	1,390,063			(136,930)	115,487		(21,443)
IDEA Part B	84.027	H027A200100	7/1/21-9/30/22	1,450,789	(1,247,585)	15,544		(15,544)	15,544	1,232,041				-			-
IDEA Part B, APR Basic	84.027X	H027X210100	7/1/21-9/30/22	298,045	(33,489)	7,441				29,363	5,039			(4,126)	2,402		(1,724)
IDEA Preschool	84.173	H173A200114	7/1/22-9/30/23	59,346				13,064	(13,064)	56,269	72,192			(16,141)	218		(15,923)
IDEA Preschool	84.173	H173A200114	7/1/21-9/30/22	53,024	(53,024)	13,064		(13,064)	13,064	39,960							
IDEA Preschool, ARP	84.173	H173A200114	7/1/21-9/30/22	25,290	(25,290)	25,290					25,290			(25,290)			(25,290)
Total Special Education Cluster (IDEA)					(1,359,388)	61,339	-	-	-	2,726,253	1,492,584	-	-	(182,487)	118,107	-	(64,380)
ESEA Title I	84.010	S010A1200030	7/1/22-9/30/23	1,392,022				113,173	(113,173)	705,588	1,380,453			(799,607)	124,742		(674,865)
ESEA Title I	84.010	S010A1200030	7/1/21-9/30/22	1,117,017	(204,350)	113,173		(113,173)	113,173	91,177							
ESEA Title I SIA Part A	84.010	S010A1200030	7/1/22-9/30/23	76,600							9,210			(76,600)	67,390		(9,210)
Total Title I					(204,350)	113,173	-	-	-	796,765	1,389,663	-	-	(876,207)	192,132	-	(684,075)
ESEA Title II- A	84.367A	S367A210029	7/1/22-9/30/23	191,629				44,731	(44,731)	177,218	217,814			(59,142)	18,546		(40,596)
ESEA Title II- A	84.367A	S367A210029	7/1/21-9/30/22	155,220	(46,667)	44,731		(44,731)	44,731	1,936							
Total Title II					(46,667)	44,731	-	-	-	179,154	217,814	-	-	(59,142)	18,546	-	(40,596)
ESEA Title III	84.365	S365A210030	7/1/22-9/30/23	150,893				58,705	(58,705)	37,085	44,997			(172,513)	164,601		(7,912)
ESEA Title III	84.365	S365A210030	7/1/21-9/30/22	118,774	(89,444)	65,964		(58,705)	58,705	30,739	7,259						
ESSA Title III - Immigrant	84.365	S365A210030	7/1/22-9/30/23	44,070						5,230	12,541			(38,840)	31,529		(7,311)
ESSA Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22	-	(2)	2											
Total Title III					(89,446)	65,966	-	-	-	73,054	64,797	-	-	(211,353)	196,130	-	(15,223)
ESEA Title IV	84.424	S424A210031	7/1/22-9/30/23	97,194				1,452	(1,452)	93,160	97,318			(5,486)	1,328		(4,158)
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	89,368	(54,328)	1,452		(1,452)	1,452	52,876							
Total Title IV					(54,328)	1,452	-	-	-	146,036	97,318	-	-	(5,486)	1,328	-	(4,158)

HACKENSACK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, June 30, 2022				Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Returned To Grantor	Adjustments	Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor								(Accounts Receivable)	Unearned Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER)																		
Coronavirus Aid, Relief, and Economic Security (CARES) Act																		
CARES Emergency Relief Grant	84.42SD	S425D200027	3/13/20-9/30/22	\$ 1,045,357	\$ (12,546)	\$ 10,885				\$ 12,546	\$ 10,883				2	-	*	
Elementary and Secondary School Emergency Relief (ESSER II)																		
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																		
ESSER II	84.42SD	S425D210027	3/13/20-9/30/23	4,013,033	(3,766,911)	2,204,607				1,627,273	2,048,538				(2,139,638)	156,069	(1,983,569)	
Learning Acceleration	84.42SD	S425D210027	3/13/20-9/30/23	257,536	(158,958)	153,998				55,047	135,767				(103,911)	18,231	(85,680)	
Mental Health	84.42SD	S425D210027	3/13/20-9/30/23	45,000	(20,125)	24,850				3,300	22,701				(16,825)	2,149	(14,676)	
American Rescue Plan																		
ARP ESSER III	84.42SU	S425U210027	3/13/20-9/30/24	9,019,032	(8,395,940)	8,310,832					8,038,427				(8,395,940)	272,405	(8,123,535)	
Accelerated Learning Coach & Educator Supp	84.42SU	S425U210027	3/13/20-9/30/24	550,973	(547,338)	547,212									(547,338)	547,212	(126)	
Evidence Based Summer Learning & Enrichm	84.42SU	S425U210027	3/13/20-9/30/24	40,000	(40,000)	-									(40,000)	-	(40,000)	
Evidence Based Comprehensive Beyond the S	84.42SU	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000					23,852				(40,000)	16,148	(23,852)	
NTSS Mental Health Support Staffing	84.42SU	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000				-	-				(45,000)	45,000	-	
ARP Homeless Children and Youth II	84.42SD	S425W210031	4/23/21-9/30/24	59,139	-	-				27,250	54,209				(31,889)	4,930	(26,959)	
Total ESSER Cluster					(13,026,818)	11,337,384				1,725,416	10,334,377				(11,360,541)	1,062,146	(10,298,397)	
Coronavirus Relief Fund																		
CARES Act - Bergen County Pass Thru	21.019	N/A	3/1/20-12/31/21	291,659	-	16,053									-	16,053	-	
Coronavirus Relief Fund	21.019	N/A	3/1/20-9/30/21	545,032	-	242								\$ -	-	242	-	
Total CRF Program Cluster					-	16,295				-	-			-	-	16,295	-	
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					(14,784,210)	11,640,340				5,646,678	13,596,553				(12,698,429)	1,604,684	(11,110,042)	
Total Special Revenue Fund					(14,784,210)	11,640,340				5,646,678	13,596,553				(12,698,429)	1,604,684	(11,110,042)	
U.S. Department of Energy																		
Passed-through State Department of Treasury - Board of Public Utilities																		
Capital Projects Fund:																		
School and Small Business Grant	81.000	N/A	7/1/22-6/30/23	661,205	-	-				28,149	661,205				(633,056)	-	(633,056)	
Total Capital Projects Fund					-	-				28,149	661,205				(633,056)	-	(633,056)	
U.S. Department of Health and Human Services																		
Medicaid Cluster																		
General Fund:																		
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	7/1/22-6/30/23	368,131	-	-				\$ 368,131	\$ 368,131				-	-	-	
FPCRA/SEMI	93.778	2005NJ5MAP	7/1/22-6/30/23	23,388	-	-				23,388	23,388				-	-	-	
Total General Fund					-	-				391,519	391,519				-	-	-	
Total Federal Awards					\$ (15,175,900)	\$ 11,642,894	\$ -	\$ -	\$ -	\$ 9,540,543	\$ 18,046,747	\$ -	\$ -	\$ (13,646,995)	\$ 1,607,785	\$ -	\$ (12,058,608)	

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, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2023			MEMO	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 28,808,278			\$ 26,039,267	\$ 28,808,278			\$ (2,769,011)				\$ 28,808,278
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	21,532,939	\$ (2,042,281)		\$ 2,042,281				-				-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	2,121,557			1,917,636	2,121,557			(203,921)				2,121,557
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	2,121,557	(201,218)		201,218				-				-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	4,787,838			4,327,638	4,787,838			(460,200)				4,787,838
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	4,787,838	(454,100)		454,100				-				-
Total State Aid Public Cluster				(2,697,599)		34,982,140	35,717,673			(3,433,132)				35,717,673
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	682,382			616,792	682,382			(65,590)				682,382
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	682,382	(64,720)		64,720				-				-
Total Transportation Aid Cluster				(64,720)		681,512	682,382			(65,590)				682,382
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	2,209,742				2,209,742			(2,209,742)				2,209,742
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	2,022,970	(2,022,970)		2,022,970				-				-
Payment for Institutionalized Children-Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	272,470				272,470			(272,470)			\$ (272,470)	272,470
Payment for Institutionalized Children-Unknown District of Residence	22-495-034-5120-005	7/1/21-6/30/22	149,550			149,550	149,550			-				149,550
On-Behalf TPAF Pension System Contributions NCGI	23-495-034-5094-004	7/1/22-6/30/23	257,162			257,162	257,162			-				257,162
On-Behalf TPAF Pension System Contributions Normal Costs and Accrued Liability	23-495-034-5094-002	7/1/22-6/30/23	18,535,708			18,535,708	18,535,708			-				18,535,708
On-Behalf TPAF Contributions Post Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	4,936,842			4,936,842	4,936,842			-				4,936,842
On-Behalf TPAF Contributions Long-Term Disability Insurance Premium	23-495-034-5094-004	7/1/22-6/30/23	4,705			4,705	4,705			-				4,705
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	3,932,793			3,932,793	3,932,793			-				3,932,793
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	3,786,359	(189,644)		189,644				-				-
Total General Fund				(4,974,933)		65,693,026	66,699,027			(5,980,934)			(272,470)	66,699,027
Special Revenue:														
Preschool Education Aid	22-495-034-5120-086	7/1/22-6/30/23	2,654,748		\$ 727,994	2,389,273	3,404,620		\$ 717,282	(265,475)	\$ 695,404			3,404,620
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	2,836,521	458,966	(727,994)	269,028				-				-
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	60,287			60,287	43,189			-		\$ 17,098		43,189
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	34,040	12,720				\$ 12,720		-				-
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	5,112			5,112	1,604			-			3,508	1,604
English as a Second Language	22-100-034-5120-067	7/1/22-6/30/23	2,466	1,278				1,278		-				-
Total Auxiliary Services (Chapter 192) Cluster				13,998		65,399	44,793	13,998					20,606	44,793
Handicapped Services:														
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	23,498			23,498	7,585			-			15,913	7,585
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	30,703	9,857				9,857		-				-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	15,531			15,531	10,416			-			5,115	10,416
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	12,090	4,185				4,185		-				-
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	11,151			11,151	5,865			-			5,286	5,865
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	14,868	5,865				5,865		-				-
Total Handicapped Services (Chapter 193) Cluster				19,907		50,180	23,866	19,907					26,314	23,866

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, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2023			MEMO	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Nonpublic Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	\$ 7,260			\$ 7,260	\$ 6,920					\$ 340		\$ 6,920
Nonpublic Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	5,642	\$ 44				\$ 44				-		-
Nonpublic Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	12,320			12,320	8,213					4,107		8,213
Nonpublic Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	10,640	1				1				-		-
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	4,620			4,620	4,601					19		4,601
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	3,948	149				149				-		-
Nonpublic Security	23-100-034-5120-509	7/1/22-6/30/23	22,550			22,550	22,530					20		22,530
Climate Change	XXXXXXXXXX	7/1/22-6/30-20	6,660			6,635	6,635			\$ (25)	\$ 25			6,635
School Based Mental Health Training Grant	XXXXXXXXXX	6/5/23-11/30/23	292,531							(292,531)	292,531			-
Non-Public STEM	XXXXXXXXXX		24,507			9,763	9,763							9,763
Depart of Human Services - SBYFS														-
Friendly Family	23-016-1620-100-007	7/1/22-6/30/23	45,257			45,257	39,123					6,134		39,123
Friendly Family	22-016-1620-100-007	7/1/21-6/30/22	53,648	1,917					1,108			3,025		-
Friendly Family	21-016-1620-100-007	7/1/20-6/30/21		10,729				10,729				-		-
Friendly Family	20-016-1620-100-007	7/1/19-6/30/20		6,560				6,560				-		-
Friendly Family	19-016-1620-100-007	7/1/18-6/30/19		2,163				2,163				-		-
Friendly Family	18-016-1620-100-007	7/1/17-6/30/18		1,689				1,689				-		-
School Based Youth Service Program	23-016-1630-100-013	7/1/22-6/30/23	312,855		3,973	312,855	308,497					8,331		308,497
School Based Youth Service Program	22-016-1630-100-013	7/1/21-6/30/22	353,940	20,198	(3,973)				912			17,137		-
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 SBYFS Program Cluster				46,464	-	358,112	347,620	24,349	2,020	-	-	34,627	-	347,620
Schools Development Authority (SDA)														
Emergent and Capital Maintenance Needs			132,338	-		132,338					132,338	-	-	-
Emergent and Capital Maintenance Needs			134,114	134,114	-	-					134,114	-	-	-
New Jersey School Development Authority														
Alyssa's Law School Security Grant	22-034-5120-588-001	N/A	313,241	4,424	-	-	-	-	8,947	-	13,371	-	-	-
Total Special Revenue Fund				678,067	-	3,327,478	3,879,561	58,448	728,249	(558,031)	1,267,783	86,033	-	3,879,561
State Department of Treasury - Board of Public Utilities														
Capital Projects Fund														
NJ Clean Energy Program	N/A	7/1/22-6/30/23	89,931	-	-	89,931	89,931	-	-	-	-	-	-	89,931
Total Capital Projects Fund				-	-	89,931	89,931	-	-	-	-	-	-	89,931
State Department of Agriculture														
Enterprise Fund														
School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	\$17,965			\$ 16,321	\$ 17,965				(1,644)		\$ (1,644)	\$17,965
State After Boli Program	23-100-010-3350-023	7/1/22-6/30/23	30,116			27,237	30,116				(2,879)		(2,879)	30,116
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	67,322			61,624	67,322				(5,698)		(5,698)	67,322
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	68,917	(5,828)	-	5,828	-	-	-	-	-	-	-	-
Total Enterprise Fund				(5,828)	-	111,010	115,403	-	-	(10,221)	-	-	(10,221)	115,403
Total State Financial Assistance Subject to Single Audit Determination				(4,302,694)	-	69,221,445	70,783,922	58,448	728,249	(6,549,186)	1,267,783	86,033	(282,691)	70,783,922

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, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2023			MEMO		
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Financial Assistance															
Not Subject to Major Program Determination															
<u>General Fund</u>															
On-Behalf TPAF Pension System Contributions-NCGI	23-495-034-5094-004	7/1/22-6/30/23	\$ 257,162			\$ (257,162)	\$ (257,162)								\$ (257,162)
On-Behalf TPAF Normal Costs	23-495-034-5094-002	7/1/22-6/30/23	18,535,708			(18,535,708)	(18,535,708)								(18,535,708)
On-Behalf TPAF Post-Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	4,936,842			(4,936,842)	(4,936,842)								(4,936,842)
On-Behalf TPAF Long-Term Disability Ins. Contributions	23-495-034-5094-001	7/1/22-6/30/23	4,705			(4,705)	(4,705)								(4,705)
Total State Financial Assistance Subject to Major Program Determination				\$ (4,302,694)	\$ -	\$ 45,487,028	\$ 47,049,505	\$ 58,448	\$ 728,249	\$ (6,549,186)	\$ 1,267,783	\$ 86,033	\$ (282,691)	\$ 47,049,505	

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$923,175 for the general fund and a decrease of \$6,173,686 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	\$ 391,519	\$ 65,775,852	\$ 66,167,371
Special Revenue Fund	6,947,503	3,637,643	10,585,146
Food Service Fund	<u>3,397,470</u>	<u>115,403</u>	<u>3,512,873</u>
Total Awards and Financial Assistance	<u>\$ 10,736,492</u>	<u>\$ 69,528,898</u>	<u>\$ 80,265,390</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, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$3,932,793 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$18,792,870, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,936,842 and TPAF Long-Term Disability Insurance in the amount of \$4,705 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial 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)? yes X none reported

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

Federal Awards Section

Internal Control over major programs:
 (1) Material weakness(es) identified? yes X no

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

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

Any audit findings disclosed that are required to be reported in accordance with 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>84.010</u>	<u>S010A1200030</u>	<u>ESEA Title I</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>
<u>81.000</u>	<u>N/A</u>	<u>School and Summer Business Grant</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, 2023

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>23-495-034-5120-078</u>	<u>Equalization Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-084</u>	<u>Security Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-089</u>	<u>Special Education Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-04</u>	<u>Extraordinary Aid</u>
<u>23-495-034-5120-04</u>	<u>Reimbursed TPAF Social Security Contributions</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$1,411,485

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, 2023

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 2023-001

There were none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2023-001

Our audit noted employees and the funding percentages of their respective salaries charged to Federal grant programs were not approved in the Board minutes.

Federal program information:

ESEA Title I	84.010
CRRSA ESSER Program Cluster	84.425D
ARP ESSER Program Cluster	84.425U

Criteria or specific requirement:

Grant Compliance Supplements – Allowable Costs and Activities

Condition:

See Finding 2023-001

Questioned Costs:

Unknown.

Context:

Employee salaries charged to Title I totaled \$585,002, to CRRSA ESSER programs totaled \$111,855 and to ARP ESSER programs totaled \$419,338.

Effect:

Salaries charged to Federal grant programs may not be for allowable costs and activities.

Cause:

Board approval was not formally made for employees salaries charged to Federal grant programs.

Recommendation

Employees and their respective salaries charged to Federal grant programs be approved by Board resolution and include the grant program's funding percentages of the respective employees' salary.

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, 2023

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

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

CURRENT YEAR STATE AWARDS

There are none.

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

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2022-001

Condition

Certain open purchase orders classified as encumbrances at June 30, 2022 in the General Fund 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.

Current Status

Corrective action has been taken

Finding 2022-002

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.

Current Status

Corrective action has been taken.

Finding 2022-003

Condition

Net cash resources exceeded three months average expenditures at June 30, 2022 in the Food Service Fund.

Current Status

Corrective action is being taken. See "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 17, 2023 for further explanation.