

**HACKENSACK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Hackensack, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
Hackensack Board of Education  
Hackensack New Jersey  
For The Fiscal Year Ended June 30, 2021**

**Prepared by  
Business Office**

**HACKENSACK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-viii
Organizational Chart	ix
Roster of Officials	x
Consultants and Advisors	xi

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis	4-15
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	16
A-2 Statement of Activities	17

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	18-19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements	21

*Proprietary Funds*

B-4 Statement of Net Position	22
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	23
B-6 Statement of Cash Flows	24

Notes to the Financial Statements	25-70
-----------------------------------	-------

# HACKENSACK BOARD OF EDUCATION

## TABLE OF CONTENTS

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule – General Fund	71-77
C-2 Budgetary Comparison Schedule – Special Revenue Fund	78-79
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C-3 Required Supplementary Information – Budgetary Comparison Schedule Notes to the Required Supplementary Information	80
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	81
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	82
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	83
L-4 Notes to Required Supplementary Information	84
<b>REQUIRED SUPPLEMENT INFORMATION – PART IV</b>	
L-5 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	85
L-6 Notes to Required Supplementary Information	86
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules - Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	87-89
E-2 Schedule of Preschool Education Aid – Schedule of Expenditures - Preschool – All Programs - Budgetary Basis	90
<b>F. Capital Projects Fund</b>	
F-1 Summary Statement of Project Expenditures-Budgetary Basis	91
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	92
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis – Energy Savings Improvement Program	93
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status Budgetary Basis – Acquisition of Chromebooks & Various Information Technology Items	94



# HACKENSACK BOARD OF EDUCATION TABLE OF CONTENTS

## Page

### OTHER SUPPLEMENTARY INFORMATION (Continued)

#### **G. Proprietary Funds**

##### *Enterprise Fund*

G-1	Combining Statement of Net Position – Not Applicable	95
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	95
G-3	Combining Statement of Cash Flows – Not Applicable	95

#### **H. Fiduciary Funds – Not Applicable**

#### **I. Long-Term Debt**

I-1	Schedule of Serial Bonds Payable	96
I-2	Schedule of Obligations Under Capital Leases and Lease-Purchase Agreements	97
I-3	Debt Service Fund Budgetary Comparison Schedule	98

#### **J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	99
J-2	Changes in Net Position	100-101
J-3	Fund Balances – Governmental Funds	102
J-4	Changes in Fund Balances - Governmental Funds	103
J-5	General Fund Other Local Revenue by Source	104
J-6	Assessed Value and Actual Value of Taxable Property	105
J-7	Direct and Overlapping Property Tax Rates	106
J-8	Principal Property Taxpayers	107
J-9	Property Tax Levies and Collections	108
J-10	Ratios of Outstanding Debt by Type	109
J-11	Ratios of Net General Bonded Debt Outstanding	110
J-12	Direct and Overlapping Governmental Activities Debt	111
J-13	Legal Debt Margin Information	112
J-14	Demographic and Economic Statistics	113
J-15	Principal Employers	114
J-16	Full-Time Equivalent District Employees by Function/Program	115
J-17	Operating Statistics	116
J-18	School Building Information	117-118
J-19	Schedule of Required Maintenance for School Facilities	119
J-20	Insurance Schedule	120

**HACKENSACK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**K.**

**SINGLE AUDIT SECTION**

K-1	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	121-122
K-2	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	123-125
K-3	Schedule of Expenditures of Federal Awards	126-127
K-4	Schedule of Expenditures of State Financial Assistance	128-129
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	130-131
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	132-133
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	134
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	135-137
K-7	Summary Schedule of Prior Year Findings	138-139

## **INTRODUCTORY SECTION**



February 3, 2022

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, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of Operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

## 1. REPORTING ENTITY and ITS SERVICES:

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

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

The District completed the 2020-2021 fiscal year with an Average Daily Enrollment of 5,473 students, which is 144 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<i>Fiscal Year</i>		<i>ADE</i>		<i>Number Change</i>		<i>Percent Change</i>
2020/21		5,473		(144)		-2.57%
2019/20		5,617		(112)		-1.95%
2018/19		5,729		56		0.99%
2017/18		5,673		28		-0.50%
2016/17		5,645		(17)		-0.30%
2015/16		5,662		31		0.55%
2014/15		5,631		168		3.08%
2013/14		5,463		57		1.05%
2012/13		5,406		182		3.48%
2011/12		5,224		92		1.79%

For the 2020/21 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 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 February 2015 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, and despite the gradual withdrawal of the receiving high school students from Maywood, the enrollment has been fairly stable. 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. This lease has been renewed and will expire in 2023.

During the 2019-2020 school year, this lease was renewed for an additional four (4) years. The lease is scheduled to expire 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 2020/21**

### **Educational Programs, Grades Pre-K-12**

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

The 2020/21 school year saw our PreK full-day program expand enrollment with 189 full day general education preschool students, which includes students in two local provider locations. 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 2020/21 school year, a major focus for elementary schools was a revised pacing chart, to address prerequisite concepts and major content standards. The implementation of unit benchmark assessments were also implemented, and feedback on student performance was provided regularly. was on professional development activities that supported the revision of NJSLS aligned Benchmark Assessments to better correlate with the New Jersey Student Learning Standards for Math. These benchmarks were then aligned with the resources for each grade level that included HMH GoMath Algebra preparation materials along with McGraw Hill Geometry products. Alignment was also addressed so that HMH materials would support standards-based instruction which was extended to grade 9 Algebra students in 2020-21 SY. The focus was to develop a deeper understanding of mathematical practices as per the New Jersey Student Learning Standards. This vertical alignment of resources addresses the needs of students as per Algebra readiness and within Algebra itself. The ultimate goal is to increase the number of students on the college preparatory pathway which would include a 4<sup>th</sup> year of mathematics such as Precalculus by graduation. Additional Professional Development was infused into the school year via Building and Department PD sessions in which the teachers shared data and created intervention programs for students who were meeting with challenges due to some of the year being virtual learning that caused specific gaps in content knowledge and skills.

In the area of English Language Arts during the 2020-2021 school year the major focus for the elementary schools was on a Year 1 implementation of a new ELA model. The focus was on guided reading, running records and comprehension assessments, as well as small group instruction. Professional development and the purchasing of new resources occurred. Additionally, grade 2 implemented the Foundations program. Kindergarten to fifth grade Bilingual/ESL teachers are in the second year of professional development aimed at improving literacy instruction in our district with Heinemann Consultant Nicole Sanchez. The focus for the professional development has been

on student conferences, interactive read alouds, shared reading, and whole book assessments. We continue to build classroom libraries and purchase texts to support this initiative for ELL students. At both the Middle School and High School the focus was on supporting independent and choice reading on the secondary level as well as implementing a Reading Workshop for the grade 5 team. The grade 5 teachers are in the second year of Reading Workshop implementation of the units. The focus for the professional development has been on coaching and demo lessons as well as extending classroom libraries. Teachers of grades 6-12 have been working 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 2020-2021 the major focus of work for the elementary schools was incorporating the newly purchased Amplify science units into the curriculum. The move to remote instruction in March of 2020, prevented classes from completing the units. In the 2020-2021 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 professional developer to help teachers align NJSL-S instruction with NJSLA-S expected outcomes. The result of these meetings were presentation and practice sessions for teachers on scientific modeling and a complete set of benchmarks and practice prompts.

#### **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
- Roofing Repairs
- HVAC/Univent Replacement
- Building Controls Upgrade
- Air Handling Replacement
- Pool Chiller Replacement
- Steam Boiler Replacement (Fairmount)
- Kitchen Hood Controls
- Lighting retrofit
- Insulation/Weatherizing
- Steam Trap Replacement

**At all schools (Through ESSER II & III)**

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

**At all school funded from Capital Projects:**

**Fairmount Avenue**

- Elevator
- Student Bathroom Improvements
- Playground Equipment

**Jackson Avenue**

- Elevator
- Student Bathroom Improvements

**Fanny Hillers**

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

**High School**

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

**Middle School**

- Turf Field Installation
- Façade – Brick pointing – restoration
- Cafeteria Improvements (funded from surplus food service enterprise funds)

**Nellie K. Parker**

- Entry Stairway Reconstruction
- Auditorium Refurbishment



### **3. INTERNAL ACCOUNTING CONTROLS**

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

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

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

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

### **4. BUDGETARY CONTROLS:**

In addition to internal accounting controls which now includes the prerequisite that all requisitions confirm the use of Ed Data, NJESC, State Contracts etc., the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, Special Revenue Fund, and Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final Budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as Reservations of Fund Balance at June 30, 2021.

### **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, 2021, the District had outstanding bonds of \$11,275,000, capital leases payable of \$2,636,105 and lease-purchase agreements payable of \$767,102. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 7.

## **7. FINANCIAL INFORMATION AT FISCAL YEAR-END**

The Board developed its 2020/21 budget under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

## **8. CASH MANAGEMENT**

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a Cash Management Plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **9. RISK MANAGEMENT**

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

## **10. OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Lerch Vinci & Higgins, 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.

- **NJQSAC**

The district underwent a New Jersey Quality Single Accountability Continuum review which was conducted in late February 2020 by the Department of Education. The district passed all sections. They included Instruction & Program, Fiscal, Governance, Operations and Personnel. A letter from the Department of Education's Office of Field Services Coordination states "I am pleased to inform you that your district has satisfied at least 80% of the weighted indicators in each of the five areas of the NJQSAC review process and has been designated as "high performing."

- **COVID-19**

The district's response to COVID-19 has been multifaceted. Our work began with ensuring that all

students had access to a device and reliable Internet. Hackensack Public Schools has been a one-to-one district for several years, and therefore we were able to provide each student with a Chromebook to use for remote learning. We distributed approximately 450 hotspots to students to support virtual learning and assisted with Internet access in order to receive live instruction. Virtual instruction is aligned to the scope and sequence of the in-person instruction and there is consistent interaction between students and teachers. This includes both synchronous (scheduled class meetings) and asynchronous (student self-paced) learning. Teachers met with students in both whole and small groups within the virtual or classroom setting. Teachers delivered high-quality, standards-based instruction, including assessing and monitoring student progress in the virtual environment. Social/emotional supports are a focus of our program through providing SEL resources and mindfulness activities to staff. Additionally, students receive social emotional lessons and activities in class, and counseling support is available. Family contact is an integral part of our program and time is designated to allow teachers and families to build relationships and ensure students are learning. Parent feedback is obtained through the use of various surveys. Additionally, parent meetings occur regularly, with sessions offered in English and Spanish to allow parents to ask questions and gain information to support their children. We have learned that parent attendance increases significantly when parent programs are offered virtually. As the 2020-2021 school year commenced, the instructional process was entirely remote. In January 2021, the district gradually transitioned its instructional process to in person.

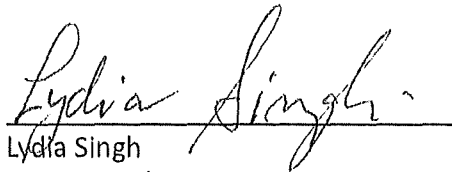
#### 11. ACKNOWLEDGMENTS

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.

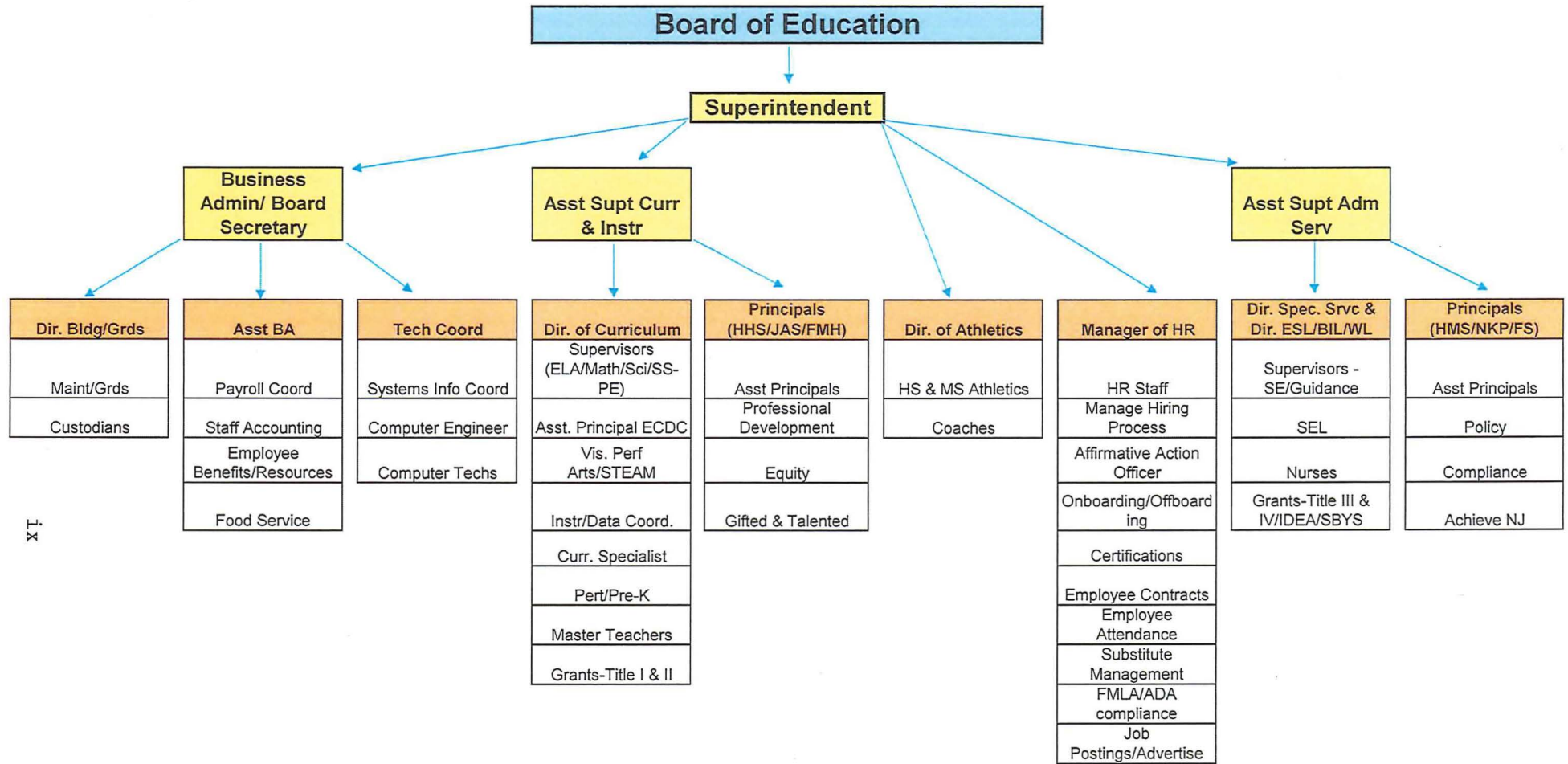
Respectfully submitted,



Roberto Sanchez  
Superintendent of Schools



Lydia Singh  
Acting SBA/Board Secretary



# HACKENSACK BOARD OF EDUCATION

## ROSTER OF OFFICIALS

JUNE 30, 2021

### Members of the Board of Education

### Term Expires

Lancelot Powell, President	2021
Scott James-Vickery, Vice President	2022
Christopher M. Coleman	2023
Detra DeNully	2021
Ira Goodman	2022
Zonie LeSane	2021
Michael R. Oates	2023
Anthony F. Rodriguez	2023
Carlos Velez	2021
Julio Bendezu (Maywood Rep)	

### Other Officials

Roberto Sanchez, Superintendent

Rosemary Marks, Assistant Superintendent

Andrea Parchment, Assistant Superintendent

Dora E. Zeno, Interim School Business Administrator/Board Secretary

**HACKENSACK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2021**

**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 & HIGGINS, LLP  
17-17 Route 208 N  
Fair Lawn, New Jersey 07410

**Official Depository**

TD BANK  
1000 MacArthur Blvd  
Mahwah, NJ 07430

## **FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, 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, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA 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**

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, 2021 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## *Opinions*

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, 2021, 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.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Hackensack Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *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, 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.

### *Other 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 introductory section, financial schedules, statistical section, 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.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

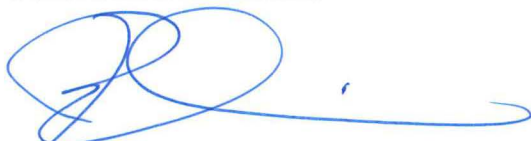
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2022 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 & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 3, 2022

## **REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 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 \$20,827,700 (Net Position)
- The District's total net position increased by \$11,490,103.
- Overall District revenues were \$165,108,834. General revenues accounted for \$101,605,738 or 62% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$63,503,096 or 38% of total revenues.
- The school district had \$151,008,615 in expenses for governmental activities; only \$58,152,160 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$101,605,738 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 \$34,940,654. Of this amount, \$27,550,965 is fund balance restricted for specific purposes, \$5,807,549 has been assigned to year end encumbrances and subsequent year expenditures and the remaining amount is the unassigned fund balance of \$1,582,140.
- The General Fund fund balance at June 30, 2021 was \$25,414,471, an increase of \$5,722,306 compared to the ending fund balance at June 30, 2020 of \$19,692,165.
- The General Fund unassigned budgetary fund balance at June 30, 2021 was \$29,253,714, which represents an increase of \$6,056,484 when compared to the ending unassigned budgetary fund balance at June 30, 2020 of \$23,197,230.
- The District's total outstanding long-term liabilities increased by \$10,540,614 during the current fiscal year.

# HACKENSACK BOARD OF EDUCATION

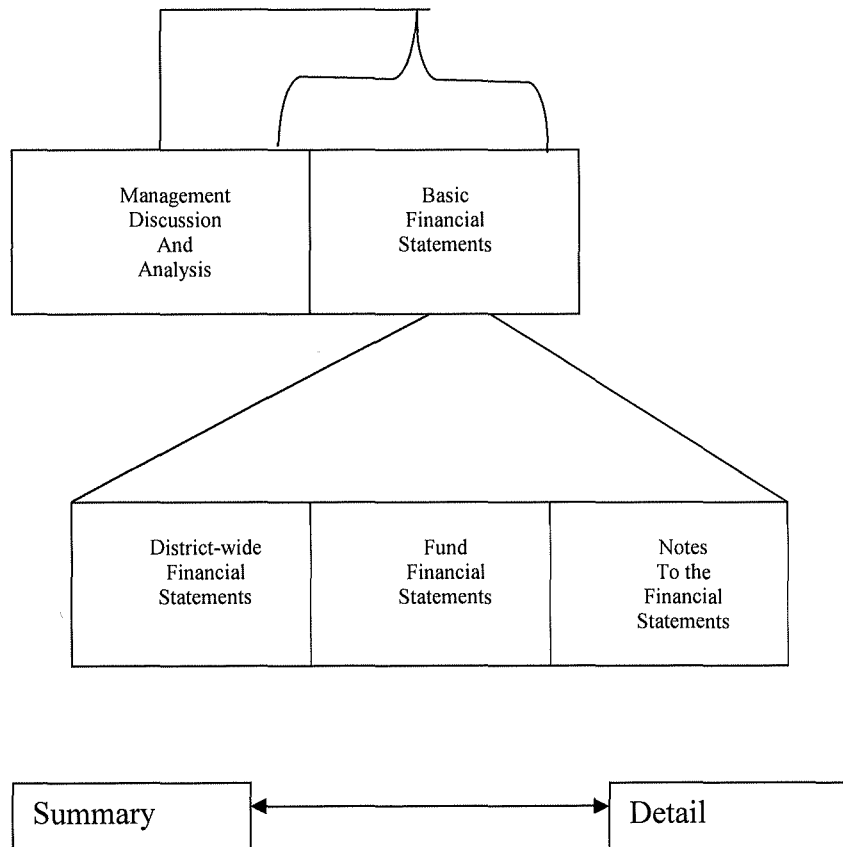
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

### 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, 2021

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, 2021

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

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

### Fund Financial Statements

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

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

The District has two kinds of funds:

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

### Notes to the Financial Statements

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



# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$20,827,700 on June 30, 2021 and \$9,337,597 on June 30, 2020 as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current Assets	\$ 38,252,444	\$ 22,729,368	\$ 3,700,443	\$ 713,035	\$ 41,952,887	\$ 23,442,403
Capital Assets, net of accumulated depreciation	30,117,805	24,136,804	522,703	571,561	30,640,508	24,708,365
<b>Total Assets</b>	<u>68,370,249</u>	<u>46,866,172</u>	<u>4,223,146</u>	<u>1,284,596</u>	<u>72,593,395</u>	<u>48,150,768</u>
<b>Deferred Outflows of Resources</b>	<u>1,981,091</u>	<u>3,372,910</u>	<u>-</u>	<u>-</u>	<u>1,981,091</u>	<u>3,372,910</u>
<b>Liabilities</b>						
Long-Term liabilities	39,159,514	28,618,900	-	-	39,159,514	28,618,900
Other Liabilities	3,396,022	2,676,244	281,855	99,842	3,677,877	2,776,086
<b>Total Liabilities</b>	<u>42,555,536</u>	<u>31,295,144</u>	<u>281,855</u>	<u>99,842</u>	<u>42,837,391</u>	<u>31,394,986</u>
<b>Deferred Inflows of Resources</b>	<u>10,907,353</u>	<u>10,791,095</u>	<u>2,042</u>	<u>-</u>	<u>10,909,395</u>	<u>10,791,095</u>
<b>Net Position</b>						
Net Investment in Capital Assets	25,425,587	23,194,990	522,703	571,561	25,948,290	23,766,551
Restricted	10,918,345	11,523,490			10,918,345	11,523,490
Unrestricted	(19,455,481)	(26,565,637)	3,416,546	613,193	(16,038,935)	(25,952,444)
<b>Total Net Position</b>	<u>\$ 16,888,451</u>	<u>\$ 8,152,843</u>	<u>\$ 3,939,249</u>	<u>\$ 1,184,754</u>	<u>\$ 20,827,700</u>	<u>\$ 9,337,597</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, 2021

The District's total net position of \$20,827,700 at June 30, 2021 represents a \$11,490,103 increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020.

### Change in Net Position For The Fiscal Years Ended June 30, 2021 and 2020

	Governmental Activities		Business- Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenue						
Charges for Services	\$ 5,900,740	\$ 7,183,378	\$ 16,181	\$ 303,497	\$ 5,916,921	\$ 7,486,875
Operating Grants and Contributions	52,107,989	38,377,215	5,334,755	1,896,130	57,442,744	40,273,345
Capital Grants and Contributions	143,431	13,058			143,431	13,058
General Revenues						
Property Taxes	85,283,457	85,146,015			85,283,457	85,146,015
Unrestricted State Aid	15,654,463	14,254,090			15,654,463	14,254,090
Other	667,818	539,362	-	-	667,818	539,362
<b>Total Revenues</b>	<b><u>159,757,898</u></b>	<b><u>145,513,118</u></b>	<b><u>5,350,936</u></b>	<b><u>2,199,627</u></b>	<b><u>165,108,834</u></b>	<b><u>147,712,745</u></b>
<b>Expenses</b>						
Instruction						
Regular	66,549,132	58,774,895			66,549,132	58,774,895
Special Education	28,951,522	27,125,449			28,951,522	27,125,449
Other Instruction	3,747,029	3,589,091			3,747,029	3,589,091
School Sponsored Activities and Athletics	1,858,461	1,768,094			1,858,461	1,768,094
Support Services						
Student and Instruction Related Services	23,316,910	20,689,562			23,316,910	20,689,562
General Administrative Services	1,827,057	1,123,138			1,827,057	1,123,138
School Administrative Services	7,361,203	7,524,095			7,361,203	7,524,095
Central Services and Info. Technology	3,392,599	3,190,296			3,392,599	3,190,296
Plant Operations and Maintenance	12,303,949	12,201,920			12,303,949	12,201,920
Pupil Transportation	1,622,672	2,943,653			1,622,672	2,943,653
Interest on Long-Term Debt	78,081	28,078			78,081	28,078
Food Services	-	-	2,610,116	2,484,552	2,610,116	2,484,552
<b>Total Expenses</b>	<b><u>151,008,615</u></b>	<b><u>138,958,271</u></b>	<b><u>2,610,116</u></b>	<b><u>2,484,552</u></b>	<b><u>153,618,731</u></b>	<b><u>141,442,823</u></b>
<b>Increase (Decrease) in Net Position Before Transfer</b>	<b>8,749,283</b>	<b>6,554,847</b>	<b>2,740,820</b>	<b>(284,925)</b>	<b>11,490,103</b>	<b>6,269,222</b>
<b>Transfers</b>	<b><u>(13,675)</u></b>	<b><u>-</u></b>	<b><u>13,675</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Increase/(Decrease) in Net Position</b>	<b>8,735,608</b>	<b>6,554,847</b>	<b>2,754,495</b>	<b>(284,925)</b>	<b>11,490,103</b>	<b>6,269,922</b>
<b>Net Position, Beginning of Year</b>	<b>8,152,843</b>	<b>(1,466,270)</b>	<b>1,184,754</b>	<b>1,469,679</b>	<b>9,337,597</b>	<b>3,409</b>
<b>Prior Period Adjustment</b>	<b><u>-</u></b>	<b><u>3,064,266</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,064,266</u></b>
<b>Net Position, End of Year</b>	<b><u>\$ 16,888,451</u></b>	<b><u>\$ 8,152,843</u></b>	<b><u>\$ 3,939,249</u></b>	<b><u>\$ 1,184,754</u></b>	<b><u>\$ 20,827,700</u></b>	<b><u>\$ 9,337,597</u></b>

# HACKENSACK BOARD OF EDUCATION

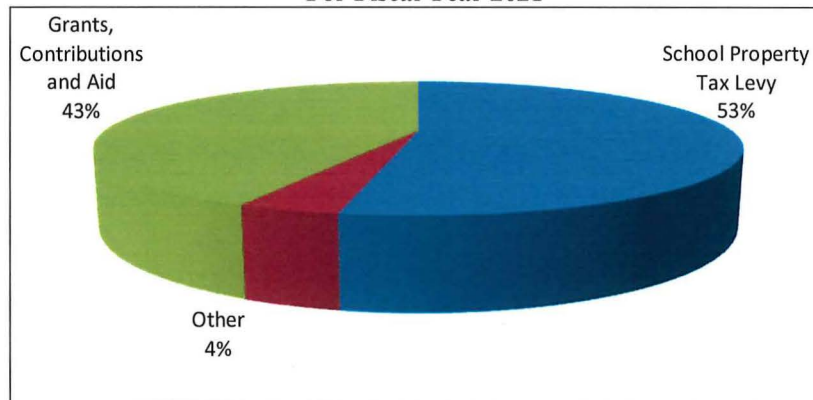
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$159,757,898 for the fiscal year ended June 30, 2021, property taxes of \$85,283,457 represented 53% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$67,905,883 and represented 43% of revenues. In addition, charges for services from tuition and student organizations represented 4% of revenues. Miscellaneous income such as interest, prior year refunds and other miscellaneous items represented less than 1% of revenues.

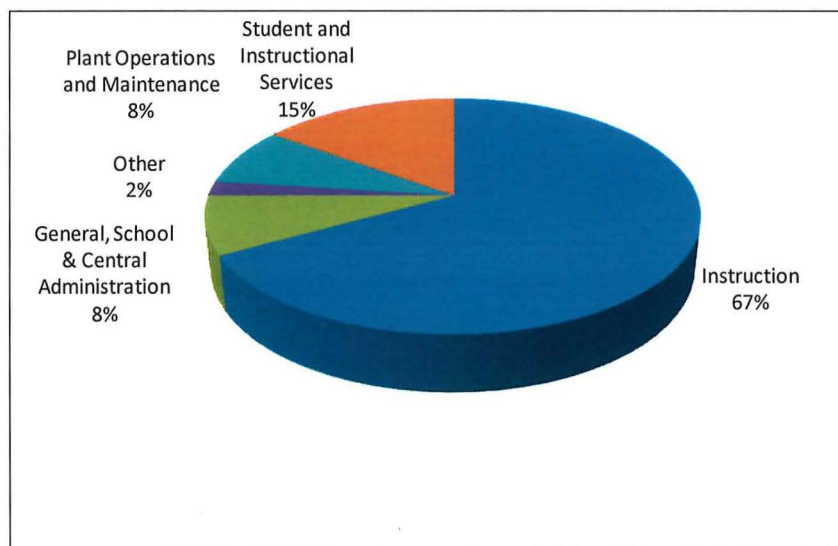
The total cost of all governmental activities programs and services was \$151,008,615 for the fiscal year ended June 30, 2021. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$101,106,144 (67%) of total expenses. Support services costs were \$49,824,390 (33%) of total expenses and interest on debt totaled \$78,081 less than 1% of total expenses.

For fiscal year 2021, total governmental activities revenues exceeded expenses and transfers increasing net position for governmental activities by \$8,735,608 from the previous year.

**Revenues by Sources – Governmental Activities  
For Fiscal Year 2021**



**Expenses by Use – Governmental Activities  
For Fiscal Year 2021**



# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$151,008,615. After applying program revenues, derived from operating and capital grants and contributions of \$52,251,420 and charges for services of \$5,900,740, the net cost of services of the District is \$92,856,455 for the fiscal year ended June 30, 2020.

### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2021 and 2020

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction				
Regular	\$ 66,549,132	\$ 58,774,895	\$ 39,207,023	\$ 36,792,323
Special Education	28,951,522	27,125,449	14,756,560	15,056,088
Other Instruction	3,747,029	3,589,091	2,458,002	2,628,790
School Sponsored Activities and Athletics	1,858,461	1,768,094	1,556,968	1,763,971
Support Services				
Student and Instruction Related Services	23,316,910	20,689,562	14,577,189	14,981,231
General Administrative Services	1,827,057	1,123,138	1,646,762	1,042,309
School Administrative Services	7,361,203	7,524,095	5,223,923	5,941,802
Central Services and Info. Technology	3,392,599	3,190,296	3,021,924	3,129,321
Plant Operations and Maintenance	12,303,949	12,201,920	9,396,201	9,760,194
Pupil Transportation	1,622,672	2,943,653	934,635	2,260,513
Interest on Long-Term Debt	78,081	28,078	77,268	28,078
<b>Total</b>	<b>\$ 151,008,615</b>	<b>\$ 138,958,271</b>	<b>\$ 92,856,455</b>	<b>\$ 93,384,620</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$5,350,936 for the fiscal year ended June 30, 2021 and relate entirely to the District's food service (cafeteria) program operations. Charges for services of \$16,181 accounted for less than 1% of total revenues and operating grants and contributions of \$5,334,755 accounted for virtually all of the total revenues.

Total cost of all business-type activities programs and services was \$2,610,116 for the fiscal year ended June 30, 2021 and pertained entirely to food service (cafeteria) operating expenses.

For fiscal year 2021, total business-type activities revenues and transfers exceeded expenses, increasing net position by \$2,754,495 or 232% over the previous year.

# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

### 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 \$34,940,654 at June 30, 2021, an increase of \$14,868,657 from last year's fund balance of \$20,071,997. The District's restricted fund balances increased \$10,293,480, the assigned fund balances increased \$2,484,436 while the unassigned fund balance of the governmental funds increased \$2,090,741 at June 30, 2020.

Revenues for the District's governmental funds were \$146,457,621, while total expenditures were \$145,864,487 for the fiscal year ended June 30, 2020. The District also had other financing sources of \$14,275,523 from ESIP bond and lease purchase proceeds.

### GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Tax Levy	\$ 85,283,457	\$ 84,522,752	\$ 760,705	1%
Tuition	5,713,794	7,083,222	(1,369,428)	-19%
Other	667,201	637,455	29,746	5%
State Sources	46,153,528	40,627,832	5,525,696	14%
Federal Sources	<u>269,969</u>	<u>216,779</u>	<u>53,190</u>	25%
Total General Fund Revenues	<u>\$ 138,087,949</u>	<u>\$ 133,088,040</u>	<u>\$ 4,999,909</u>	4%

For fiscal year 2021, total General Fund revenues increased \$4,999,909 or 4% from the previous year. Property taxes increased \$760,705 or 1% to support increases in operating costs. Tuition revenues decreased \$1,369,478 or 10% due to a decrease in enrollment from other school districts. As indicated, State aid increased \$5,525,696 or 14% mainly due to the increase in equalization formula aid as well as on-behalf TPAF pension and post retirement medical benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 84,991,846	\$ 82,294,678	\$ 2,697,168	3%
Support Services	41,940,450	43,278,561	(1,338,111)	-3%
Capital Outlay	3,954,154	2,275,150	1,679,004	74%
Debt Service	<u>675,866</u>	<u>843,223</u>	<u>(167,357)</u>	100%
Total Expenditures	<u>\$ 131,562,316</u>	<u>\$ 128,691,612</u>	<u>\$ 2,870,704</u>	2%

# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

### GENERAL FUND (Continued)

For fiscal year 2021, total General Fund expenditures increased \$2,870,704 or 2% from the previous year. Increases in regular education and special education instruction costs and capital outlay were the major factors for the increase in the current fiscal year. Notable decreases in the current year were in pupil transportation costs.

In fiscal year 2021 General Fund revenues exceeded expenditures and other financing uses by \$5,722,306. Therefore, the total fund balance of \$19,692,165 at June 30, 2020 increased to a fund balance of \$25,414,471 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned fund balance increased from a fund deficit of \$508,601 at June 30, 2020 to a fund balance of \$1,582,140 at June 30, 2021. The District's restricted fund balances (capital reserve, maintenance reserve, emergency reserve, excess surplus and unemployment compensation reserve increased from a collective total fund balance of \$16,877,653 at June 30, 2020 to \$18,024,782 at June 30, 2021. The District's assigned fund balances (year end encumbrances and designated for subsequent expenditures) increased from a collective total fund balance of \$3,323,117 at June 30, 2020 to \$5,807,549 at June 30, 2021.

### CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2021, the District had \$30,117,805 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$522,703 for business type activities. For fiscal year 2021 depreciation expense was \$2,035,587 for governmental activities and \$48,858 for business-type activities. The following is a comparison of the June 30, 2021 and 2020 balances:

#### Capital Assets as of June 30, 2021 and 2020 (Net of Accumulated Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and Land Improvements	\$ 1,563,430	\$ 649,798		
Building and Building Improvements	22,260,036	21,352,724	\$ 300,167	\$ 319,778
Machinery and Equipment	1,894,055	2,134,282	222,536	251,783
Construction in Progress	4,400,284	-	-	-
<b>Total Capital Assets, Net</b>	<u>\$ 30,117,805</u>	<u>\$ 24,136,804</u>	<u>\$ 522,703</u>	<u>\$ 571,561</u>

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

# HACKENSACK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

### LONG TERM LIABILITIES

At June 30, 2021 the District had \$39,159,514 of total outstanding long term liabilities. Of this amount, \$13,242,030 is for ESIP bonds, \$636,105 is for capital leases, \$767,102 is for lease purchase agreements, \$1,160,097 is for compensated absences, and \$23,353,580 is for net pension liability. For fiscal year 2021 total outstanding long-term liabilities increased by \$10,540,614. The following is a comparison of the June 30, 2021 and 2020 balances:

### Outstanding Long-Term Liabilities as of June 30, 2021 and 2020

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Serial Bonds (including unamortized premium)	\$ 13,242,030	
Capital Leases	636,105	\$ 941,814
Lease Purchase Agreements	767,102	338,487
Compensated Absences	1,160,697	1,209,944
Net Pension Liability	<u>23,353,580</u>	<u>26,128,655</u>
<b>Total Long-Term Liabilities</b>	<b><u>\$ 39,159,514</u></b>	<b><u>\$ 28,618,900</u></b>

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through the appropriation of capital reserve, reappropriation of prior year encumbrances and budget transfers to prevent over expenditures in specific line item accounts. In addition, the District reduced its budget during the year to offset a portion of the loss in budgeted state aid.

For fiscal year 2021 General Fund budgetary revenues exceeded budgetary expenditures and other financing uses increases budgetary fund balance \$6,056,484. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$2,424,919 from an unassigned fund balance of \$2,996,464 at June 30, 2020 to \$5,421,383 at June 30, 2021. In addition, the District decreased its capital reserve \$1,365,347 to \$7,771,711 at June 30, 2021, increased its maintenance reserve \$1,000,230 to \$2,010,863 at June 30, 2021 and increased its emergency reserve \$30 to \$300,030 at June 30, 2021. The District's total restricted excess surplus balance also increased \$1,705,373 to \$7,139,368 at June 30, 2021 and the unemployment compensation reserve decreased \$193,157 to \$802,810 at June 30, 2021. Overall assigned fund balances increased \$2,484,436 to \$5,807,549 at June 30, 2021.

## HACKENSACK BOARD OF EDUCATION

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

#### **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 2020-2021 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related employee benefit costs.

These indicators were considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund increased approximately 5% to \$132,311,602 for fiscal year 2021-2022. A significant portion of this budget increase was funded from additional state aid granted to the District.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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



## **FINANCIAL STATEMENTS**

**HACKENSACK BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 36,814,266	\$ 2,824,852	\$ 39,639,118
Restricted Assets - Cash with Fiscal Agent	7,305		7,305
Receivables, net	1,384,206	866,938	2,251,144
Other Assets	46,667	-	46,667
Inventory		8,653	8,653
Capital Assets, Not Being Depreciated	4,469,084		4,469,084
Capital Assets, Being Depreciated, Net	<u>25,648,721</u>	<u>522,703</u>	<u>26,171,424</u>
Total Assets	<u>68,370,249</u>	<u>4,223,146</u>	<u>72,593,395</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,981,091</u>	<u>-</u>	<u>1,981,091</u>
Total Deferred Outflows of Resources	<u>1,981,091</u>	<u>-</u>	<u>1,981,091</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,703,790	261,283	2,965,073
Accrued Interest Payable	84,232		84,232
Unearned Revenue	608,000	20,572	628,572
Noncurrent Liabilities			
Due Within One Year	682,954		682,954
Due Beyond One Year	<u>38,476,560</u>	<u>-</u>	<u>38,476,560</u>
Total Liabilities	<u>42,555,536</u>	<u>281,855</u>	<u>42,837,391</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenues		2,042	2,042
Deferred Amounts on Net Pension Liability	<u>10,907,353</u>	<u>-</u>	<u>10,907,353</u>
Total Deferred Inflows of Resources	<u>10,907,353</u>	<u>2,042</u>	<u>10,909,395</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	25,425,587	522,703	25,948,290
Restricted for			
Capital Projects	7,771,711		7,771,711
Plant Maintenance	2,010,863		2,010,863
Unemployment Compensation	802,810		802,810
Student Activities	308,499		308,499
Other Purposes	24,462		24,462
Unrestricted	<u>(19,455,481)</u>	<u>3,416,546</u>	<u>(16,038,935)</u>
Total Net Position	<u>\$ 16,888,451</u>	<u>\$ 3,939,249</u>	<u>\$ 20,827,700</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, 2021**

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
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 66,549,132	\$ 4,955,263	\$ 22,243,415	\$ 143,431	\$ (39,207,023)		\$ (39,207,023)
Special Education	28,951,522	758,531	13,436,431		(14,756,560)		(14,756,560)
Other Instruction	3,747,029		1,289,027		(2,458,002)		(2,458,002)
School Sponsored Activities and Athletics	1,858,461	186,946	114,547		(1,556,968)		(1,556,968)
Support Services							
Student and Instruction Related Services	23,316,910		8,739,721		(14,577,189)		(14,577,189)
General Administrative Services	1,827,057		180,295		(1,646,762)		(1,646,762)
School Administrative Services	7,361,203		2,137,280		(5,223,923)		(5,223,923)
Central Services and Info. Technology	3,392,599		370,675		(3,021,924)		(3,021,924)
Plant Operations and Maintenance	12,303,949		2,907,748		(9,396,201)		(9,396,201)
Pupil Transportation	1,622,672		688,037		(934,635)		(934,635)
Interest on Long Term Debt	78,081	-	813	-	(77,268)	-	(77,268)
<b>Total Governmental Activities</b>	<b>151,008,615</b>	<b>5,900,740</b>	<b>52,107,989</b>	<b>143,431</b>	<b>(92,856,455)</b>	<b>-</b>	<b>(92,856,455)</b>
<b>Business-Type Activities</b>							
Food Service	2,610,116	16,181	5,334,755	-	-	\$ 2,740,820	2,740,820
<b>Total Business-Type Activities</b>	<b>2,610,116</b>	<b>16,181</b>	<b>5,334,755</b>	<b>-</b>	<b>-</b>	<b>2,740,820</b>	<b>2,740,820</b>
<b>Total Primary Government</b>	<b>\$ 153,618,731</b>	<b>\$ 5,916,921</b>	<b>\$ 57,442,744</b>	<b>\$ 143,431</b>	<b>(92,856,455)</b>	<b>2,740,820</b>	<b>(90,115,635)</b>
<b>General Revenues</b>							
Taxes:							
Property Taxes, levied for general purposes, net					85,283,457		85,283,457
Unrestricted State Aid					15,654,463		15,654,463
Investment Earnings					59,378	-	59,378
Miscellaneous Income					608,440		608,440
<b>Transfers</b>					<b>(13,675)</b>	<b>13,675</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>101,592,063</b>	<b>13,675</b>	<b>101,605,738</b>
Change in Net Position					8,735,608	2,754,495	11,490,103
Net Position, Beginning of Year (Restated)					8,152,843	1,184,754	9,337,597
Net Position, End of Year					<b>\$ 16,888,451</b>	<b>\$ 3,939,249</b>	<b>\$ 20,827,700</b>

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

## **FUND FINANCIAL STATEMENTS**

**HACKENSACK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

	<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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 27,016,058	\$ 464,872	\$ 9,333,335	\$ 1	\$ 36,814,266
Restricted Assets - Cash with Fiscal Agent			7,305		7,305
Due from Other Funds	147,418				147,418
Receivables from Other Governments	596,794	765,617			1,362,411
Other Receivables	21,795				21,795
Security Deposit	46,667	-	-	-	46,667
Total Assets	<u>\$ 27,828,732</u>	<u>\$ 1,230,489</u>	<u>\$ 9,340,640</u>	<u>\$ 1</u>	<u>\$ 38,399,862</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 2,095,049	\$ 200,649			\$ 2,295,698
Due to Other Funds			\$ 147,418		147,418
Payable to State Government	319,212	61,927			381,139
Payable to Federal Government		26,953			26,953
Unearned Revenue	-	608,000	-	-	608,000
Total Liabilities	<u>2,414,261</u>	<u>897,529</u>	<u>147,418</u>	<u>-</u>	<u>3,459,208</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	6,041,603				6,041,603
Capital Reserve-Designated for Subsequent Year's Expenditures	1,730,108				1,730,108
Maintenance Reserve	2,010,863				2,010,863
Emergency Reserve	300,030				300,030
Excess Surplus	3,417,738				3,417,738
Excess Surplus-Designated for Subsequent Year's Expenditures	3,721,630				3,721,630
Unemployment Compensation Reserve	802,810				802,810
Student Activities		308,499			308,499
Scholarships		24,461			24,461
Capital Projects			9,193,222		9,193,222
Debt Service				\$ 1	1
Assigned Fund Balance					
Year End Encumbrances	1,210,158				1,210,158
FFCRA/SEMI	20,230				20,230
Designated for Subsequent Year's Expenditures	4,577,161				4,577,161
Unassigned Fund Balance	<u>1,582,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,582,140</u>
Total Fund Balances	<u>25,414,471</u>	<u>332,960</u>	<u>9,193,222</u>	<u>1</u>	<u>34,940,654</u>
Total Liabilities and Fund Balances	<u>\$ 27,828,732</u>	<u>\$ 1,230,489</u>	<u>\$ 9,340,640</u>	<u>\$ 1</u>	<u>\$ 38,399,862</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, 2021**

**Total Fund Balances (Exhibit B-1)** **\$ 34,940,654**

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 \$66,850,305 and the accumulated depreciation is \$36,732,500.

30,117,805

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

Deferred Outflows of Resources	\$ 1,981,091	
Deferred Inflows of Resources	<u>(10,907,353)</u>	(8,926,262)

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:

(84,232)

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

Bonds Payable, Net	(13,242,030)	
Capital Leases Payable	(636,105)	
Lease-Purchase Agreements	(767,102)	
Compensated Absences	(1,160,697)	
Net Pension Liability	<u>(23,353,580)</u>	<u>(39,159,514)</u>

**Net Position of Governmental Activities (Exhibit A-1)** **\$ 16,888,451**

**HACKENSACK BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 85,283,457				\$ 85,283,457
Tuition	5,713,794				5,713,794
Interest	58,761	\$ 37	\$ 580		59,378
Miscellaneous	608,440	186,946	-	-	795,386
Total - Local Sources	91,664,452	186,983	580	-	91,852,015
State Sources	46,153,528	3,047,800			49,201,328
Federal Sources	269,969	5,134,309	-	-	5,404,278
Total Revenues	138,087,949	8,369,092	580	-	146,457,621
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	54,841,053	4,041,382	\$ 1,020,418		59,902,853
Special Education Instruction	25,400,167	1,618,009			27,018,176
Other Instruction	3,236,498	85,099			3,321,597
School-Sponsored Activities and Athletics	1,514,128	239,254			1,753,382
Support Services					
Student and Instruction Related Services	18,711,273	2,499,677			21,210,950
General Administrative Services	1,613,581				1,613,581
School Administrative Services	6,614,034				6,614,034
Central Services and Info. Technology	3,150,977				3,150,977
Plant Operations and Maintenance	10,251,656	317,645			10,569,301
Pupil Transportation	1,598,929				1,598,929
Debt Service					
Principal	644,196	260,305			904,501
Interest	31,670	813			32,483
Cost of Issuance			152,836		152,836
Capital Outlay	3,954,154	143,431	3,923,302	-	8,020,887
Total Expenditures	131,562,316	9,205,615	5,096,556	-	145,864,487
Excess (Deficiency) of Revenues Over Expenditures	6,525,633	(836,523)	(5,095,976)	-	593,134
<b>OTHER FINANCING SOURCES (USES)</b>					
ESIP Bond Proceeds			11,275,000		11,275,000
Premium on Issuance of ESIP Bonds			1,986,791		1,986,791
Lease Purchase Proceeds			1,027,407		1,027,407
Transfers In		789,652			789,652
Transfers Out	(803,327)	-	-	-	(803,327)
Total Other Financing Sources and Uses	(803,327)	789,652	14,289,198	-	14,275,523
Net Change in Fund Balances	5,722,306	(46,871)	9,193,222	-	14,868,657
Fund Balance, Beginning of Year (Restated)	19,692,165	379,831	-	1	20,071,997
Fund Balance, End of Year	\$ 25,414,471	\$ 332,960	\$ 9,193,222	\$ 1	\$ 34,940,654

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, 2021**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 14,868,657**

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

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

Capital Outlay	\$ 8,020,887	
Depreciation Expense	<u>(2,035,587)</u>	
		5,985,300

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements

Loss on Disposal of Capital Assets	(4,299)
------------------------------------	---------

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 Decrease in Compensated Absences	49,247	
Net Decrease in Pension Expense	<u>1,266,998</u>	
		1,316,245

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

Principal Repayments		
Capital Leases	305,709	
Lease Purchase Agreements	<u>598,792</u>	
		904,501

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:		
ESIP Bond Proceeds	(11,275,000)	
Premium on ESIP Bond Proceeds	(1,986,791)	
Lease Purchase Proceeds	<u>(1,027,407)</u>	
		(14,289,198)

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	19,761
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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.

Increase in accrued interest	<u>(65,359)</u>
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<b>Change in Net Position of Governmental Activities (Exhibit A-2)</b>	<b><u>\$ 8,735,608</u></b>
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement.



**HACKENSACK BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 2,824,852
Intergovernmental Receivable	866,938
Inventory	<u>8,653</u>
Total Current Assets	<u>3,700,443</u>
Capital Assets	
Building and Building Improvements	392,221
Machinery and Equipment	611,321
Less: Accumulated Depreciation	<u>(480,839)</u>
Total Capital Assets, Net	<u>522,703</u>
Total Assets	<u>4,223,146</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	261,283
Unearned Revenue	<u>20,572</u>
Total Current Liabilities	<u>281,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>2,042</u>
Total Deferred Inflows of Resources	<u>2,042</u>
<b>NET POSITION</b>	
Investment in Capital Assets	522,703
Unrestricted	<u>3,416,546</u>
Total Net Position	<u>\$ 3,939,249</u>

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

**HACKENSACK BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	
Non-Reimbursable Programs	\$ 16,181
Total Operating Revenues	<u>16,181</u>
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	758,933
Cost of Sales - Reimbursable Programs	1,415,627
Purchased Management Services	111,290
Other Purchased Services	1,500
Insurance	88,896
Transportation	75,388
Repairs and Maintenance	23,979
Supplies	62,764
Miscellaneous	22,881
Depreciation	<u>48,858</u>
Total Operating Expenses	<u>2,610,116</u>
Operating Loss	<u>(2,593,935)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
School Lunch Program	154,218
Federal Sources	
National School Breakfast Program	1,830,464
National School Lunch Program	2,915,784
Emergency Operational Cost Program	218,027
Administrative Cost Program	3,063
Food Distribution Program	191,104
Local Sources	
Safety Incentive Grant	<u>22,095</u>
Total Nonoperating Revenues	<u>5,334,755</u>
Income (Loss) Before Transfers	2,740,820
Transfers In	<u>13,675</u>
Change in Net Position	2,754,495
Net Position, Beginning of Year	<u>1,184,754</u>
Net Position, End of Year	<u>\$ 3,939,249</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, 2021**

	<b>Business-Type Activities <u>Enterprise Fund</u> <u>Food Services</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 28,632
Cash Payment for Salaries and Benefits	(758,933)
Cash Payments to Suppliers for Goods and Services	<u>(1,414,913)</u>
Net Cash Used by Operating Activities	<u>(2,145,214)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from Other Funds	13,675
Cash Received from State and Federal Subsidy Reimbursements	4,413,525
Cash Received from Local Grants	<u>22,095</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,449,295</u>
Net Increase in Cash and Cash Equivalents	2,304,081
Cash and Cash Equivalents, Beginning of Year	<u>520,771</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,824,852</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(2,593,935)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	48,858
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	191,104
Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Other Accounts Receivable	15,398
(Increase)/Decrease in Inventory	9,306
Increase/(Decrease) in Accounts Payable	184,960
Increase (Decrease) in Unearned Revenue	(2,947)
Increase/(Decrease) in Deferred Commodities Revenue	<u>2,042</u>
Total Adjustments	<u>448,721</u>
Net Cash Used by Operating Activities	<u><u>\$ (2,145,214)</u></u>
<b>Non-Cash Investing, Capital and Financing Activities</b>	
Value Received for Food Distribution Program	\$ 193,146

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, 2021**

**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 is appointed by the Board and is responsible for the administrative control of the District. A 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 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 Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent 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 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

The District reports the following nonmajor governmental fund:

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

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

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**4. *Restricted Assets***

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by lease-purchase agreements for the purchase of computers and related technology items.

**5. *Capital Assets***

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

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***5. Capital Assets (Continued)***

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

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

***6. Deferred Outflows/Inflows of Resources***

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

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

***7. Compensated Absences***

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**8. Pensions**

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

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

**9. 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.

**10. 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.

HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 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, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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).

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.

Scholarship Awards – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

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

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

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements (Continued)**

**Assigned Fund Balance (Continued)**

FFCRA/SEMI – Represents fund balance assigned specifically for the Families First Coronavirus Response Act in the General Fund that was not appropriated in the 2020/2021 school year. These funds are available for appropriation in subsequent year's budgets.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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

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

**11. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government 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 government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**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 1<sup>st</sup> 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 2019-2020 and 2020-2021 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. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April to be voted upon at the annual school election held on the third Tuesday in April.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$4,178,490. The increase was funded by the additional appropriation of capital reserve, grant awards, student activities revenue, scholarship revenue and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board also reduced general fund appropriations by \$2,144,220 due to the reduction of budgeted state aid. In addition, the Board authorized and approved additional appropriation of unassigned fund balance of \$587,435 to offset a portion of the reduction in budgeted state aid.

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

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

**B. Capital Reserve**

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

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$	9,137,058
Increased by			
Interest Earnings	\$	14,553	
Deposits Approved by Board Resolution		<u>2,000,000</u>	
Total Increases			<u>2,014,553</u>
			11,151,611
Decreased by:			
Withdrawals Approved in District Budget	(2,826,605)		
Withdrawals Approved By Board Resolution	<u>(553,295)</u>		
			<u>(3,379,900)</u>
Balance, June 30, 2021		\$	<u><u>7,771,711</u></u>

The withdrawals from the capital reserve were for use in a department approved facilities projects, consistent with the district's Long Range Facilities Plan. The District designated and appropriated \$1,730,108 of the capital reserve balance at June 30, 2021 for use in the 2020/2021 original budget certified for taxes.

**C. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$	1,010,633
Increased by			
Interest Earnings	\$	230	
Deposits Approved by Board Resolution		<u>1,000,000</u>	
			<u>1,000,230</u>
Balance, June 30, 2021		\$	<u><u>2,010,863</u></u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$7,510,326.



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 300,000
Increased by	
Deposits Interest	<u>30</u>
Balance, June 30, 2021	<u>\$ 300,030</u>

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$7,139,368. Of this amount, \$3,721,630 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$3,417,738 will be appropriated in the 2022/2023 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

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, 2021, the book value of the Board's deposits were \$30,313,088 and bank and brokerage firm balances of the Board's deposits amounted to \$30,669,787. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with Fiscal Agent" are categorized as:

**Depository Account**

Insured	<u>\$ 30,669,787</u>
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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, 2021 none of the Board's bank balances were exposed to custodial credit risk.

**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, 2021, the Board had the following investments:

<b><u>Investment Type:</u></b>	<b><u>Fair Value</u></b>
NJ ARM Managed Account - Money Market Mutual Fund	<u>\$ 9,333,335</u>

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 risk. As of June 30, 2021, \$9,333,335 of the Board's investments was exposed to custodial credit risk as follows:

	<b><u>Fair Value</u></b>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>9,333,335</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, 2021 the Board's investments in NJ ARM was rated AAA by Standard and Poor's.

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

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, 2021 are categorized as Level 2.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**B. Receivables**

Receivables as of June 30, 2021 for the district's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 765,617	\$ 840,005	\$ 1,605,622
State			26,933	26,933
Local	\$ 596,794			596,794
Accounts	<u>21,795</u>	<u>-</u>	<u>-</u>	<u>21,795</u>
Gross Receivables	618,589	765,617	866,938	2,251,144
Less: Allowance for				-
Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 618,589</u>	<u>\$ 765,617</u>	<u>\$ 866,938</u>	<u>\$ 2,251,144</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	\$ 537,735
Grant Draw Downs Reserved for Encumbrances	<u>70,265</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 608,000</u>

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 68,800	-	-	\$ 68,800
Construction in Progress	-	\$ 4,400,284	-	4,400,284
Total Capital Assets, Not Being Depreciated	68,800	4,400,284	-	4,469,084
Capital Assets, Being Depreciated:				
Land Improvements	688,526	1,097,155		1,785,681
Buildings and Building Improvements	51,057,540	2,307,650		53,365,190
Machinery and Equipment	7,024,107	215,798	\$ (9,555)	7,230,350
Total Capital Assets Being Depreciated	58,770,173	3,620,603	(9,555)	62,381,221
Less Accumulated Depreciation for:				
Land Improvements	(107,528)	(183,523)		(291,051)
Buildings and Building Improvements	(29,704,816)	(1,400,338)		(31,105,154)
Equipment	(4,889,825)	(451,726)	5,256	(5,336,295)
Total Accumulated Depreciation	(34,702,169)	(2,035,587)	5,256	(36,732,500)
Total Capital Assets, Being Depreciated, Net	24,068,004	1,585,016	(4,299)	25,648,721
Governmental Activities Capital Assets, Net	\$ 24,136,804	\$ 5,985,300	\$ (4,299)	\$ 30,117,805

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 392,221			\$ 392,221
Equipment	<u>611,321</u>	<u>-</u>	<u>-</u>	<u>611,321</u>
Total Capital Assets Being Depreciated	<u>1,003,542</u>	<u>-</u>	<u>-</u>	<u>1,003,542</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(72,443)	\$ (19,611)		(92,054)
Equipment	<u>(359,538)</u>	<u>(29,247)</u>	<u>-</u>	<u>(388,785)</u>
Total Accumulated Depreciation	<u>(431,981)</u>	<u>(48,858)</u>	<u>-</u>	<u>(480,839)</u>
Total Capital Assets, Being Depreciated, Net	<u>571,561</u>	<u>(48,858)</u>	<u>-</u>	<u>522,703</u>
Business-Type Activities Capital Assets, Net	<u>\$ 571,561</u>	<u>\$ (48,858)</u>	<u>\$ -</u>	<u>\$ 522,703</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular Instruction	\$ 93,756
Special Education Instruction	41,127
Other Instruction	5,176
School-Sponsored Activities and Athletics	<u>77,404</u>
Total Instruction	<u>217,463</u>
Support Services	
Student and Instruction Related Services	31,225
General Administrative Services	1,840
School Administrative Services	11,474
Central Services and Info. Technology	130,108
Plant Operations and Maintenance	1,621,184
Pupil Transportation	<u>22,293</u>
Total Support Services	<u>1,818,124</u>
Total Governmental Funds	<u>\$ 2,035,587</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 48,858</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 48,858</u>

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Energy Savings Improvement Project	\$ 8,812,977
Construction Services for HS Tennis Court	<u>109,146</u>
Total	<u>\$ 8,922,123</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2021, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	<u>\$ 147,418</u>

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

**Interfund Transfers**

	<u>Transfer In:</u>		
	<u>Special Revenue</u>	<u>Enterprise Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund	<u>\$ 789,652</u>	<u>\$ 13,675</u>	<u>\$ 803,327</u>
	<u>\$ 789,652</u>	<u>\$ 13,675</u>	<u>\$ 803,327</u>

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Operating Leases**

The District leases various office and medical equipment under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$666,534. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2022	678,159
2023	<u>674,450</u>
Total	<u>\$ 1,352,609</u>

**Capital Leases**

The District is leasing a phone system, buses and copiers totaling \$1,416,116 under capital leases. The leases are for terms of 4 to 5 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Building Improvements	\$ 800,000
Machinery and Equipment	<u>616,116</u>
Total	<u>\$ 1,416,116</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2022	\$ 330,843
2023	<u>330,843</u>
Total minimum lease payments	661,686
Less: amount representing interest	<u>(25,581)</u>
Present value of minimum lease payments	<u>\$ 636,105</u>



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Lease Purchase Agreements**

The District has entered into a lease purchase agreement totaling \$1,027,407 for the purchase of chromebooks and various information technology supplies for a lease term of 4 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2022	261,118
2023	261,118
2024	261,118
Less: amount representing interest	(16,252)
Present value of minimum lease payments	<u>\$ 767,102</u>

**G. 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, 2021 are comprised of the following issues:

\$11,275,000, 2021 ESIP Bonds, due in annual installments of \$445,000 to \$795,000 through May 1, 2042 interest at 3.00% to 4.00%	<u>\$11,275,000</u>
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**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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>	
2022	-	\$ 414,098	\$ 414,098
2023	\$ 445,000	427,150	872,150
2024	725,000	409,350	1,134,350
2025	345,000	380,350	725,350
2026	405,000	366,550	771,550
2027-2031	2,370,000	1,572,750	3,942,750
2032-2036	3,290,000	1,031,550	4,321,550
2037-2041	3,050,000	380,350	3,430,350
2042	<u>645,000</u>	<u>19,350</u>	<u>664,350</u>
Total	<u>\$ 11,275,000</u>	<u>\$ 5,001,498</u>	<u>\$ 16,276,498</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 236,738,705
Less: Net Debt	<u>11,275,000</u>
Remaining Borrowing Power	<u>\$ 225,463,705</u>

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Restated Balance, <u>July 1, 2020</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2021</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable		\$ 11,275,000		\$ 11,275,000	
Add: Unamortized Premium	-	1,986,791	\$ 19,761	1,967,030	-
Total Bonds Payable	-	13,261,791	19,761	13,242,030	-
Capital Leases	\$ 941,814		305,709	636,105	\$ 313,864
Lease-Purchase Agreements	338,487	1,027,407	598,792	767,102	253,021
Compensated Absences	1,209,944	64,354	113,601	1,160,697	116,069
Net Pension Liability	26,128,655	-	2,775,075	23,353,580	-
Governmental Activity Long-Term Liabilities	<u>\$ 28,618,900</u>	<u>\$ 14,353,552</u>	<u>\$ 3,812,938</u>	<u>\$ 39,159,514</u>	<u>\$ 682,954</u>

For the governmental activities, the liabilities for capital leases, compensated absences, claims and judgements and net pension liability are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance fund is 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>
2021	None	\$ 65,142	\$ 189	\$ 258,489	\$ 802,810
2020	1,000,000	90,935	408	185,687	995,967
2019	None	87,371	1,228	215,681	90,311

**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 scheduled to close on March 3, 2022, but both parties jointly requested an extension, to complete IMEs, expert reports and expert depositions.

**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, 2021, 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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 or do not work the minimum required hours 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.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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](http://www.state.nj.us/treasury/pensions).

**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.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 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 2021.

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, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

During the fiscal years ended June 30, 2021, 2020 and 2019 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>
2021	\$ 1,566,632	\$ 13,466,208	\$ 69,433
2020	1,410,529	10,079,089	85,277
2019	1,457,332	8,944,877	85,576

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$3,959 and \$4,646, respectively for PERS and the State contributed \$4,959, \$5,112 and \$6,526, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,712,612 during the fiscal year ended June 30, 2021 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, 2019 through June 30, 2020. 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.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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)**

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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$23,353,580 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was .14321 percent, which was a decrease of .00180 percent from its proportionate share measured as of June 30, 2019 of .14501 percent.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$299,634 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 425,230	\$ 82,588
Changes of Assumptions	757,617	9,778,365
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	798,244	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>-</u>	<u>1,046,400</u>
Total	<u>\$ 1,981,091</u>	<u>\$ 10,907,353</u>

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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)**

At June 30, 2021, 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>
2022	\$ (2,687,197)
2023	(2,662,387)
2024	(2,385,576)
2025	(1,029,432)
2026	<u>(161,670)</u>
	<u>\$ (8,926,262)</u>

***Actuarial Assumptions***

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

<u>PERS</u>	
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 29,398,261</u>	<u>\$ 23,353,580</u>	<u>\$ 18,224,503</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 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](http://www.state.nj.us/treasury/pensions).

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2019 through June 30, 2020. 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, 2020, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$18,485,015 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$297,261,970. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .45143 percent, which was an increase of .00595 percent from its proportionate share measured as of June 30, 2019 of .44548 percent.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b><u>Fiscal</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
<b><u>Year</u></b>		
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

***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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 349,168,998</u>	<u>\$ 297,261,970</u>	<u>\$ 254,161,896</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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)**

***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](http://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 an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a 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.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. 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.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,108</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 plans. 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**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

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, 2021, 2020 and 2019 were \$4,220,100, \$3,739,158 and \$4,057,382, 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, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$12,501,570. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$241,646,826. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .35636 percent, which was an increase of .00550 percent from its proportionate share measured as of June 30, 2019 of .35086 percent.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Actuarial Assumptions**

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Actuarial Assumptions (Continued)**

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

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

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 146,408,858
Changes Recognized for the Fiscal Year:	
Service Cost	6,166,632
Interest on the Total OPEB Liability	5,269,367
Differences Between Expected and Actual Experience	43,740,760
Changes of Assumptions	44,140,571
Gross Benefit Payments	(4,206,872)
Contributions from the Member	127,510
<b>Net Changes</b>	<u>\$ 95,237,968</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 241,646,826</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 291,317,722</u>	<u>\$ 241,646,826</u>	<u>\$ 202,808,969</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:

	<b>1% Decrease <u></u></b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase <u></u></b>
Total OPEB Liability (School Retirees)	<u>\$ 195,065,467</u>	<u>\$ 241,646,826</u>	<u>\$ 297,114,872</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.



**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Subsequent Events**

**Lease Purchase Agreement**

On July 14, 2021 the District entered into a lease purchase agreement for the acquisition of chromebook in the amount of \$1,445,265. The lease purchase agreement is for a term of 4 years at an interest rate of 0.9085% with the first lease payment due July 14, 2021.

**G. Tax Abatements**

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

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

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Hackensack Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The District also made a prior period adjustment for a correction of an error related to the calculation of the compensated absences liability as of June 30, 2020. The Hackensack Board of Education has determined that the effect of implementing this accounting change and the correction of an error on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities which increased net position by \$1,375,798. The financial statements of the governmental activities as of June 30, 2020 have also been restated to reflect the revised calculation of the compensated absences liability based on an employee's eligibility to receive such benefit at year end which resulted in an increase in net position of \$1,688,468. The effect of these restatements is to increase net position of governmental activities by \$3,064,266 from \$5,088,577 as previously reported to \$8,152,843 as of June 30, 2020.

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$1,375,798 from \$18,696,199 as previously reported to \$20,071,997 as of June 30, 2020. General Fund fund balance increased \$995,967 from \$18,696,198 as previously reported to \$19,692,165 as of June 30, 2020. Special Revenue Fund fund balance increased \$379,831 from \$0 as previously reported to \$379,831 as of June 30, 2020.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$1,034,991 from \$1,034,991 as previously reported to \$0 as of June 30, 2020.

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 85,283,457		\$ 85,283,457	\$ 85,283,457	
Tuition from Other LEA's	7,086,508	\$ (912,665)	6,173,843	5,703,481	\$ (470,362)
Tuition from Other Governmental Sources within the State	131,148		131,148		(131,148)
Tuition from Individuals				10,313	10,313
Interest on Emergency Reserve				30	30
Interest on Maintenance Reserve				230	230
Interest on Unemployment Reserve				189	189
Interest on Capital Reserve	10,000		10,000	14,553	4,553
Interest on Investments				43,759	43,759
Unrestricted Miscellaneous	400,000	-	400,000	608,440	208,440
Total Local Sources	92,911,113	(912,665)	91,998,448	91,664,452	(333,996)
State Sources					
Categorical Transportation Aid	682,382		682,382	682,382	
Categorical Special Education Aid	4,787,838	-	4,787,838	4,787,838	-
Equalization Aid	18,509,146	(2,731,555)	15,777,591	15,777,591	
Categorical Security Aid	2,121,557	-	2,121,557	2,121,557	
Extraordinary Aid	731,000	-	731,000	1,714,459	983,459
On-behalf TPAF Pension System Contributions-Normal Costs & Accrued Liabilities (Non-Budget)				13,214,779	13,214,779
On-behalf TPAF Pension System Contributions-NCGI (Non-Budget)				251,429	251,429
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				4,220,100	4,220,100
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				4,959	4,959
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	3,712,612	3,712,612
Total State Sources	26,831,923	(2,731,555)	24,100,368	46,487,706	22,387,338
Federal Sources					
Medicaid Reimbursement	209,758	-	209,758	269,969	60,211
Total Federal Sources	209,758	-	209,758	269,969	60,211
Total Revenues	119,952,794	(3,644,220)	116,308,574	138,422,127	22,113,553
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,193,304	(6,101)	1,187,203	1,184,864	2,339
Grades 1-5	10,234,115	(831,189)	9,402,926	9,399,843	3,083
Grades 6-8	7,399,585	(117,090)	7,282,495	7,275,040	7,455
Grades 9-12	11,221,171	(140,475)	11,080,696	11,048,097	32,599
Regular Program - Home Instruction					
Salaries of Teachers	151,500	(148,336)	3,164	-	3,164
Purchased Professional-Educational Services	46,500	-	46,500	27,126	19,374
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	413,998	16,015	430,013	426,570	3,443
Purchased Professional-Educational Services	801,400	1,050	802,450	396,003	406,447
Purchased Technical Services	123,255	74,650	197,905	104,726	93,179
Other Purchased Services	1,121,979	133,305	1,255,284	844,604	410,680
General Supplies	1,373,460	148,119	1,521,579	1,184,698	336,881
Textbooks	207,947	7,372	215,319	110,788	104,531
Other Objects	1,500	878	2,378	254	2,124
Total Regular Programs	34,289,714	(861,802)	33,427,912	32,002,613	1,425,299

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 851,571	\$ 9,310	\$ 860,881	\$ 860,586	\$ 295
Other Salaries for Instruction	660,475	53,000	713,475	706,298	7,177
General Supplies	-	523	523	520	3
Total Learning and/or Language Disabilities	1,512,046	62,833	1,574,879	1,567,404	7,475
Behavior Disabilities					
Salaries of Teachers	324,283	27,200	351,483	351,064	419
Other Salaries for Instruction	92,170	(16,462)	75,708	75,708	-
Total Behavior Disabilities	416,453	10,738	427,191	426,772	419
Multiple Disabilities					
Salaries of Teachers	778,705	15,872	794,577	794,166	411
Other Salaries for Instruction	383,935	103,790	487,725	476,086	11,639
General Supplies	-	523	523	455	68
Total Multiple Disabilities	1,162,640	120,185	1,282,825	1,270,707	12,118
Resource Room/ Resource Center					
Salaries of Teachers	4,868,492	155,584	5,024,076	5,019,512	4,564
Other Salaries for Instruction	1,212,955	261,416	1,474,371	1,474,019	352
General Supplies	-	524	524	524	-
Total Resource Room/Resource Center	6,081,447	417,524	6,498,971	6,494,055	4,916
Autism					
General Supplies	-	25,808	25,808	-	25,808
Total Autism	-	25,808	25,808	-	25,808
Preschool Disabilities - Full Time					
Salaries of Teachers	1,080,545	114,789	1,195,334	1,194,212	1,122
Other Salaries for Instruction	372,955	246,966	619,921	619,798	123
General Supplies	-	1,107	1,107	-	1,107
Total Preschool Disabilities - Full Time	1,453,500	362,862	1,816,362	1,814,010	2,352
Home Instruction					
Salaries of Teachers	-	45,149	45,149	45,149	-
Total Home Instruction	-	45,149	45,149	45,149	-
Total Special Education	10,626,086	1,045,099	11,671,185	11,618,097	53,088
Bilingual Education					
Salaries of Teachers	1,984,702	(65,464)	1,919,238	1,919,124	114
Other Salaries for Instruction	83,370	54,521	137,891	137,510	381
General Supplies	-	699	699	566	133
Total Bilingual Education	2,068,072	(10,244)	2,057,828	2,057,200	628
School Sponsored Co/Extra Curricular Activities					
Salaries	289,647	(38,758)	250,889	168,230	82,659
Purchased Services	105,440	(2,299)	103,141	4,383	98,758
Supplies and Materials	19,500	3,771	23,271	18,087	5,184
Other Objects	-	1,000	1,000	480	520
Total School Sponsored Co/Extra Curricular Activities	414,587	(36,286)	378,301	191,180	187,121

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School-Sponsored Athletics - Instruction					
Salaries	\$ 1,304,873	-	\$ 1,304,873	\$ 758,708	\$ 546,165
Purchased Services	150,000	\$ (15,020)	134,980	82,875	52,105
Supplies and Materials	110,000	26,265	136,265	102,395	33,870
Other Objects	69,100	(5,275)	63,825	20,380	43,445
Total School-Sponsored Athletics - Instruction	1,633,973	5,970	1,639,943	964,358	675,585
Summer School - Instruction					
Salaries of Teachers	65,500	-	65,500	9,812	55,688
Total Summer School - Instruction	65,500	-	65,500	9,812	55,688
Instructional Alternative Education Program - Instruction					
Salaries of Teachers	35,000	-	35,000	28,769	6,231
Total Instructional Alternative Education Program - Instruction	35,000	-	35,000	28,769	6,231
Total Instruction	49,132,932	142,737	49,275,669	46,872,029	2,403,640
Instruction					
Tuition to Other LEAs Within the State-Special	1,810,645	(271,796)	1,538,849	1,147,060	391,789
Tuition to County Vocational School District - Regular	460,853	70,000	530,853	471,272	59,581
Tuition to County Vocational School District - Special	316,747	130,000	446,747	387,903	58,844
Tuition to CSSD & Regional Day Schools	3,033,457	100,000	3,133,457	2,903,019	230,438
Tuition to APSSD Within the State	5,266,154	(52,371)	5,213,783	3,197,842	2,015,941
Tuition - State Facilities	61,944	-	61,944	61,944	-
Total Undistributed Expenditures - Instruction	10,949,800	(24,167)	10,925,633	8,169,040	2,756,593
Attendance and Social Work Services					
Salaries	5,400	7,350	12,750	9,375	3,375
Total Attendance and Social Work Services	5,400	7,350	12,750	9,375	3,375
Health Services					
Salaries	851,571	(6,400)	845,171	841,678	3,493
Purchased Professional and Technical Services	30,614	15,137	45,751	7,140	38,611
Other Purchased Services		32,703	32,703	31,984	719
Supplies and Materials	12,180	17,282	29,462	21,969	7,493
Total Health Services	894,365	58,722	953,087	902,771	50,316
Speech, OT, PT & Related Services					
Salaries	1,755,230	12,000	1,767,230	1,733,500	33,730
Purchased Professional-Educational Services	709,500	713,903	1,423,403	1,362,215	61,188
Supplies and Materials	1,500	10,124	11,624	1,534	10,090
Total Speech, OT, PT & Related Services	2,466,230	736,027	3,202,257	3,097,249	105,008
Other Support Serv. Students- Extra Serv.					
Salaries	645,125	29,000	674,125	658,798	15,327
Purchased Professional-Educational Services	1,268,000	(263,460)	1,004,540	832,831	171,709
Total Other Support Serv. Students- Extra Serv.	1,913,125	(234,460)	1,678,665	1,491,629	187,036
Guidance					
Salaries of Other Professional Staff	1,186,058	(28,000)	1,158,058	1,156,016	2,042
Salaries of Secretaries and Clerical Assistants	151,904	-	151,904	146,252	5,652
Other Purchased Professional and Technical Services	40,900	(4,213)	36,687	17,581	19,106
Other Purchased Services	-	40,900	40,900	15,276	25,624
Supplies and Materials	6,932	-	6,932	1,412	5,520
Total Guidance	1,385,794	8,687	1,394,481	1,336,537	57,944

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Child Study Teams					
Salaries of Other Professional Staff	\$ 3,767,067	\$ (500,803)	\$ 3,266,264	\$ 3,264,920	\$ 1,344
Salaries of Secretaries and Clerical Assistants	359,327	53,000	412,327	360,553	51,774
Purchased Professional-Educational Services	230,000	184,531	414,531	134,285	280,246
Other Purchased Professional and Technical Services	67,000	48,220	115,220	90,242	24,978
Miscellaneous Purchased Services		343	343	343	-
Supplies and Materials	70,000	(18,525)	51,475	31,165	20,310
Other Objects	9,500	-	9,500	3,565	5,935
Total Child Study Teams	<u>4,502,894</u>	<u>(233,234)</u>	<u>4,269,660</u>	<u>3,885,073</u>	<u>384,587</u>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	948,345	1,150	949,495	839,328	110,167
Salaries of Other Professional Staff	518,347	(142,402)	375,945	297,121	78,824
Salaries of Secretaries and Clerical Assistants	153,685	-	153,685	89,469	64,216
Purchased Professional-Educational Services	25,000	(22,000)	3,000	657	2,343
Supplies and Materials	12,200	(10,707)	1,493	385	1,108
Other Objects	13,800	-	13,800	1,382	12,418
Total Improvement of Instructional Services	<u>1,671,377</u>	<u>(173,959)</u>	<u>1,497,418</u>	<u>1,228,342</u>	<u>269,076</u>
Educational Media Services/School Library					
Salaries	514,696	300	514,996	514,956	40
Purch. Professional and Technical Services	23,950	2,081	26,031	17,995	8,036
Other Purchased Services	7,950	-	7,950	7,948	2
Supplies and Materials	48,183	1,792	49,975	24,671	25,304
Total Educational Media Serv./School Library	<u>594,779</u>	<u>4,173</u>	<u>598,952</u>	<u>565,570</u>	<u>33,382</u>
Instructional Staff Training Services					
Purchased Professional-Educational Services	84,900	24,760	109,660	34,812	74,848
Other Purchased Services	72,565	(3,525)	69,040	5,755	63,285
Supplies and Materials	-	5,203	5,203	4,979	224
Total Instructional Staff Training Services	<u>157,465</u>	<u>26,438</u>	<u>183,903</u>	<u>45,546</u>	<u>138,357</u>
Support Services General Administration					
Salaries	604,512	16,160	620,672	553,677	66,995
Legal Services	385,500	110,701	496,201	457,075	39,126
Audit Fees	65,000	64,300	129,300	74,679	54,621
Other Purchased Professional Services	55,000	180,245	235,245	59,834	175,411
Communications/Telephone	41,050	30,300	71,350	65,070	6,280
BOE Other Purchased Services	3,850	-	3,850		3,850
Misc Purchased Services	31,500	28,539	60,039	59,284	755
General Supplies	13,800	(3,268)	10,532	3,292	7,240
BOE In-House Training/Meeting Supplies	5,000	-	5,000	451	4,549
Miscellaneous Expenditures	43,300	(16,956)	26,344	15,458	10,886
BOE Membership Dues and Fees	33,624	(5,500)	28,124	27,563	561
Total Support Services General Administration	<u>1,282,136</u>	<u>404,521</u>	<u>1,686,657</u>	<u>1,316,383</u>	<u>370,274</u>
Support Services School Administration					
Salaries of Principal/Asst. Principals	3,533,276	(84,295)	3,448,981	3,253,186	195,795
Salaries of Secretarial and Clerical Assistants	1,255,459	(80,800)	1,174,659	1,013,612	161,047
Purchased Professional and Technical Services		3,780	3,780	3,780	
Other Purchased Services	8,665	(437)	8,228	2,734	5,494
Supplies and Materials	28,325	15,700	44,025	24,929	19,096
Other Objects	19,303	4,924	24,227	14,772	9,455
Total Support Services School Administration	<u>4,845,028</u>	<u>(141,128)</u>	<u>4,703,900</u>	<u>4,313,013</u>	<u>390,887</u>



**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Central Services					
Salaries	\$ 845,155	\$ 175,142	\$ 1,020,297	\$ 968,375	\$ 51,922
Purchased Professional Services	1,900	-	1,900		1,900
Purchased Technical Services	18,300	(950)	17,350	11,970	5,380
Miscellaneous Purchased Services	1,700	62,940	64,640	48,060	16,580
Supplies and Materials	5,500	30,092	35,592	34,574	1,018
Interest on Lease Purchase Agreements	320,000	(320,000)			-
Miscellaneous Expenditures	-	3,750	3,750	1,490	2,260
Total Central Services	<u>1,192,555</u>	<u>(49,026)</u>	<u>1,143,529</u>	<u>1,064,469</u>	<u>79,060</u>
Admin. Info. Technology					
Salaries	677,807	77,200	755,007	726,786	28,221
Purchased Professional Services	11,000	200	11,200	11,165	35
Other Purchased Services	621,683	(12,132)	609,551	545,359	64,192
Supplies and Material	492,497	(172,565)	319,932	306,879	13,053
Total Admin. Info. Technology	<u>1,802,987</u>	<u>(107,297)</u>	<u>1,695,690</u>	<u>1,590,189</u>	<u>105,501</u>
Required Maintenance for School Facilities					
Salaries	752,861	-	752,861	695,458	57,403
Cleaning, Repair and Maint. Serv.	1,418,300	328,482	1,746,782	1,327,468	419,314
General Supplies	225,120	130,503	355,623	284,884	70,739
Total Required Maintenance for School Fac.	<u>2,396,281</u>	<u>458,985</u>	<u>2,855,266</u>	<u>2,307,810</u>	<u>547,456</u>
Custodial Services					
Salaries	3,139,664	(98,460)	3,041,204	2,911,434	129,770
Salaries of Non-Instructional Aides	273,587	(270,000)	3,587	3,264	323
Purchased Professional and Technical Services	127,420	6,940	134,360	76,238	58,122
Cleaning, Repair and Maint. Serv.	404,076	(200,000)	204,076	77,161	126,915
Rental of Land and Building Other Than Lease Purchase Agmt.	775,500	(301,000)	474,500	339,357	135,143
Other Purchased Property Services	145,000	(15,250)	129,750	84,425	45,325
Other Purchased Property Services - (Non Budget Lease Payments)		-			-
Insurance	730,000	12,890	742,890	716,144	26,746
Miscellaneous Purchased Services	1,000	-	1,000	28	972
General Supplies	448,200	(60,668)	387,532	322,952	64,580
Energy (Natural Gas)	592,887	(138,884)	454,003	381,283	72,720
Energy (Electricity)	965,352	(63,946)	901,406	695,055	206,351
Other Objects	1,500	-	1,500	450	1,050
Total Custodial Services	<u>7,604,186</u>	<u>(1,128,378)</u>	<u>6,475,808</u>	<u>5,607,791</u>	<u>868,017</u>
Care and Upkeep of Grounds					
Salaries	110,579	4,000	114,579	114,329	250
Cleaning, Repair and Maint. Serv.	43,000	10,025	53,025	46,810	6,215
General Supplies	52,000	5,023	57,023	37,659	19,364
Total Care and Upkeep of Grounds	<u>205,579</u>	<u>19,048</u>	<u>224,627</u>	<u>198,798</u>	<u>25,829</u>
Security					
Salaries	75,901	-	75,901	75,901	-
Purch. Professional and Technical Services	299,000	300,573	599,573	479,332	120,241
Cleaning, Repair, and Maintenance Services	127,000	65,115	192,115	100,951	91,164
General Supplies	6,000	-	6,000	-	6,000
Total Security	<u>507,901</u>	<u>365,688</u>	<u>873,589</u>	<u>656,184</u>	<u>217,405</u>

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Trans (Other Than Between Home & School)	\$ 90,000	\$ (41,400)	\$ 48,600	\$ 48,588	\$ 12
Other Purchased Professional and Technical Services	2,500	-	2,500		2,500
Cleaning, Repair, and Maintenance Services	32,000	(175)	31,825	10,170	21,655
Contract Services-Aid in Lieu Payments - Charter School	20,000	251,364	271,364	10,333	261,031
Contract Services (Between Home and School)-Vendors		-			-
Contract Services (Oth Than Between Home and School)-Vendors	418,260	(251,044)	167,216	3,166	164,050
Contract Services (Between Home and School)-Joint Agreements	3,200	-	3,200		3,200
Contract Services (Special Ed Students)-ESCs and CTSAs	3,109,589	(98,669)	3,010,920	1,610,264	1,400,656
Miscellaneous Purchased Services - Transportation	2,000	232	2,232	868	1,364
Other Objects	-	939	939	672	267
Total Student Transportation Services	<u>3,677,549</u>	<u>(138,753)</u>	<u>3,538,796</u>	<u>1,684,061</u>	<u>1,854,735</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	1,365,735	150,075	1,515,810	1,150,069	365,741
Other Retirement Contributions-PERS	1,821,518	(132,135)	1,689,383	1,518,946	170,437
Other Retirement Contributions - DCRP	98,200	1,123	99,323	69,433	29,890
Unemployment Compensation	25,000	-	25,000		25,000
Unemployment Compensation (Non-Budgeted)				193,346	(193,346)
Workmen's Compensation	654,557	138,884	793,441	669,202	124,239
Health Benefits	15,259,023	(1,089,585)	14,169,438	11,471,519	2,697,919
Tuition Reimbursement	8,672	-	8,672	5,300	3,372
Other Employee Benefits	85,989	(15,398)	70,591	3,886	66,705
Unused Sick Payment to Terminated/Retired Staff	289,650	-	289,650	113,601	176,049
Total Unallocated Benefits - Employee Benefits	<u>19,608,344</u>	<u>(947,036)</u>	<u>18,661,308</u>	<u>15,195,302</u>	<u>3,466,006</u>
On-behalf TPAF Pension System Contributions- Normal Costs & Accrued Liability (Non-Budget)				13,214,779	(13,214,779)
On-behalf TPAF Pension System Contributions-NCGI Cost (Non-Budget)				251,429	(251,429)
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				4,220,100	(4,220,100)
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				4,959	(4,959)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	3,712,612	(3,712,612)
Total TPAF On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,403,879</u>	<u>(21,403,879)</u>
Total Undistributed Expenditures	<u>67,663,775</u>	<u>(1,087,799)</u>	<u>66,575,976</u>	<u>76,069,011</u>	<u>(9,493,035)</u>
Total Expenditures - Current Expenditures	<u>116,796,707</u>	<u>(945,062)</u>	<u>115,851,645</u>	<u>122,941,040</u>	<u>(7,089,395)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures-Instruction		87,577	87,577	76,755	10,822
Undistributed Expenditures-Support Services-Students- Regular		5,000	5,000		5,000
Undistributed Expenditures-Administrative Information Technology	60,000	(19,500)	40,500	22,815	17,685
Undistributed Expenditures-Required Maint. For School Facilities	57,000	25,255	82,255	77,011	5,244
Undistributed Expenditures-Security	60,000	(5,975)	54,025	6,001	48,024
School Buses - Regular	96,804	7,124	103,928	103,928	-
Total Equipment	<u>273,804</u>	<u>99,481</u>	<u>373,285</u>	<u>286,510</u>	<u>86,775</u>

**HACKENSACK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY (Continued)</b>					
Facilities Acquisition and Construction Services					
Legal Services	\$ 23,005	\$ (6,000)	\$ 17,005		\$ 17,005
Architectural/Engineering Services	150,480	646,483	796,963	\$ 497,415	299,548
Other Purchased Prof. and Tech. Services	26,515	47,085	73,600	37,708	35,892
Construction Services	2,984,605	556,223	3,540,828	3,145,735	395,093
Lease Purchase Agreements - Principal		-			-
Assessment for Debt Service on SDA Funding	37,812	-	37,812	37,812	-
Total Facilities Acquisition and Construction Services	3,222,417	1,243,791	4,466,208	3,718,670	747,538
Interest Deposit to Capital Reserve	10,000	(10,000)	-	-	-
Total Capital Outlay	3,506,221	1,333,272	4,839,493	4,005,180	834,313
<b>TRANSFER OF FUNDS TO CHARTER SCHOOL</b>	4,727,764	-	4,727,764	4,616,096	111,668
Total Expenditures	125,030,692	388,210	125,418,902	131,562,316	(6,143,414)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(5,077,898)	(4,032,430)	(9,110,328)	6,859,811	15,970,139
Other Financing Sources (Uses)					
Capital Lease Proceeds					
Transfers Out - Special Revenue Fund	(769,652)	(20,000)	(789,652)	(789,652)	-
Transfers Out - Enterprise Fund	-	(15,398)	(15,398)	(13,675)	1,723
Total Other Financing Sources (Uses)	(769,652)	(35,398)	(805,050)	(803,327)	1,723
Net Change in Fund Balances	(5,847,550)	(4,067,828)	(9,915,378)	6,056,484	15,971,862
Fund Balance, Beginning of Year (Restated)	23,197,230	-	23,197,230	23,197,230	-
Fund Balance, End of Year	\$ 17,349,680	\$ (4,067,828)	\$ 13,281,852	\$ 29,253,714	\$ 15,971,862

**Recapitulation of Fund Balance****Restricted Fund Balance**

Capital Reserve	\$ 6,041,603
Capital Reserve - Designated for Subsequent Year's Expenditures (2021/22 Budget)	1,730,108
Maintenance Reserve	2,010,863
Emergency Reserve	300,030
Excess Surplus	3,417,738
Excess Surplus - Designated for Subsequent Year's Expenditures (2021/22 Budget)	3,721,630
Unemployment Compensation Reserve	802,810

**Assigned Fund Balance**

Year-End Encumbrances	1,210,158
FFCRA/SEMI	20,230
Designated for Subsequent Year's Expenditures (2021/22 Budget)	4,577,161
<b>Unassigned Fund Balance</b>	<u>5,421,383</u>

Reconciliation to Governmental Funds Statements (GAAP):	29,253,714
Less: Final State Aid Payments Not Recognized on GAAP Basis	<u>(3,839,243)</u>

Final Balance Per Governmental Fund (GAAP) \$ 25,414,471

**HACKENSACK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 2,459,765	\$ 3,094,907	\$ 5,554,672	\$ 5,094,557	\$ (460,115)
State	3,453,020	406,121	3,859,141	2,994,797	(864,344)
Local Sources					
Miscellaneous	-	233,854	233,854	186,983	(46,871)
Total Revenues	<u>5,912,785</u>	<u>3,734,882</u>	<u>9,647,667</u>	<u>8,276,337</u>	<u>(1,371,330)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	1,685,388	(280,764)	1,404,624	1,165,871	238,753
Other Salaries for Instruction	480,898	95,432	576,330	436,856	139,474
Purchased Professional Services & Technical Serv	1,176,851	(926,455)	250,396	174,451	75,945
Other Purchased Services	1,263,620	846,412	2,110,032	2,076,107	33,925
General Supplies	236,544	1,243,008	1,479,552	1,365,803	113,749
Textbooks	4,150	2,020	6,170	6,143	27
Other Objects		1,994	1,994	991	1,003
Co-Curricular/Extra-Curricular Activities		208,265	208,265	208,265	-
Athletic Activities	-	30,989	30,989	30,989	-
Total Instruction	<u>4,847,451</u>	<u>1,220,901</u>	<u>6,068,352</u>	<u>5,465,476</u>	<u>602,876</u>
Support Services					
Salaries of Supervisors of Instruction	170,000	(103,000)	67,000	66,999	1
Salaries of Other Professional Staff	252,605	-	252,605	185,720	66,885
Salaries of Secretarial and Clerical Assistants	50,000	70,300	120,300	69,099	51,201
Salaries of Community Involvement Specialist	30,000	-	30,000	29,374	626
Salaries of Master Teachers	146,565	-	146,565	74,995	71,570
Personal Services-Employee Benefits	624,346	204,741	829,087	736,910	92,177
Purchased Professional and Technical Services	497,622	246,180	743,802	740,113	3,689
Purchased Professional-Educational Services	28,811	825,070	853,881	68,880	785,001
Other Purchased Professional Services		-		525,685	(525,685)
Cleaning, Repair & Maintenance Services		75,000	75,000	75,000	-
Purchased Property Services		242,645	242,645	242,645	-
Other Purchased Services	5,000	45,175	50,175	8,993	41,182
Travel	3,000	42	3,042	-	3,042
Miscellaneous Purchased Services		-		-	-
Supplies and Materials	27,037	755,196	782,233	655,500	126,733
Other Objects	-	7,743	7,743	4,363	3,380
Scholarship Awards	-	14,600	14,600	14,600	-
Total Support Services	<u>1,834,986</u>	<u>2,383,692</u>	<u>4,218,678</u>	<u>3,498,876</u>	<u>719,802</u>

**HACKENSACK BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay					
Instructional Equipment	-	\$ 120,264	\$ 120,264	\$ 118,503	\$ 1,761
Noninstructional Equipment	-	30,025	30,025	30,005	20
Total Capital Outlay	-	150,289	150,289	148,508	1,781
Total Expenditures	\$ 6,682,437	3,754,882	10,437,319	9,112,860	1,324,459
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(769,652)	(20,000)	(789,652)	(836,523)	(46,871)
Other Financing Sources					
Transfers In- General Fund	769,652	20,000	789,652	789,652	-
Net Change in Fund Balances	-	-	-	(46,871)	(46,871)
Fund Balances, Beginning of Year (Restated)	379,831	-	379,831	379,831	-
Fund Balances, End of Year	\$ 379,831	\$ -	\$ 379,831	\$ 332,960	\$ (46,871)
<b>Recapitulation of Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Student Activities				\$ 308,499	
Scholarships				24,461	
				<u>\$ 332,960</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**HACKENSACK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 138,422,127	(C-2) \$ 8,276,337
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2019/2020) State Aid and Extraordinary Aid)	3,505,065	
State Aid payment recognized for Budgetary purposes, not recognized for GAAP statements (2020/2021) State Aid and Extraordinary Aid)	(3,839,243)	
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, 2020		163,020
Encumbrances, June 30, 2021	-	(70,265)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) <u>\$ 138,087,949</u>	(B-2) <u>\$ 8,369,092</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 131,562,316	(C-2) \$ 9,112,860
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, 2020		163,020
Encumbrances, June 30, 2021	-	(70,265)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) <u>\$ 131,562,316</u>	(B-2) <u>\$ 9,205,615</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 Seven Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0.14321%	0.14501%	.14651%	.14778%	0.15253%	0.15729%	0.15186%
District's Proportionate Share of the Net Pension Liability (Asset)	<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	\$ 10,491,446	\$ 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	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	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 Seven Fiscal Years**

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

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

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

**Teachers Pension and Annuity Fund**

**Last Seven Fiscal Years\***

	<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%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<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>\$ 297,261,970</u>	<u>\$ 273,394,132</u>	<u>\$ 284,273,493</u>	<u>\$ 298,074,439</u>	<u>\$ 346,252,662</u>	<u>\$ 271,402,578</u>	<u>\$ 237,261,570</u>
District's Covered Payroll	\$ 51,336,609	\$ 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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2021**

**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 Four Fiscal Years\***

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

**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, 2021**

	<u>ESEA Title I</u>	<u>ESEA Title II-A</u>	<u>ESEA Title III</u>	<u>ESEA Title III Immigrant</u>	<u>ESEA Title IV</u>	<u>ESEA Reallocated Title I</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Emergency Relief Grant CARES</u>	<u>Subtotal</u>
<b>REVENUES</b>										
Local										
State										
Federal	\$ 1,234,738	\$ 200,100	\$ 107,795	\$ 10,993	\$ 98,201	\$ 100,415	\$ 1,570,018	\$ 52,769	\$ 913,380	\$ -
Total Revenues	\$ 1,234,738	\$ 200,100	\$ 107,795	\$ 10,993	\$ 98,201	\$ 100,415	\$ 1,570,018	\$ 52,769	\$ 913,380	\$ 4,288,409
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	\$ 190,330				\$ 2,472				\$ 11,898	\$ 204,700
Other Salaries for Instruction										-
Purchased Professional and Technical Services	7,911				91,729	\$ 11,200			38,178	149,018
Other Purchased Services	142,232						\$ 1,565,240	\$ 52,769	30,474	1,790,715
General Supplies	375,903		\$ 81,785	\$ 1,970		62,644			191,163	713,465
Textbooks										-
Other Objects										-
Co-Curricular/Extra Curricular Activities										-
Athletic Activities	-	-	-	-	-	-	-	-	-	-
Total Instruction	716,376	-	81,785	1,970	94,201	73,844	1,565,240	52,769	271,713	2,857,898
Support Services										
Salaries of Supervisors of Instruction										-
Salaries of Other Professional Staff										-
Secretary of Secretarial and Clerical Assistants										-
Salaries of Community Involvement Specialist										-
Salaries of Master Teachers										-
Other Salaries	216,683	\$ 135,324			3,540	18,627				374,174
Personnel Services - Employee Benefits	241,907	52,767			460	1,425				296,559
Purchased Professional and Technical Services	36,500	8,000	18,500			5,880				68,880
Purchased Professional-Education Services									29,400	29,400
Cleaning, Repair, & Maintenance Services										-
Purchased Property Service										-
Other Purchased Services	2,439	456					4,778			7,673
Supplies and Materials	20,833	3,553	7,510	9,023		639			579,326	620,884
Other Objects	-	-	-	-	-	-	-	-	-	-
Scholarship Awards	-	-	-	-	-	-	-	-	-	-
Total Support Services	518,362	200,100	26,010	9,023	4,000	26,571	4,778	-	608,726	1,397,570
Facilities and Acquisitions										
Instructional Equipment	-	-	-	-	-	-	-	-	32,941	32,941
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities and Acquisitions	-	-	-	-	-	-	-	-	32,941	32,941
Total Expenditures	\$ 1,234,738	\$ 200,100	\$ 107,795	\$ 10,993	\$ 98,201	\$ 100,415	\$ 1,570,018	\$ 52,769	\$ 913,380	\$ 4,288,409
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 (Restated)	-	-	-	-	-	-	-	-	-	-
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, 2021**

	<u>Bergen County CARES</u>	<u>Coronavirus Relief Fund</u>	<u>Preschool Education Aid</u>	<u>Comp. Education</u>	<u>Non-Public Chapter 192/193 Exam &amp; Classification</u>	<u>Corrective Speech</u>	<u>Supplemental Instruction</u>	<u>Family Friendly</u>	<u>School-Based Youth Program</u>	<u>Subtotal</u>
<b>REVENUES</b>										
Local	-	-	\$ 2,592,787	\$ 12,011	\$ 11,514	\$ 2,916	\$ 4,970	\$ 34,734	\$ 301,191	\$ 2,960,123
State	-	-	-	-	-	-	-	-	-	-
Federal	\$ 261,118	\$ 545,030	-	-	-	-	-	-	-	806,148
<b>Total Revenues</b>	<b>\$ 261,118</b>	<b>\$ 545,030</b>	<b>\$ 2,592,787</b>	<b>\$ 12,011</b>	<b>\$ 11,514</b>	<b>\$ 2,916</b>	<b>\$ 4,970</b>	<b>\$ 34,734</b>	<b>\$ 301,191</b>	<b>\$ 3,766,271</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers			\$ 941,950					\$ 19,221		\$ 961,171
Other Salaries for Instruction			436,856							436,856
Purchased Professional and Technical Services				\$ 12,011		\$ 2,916				14,927
Other Purchased Services	\$ 261,118		24,274							285,392
General Supplies		\$ 530,081	108,215					14,042		652,338
Textbooks										-
Other Objects									\$ 991	991
Co-Curricular/Extra-Curricular Activities										-
Athletic Activities	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>261,118</b>	<b>530,081</b>	<b>1,511,295</b>	<b>12,011</b>	<b>-</b>	<b>2,916</b>	<b>-</b>	<b>33,263</b>	<b>991</b>	<b>2,351,675</b>
Support Services										
Salaries of Supervisors of Instruction			66,999							66,999
Salaries of Other Professional Staff			185,720							185,720
Secretary of Secretarial and Clerical Assistants			69,099							69,099
Salaries of Community Involvement Specialist			29,374							29,374
Salaries of Master Teachers			74,995							74,995
Other Salaries			95,619						267,117	362,736
Personnel Services - Employee Benefits			421,720					1,471	20,363	443,554
Purchased Professional and Technical Services										-
Purchased Professional-Education Services			478,307		\$ 11,514		\$ 4,970		1,494	496,285
Cleaning, Repair, & Maintenance Services			75,000							75,000
Purchased Property Service			242,645							242,645
Other Purchased Services									1,320	1,320
Supplies and Materials		\$ 14,949	14,124						5,543	34,616
Other Objects									4,363	4,363
Scholarship Awards	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>14,949</b>	<b>1,753,602</b>	<b>-</b>	<b>11,514</b>	<b>-</b>	<b>4,970</b>	<b>1,471</b>	<b>300,200</b>	<b>2,086,706</b>
Facilities and Acquisitions										
Instructional Equipment	-	-	85,562	-	-	-	-	-	-	85,562
Non-Instructional Equipment	-	-	11,980	-	-	-	-	-	-	11,980
<b>Total Facilities and Acquisitions</b>	<b>-</b>	<b>-</b>	<b>97,542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,542</b>
<b>Total Expenditures</b>	<b>\$ 261,118</b>	<b>\$ 545,030</b>	<b>\$ 3,362,439</b>	<b>\$ 12,011</b>	<b>\$ 11,514</b>	<b>\$ 2,916</b>	<b>\$ 4,970</b>	<b>\$ 34,734</b>	<b>\$ 301,191</b>	<b>\$ 4,535,923</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	(769,652)	-	-	-	-	-	-	(769,652)
Other Financing Sources										
Transfers In- General Fund	-	-	769,652	-	-	-	-	-	-	769,652
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	-
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, 2021**

	<u>Nonpublic Textbook</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Security</u>	<u>Student Activities</u>	<u>Scholarship</u>	<u>Page 1 Subtotal</u>	<u>Page 2 Subtotal</u>	<u>Total</u>
<b>REVENUES</b>								
Local				\$ 186,946	\$ 37			\$ 186,983
State	\$ 6,143	\$ 10,506	\$ 18,025			-	\$ 2,960,123	2,994,797
Federal	-	-	-	-	-	\$ 4,288,409	806,148	5,094,557
<b>Total Revenues</b>	<u>\$ 6,143</u>	<u>\$ 10,506</u>	<u>\$ 18,025</u>	<u>\$ 186,946</u>	<u>\$ 37</u>	<u>\$ 4,288,409</u>	<u>\$ 3,766,271</u>	<u>\$ 8,276,337</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers						\$ 204,700	\$ 961,171	\$ 1,165,871
Other Salaries for Instruction						-	436,856	436,856
Purchased Professional and Technical Services		\$ 10,506				149,018	14,927	174,451
Other Purchased Services						1,790,715	285,392	2,076,107
General Supplies						713,465	652,338	1,365,803
Textbooks	\$ 6,143					-	-	6,143
Other Objects							991	991
Co-Curricular/Extra-Curricular Activities				208,265				208,265
Athletic Activities	-	-	-	30,989	-	-	-	30,989
<b>Total Instruction</b>	<u>6,143</u>	<u>10,506</u>	<u>-</u>	<u>239,254</u>	<u>-</u>	<u>2,857,898</u>	<u>2,351,675</u>	<u>5,465,476</u>
Support Services								
Salaries of Supervisors of Instruction						-	66,999	66,999
Salaries of Other Professional Staff						-	185,720	185,720
Secretary of Secretarial and Clerical Assistants						-	69,099	69,099
Salaries of Community Involvement Specialist						-	29,374	29,374
Salaries of Master Teachers						-	74,995	74,995
Other Salaries						374,174	362,736	736,910
Personnel Services - Employee Benefits						296,559	443,554	740,113
Purchased Professional and Technical Services						68,880	-	68,880
Purchased Professional-Education Services						29,400	496,285	525,685
Cleaning, Repair, & Maintenance Services						-	75,000	75,000
Purchased Property Service						-	242,645	242,645
Other Purchased Services						7,673	1,320	8,993
Supplies and Materials						620,884	34,616	655,500
Other Objects	-	-	-	-	-	-	4,363	4,363
Scholarship Awards	-	-	-	-	14,600	-	-	14,600
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,600</u>	<u>1,397,570</u>	<u>2,086,706</u>	<u>3,498,876</u>
Facilities and Acquisitions								
Instructional Equipment	-	-	-	-	-	32,941	85,562	118,503
Non-Instructional Equipment	-	-	18,025	-	-	-	11,980	30,005
<b>Total Facilities and Acquisitions</b>	<u>-</u>	<u>-</u>	<u>18,025</u>	<u>-</u>	<u>-</u>	<u>32,941</u>	<u>97,542</u>	<u>148,508</u>
<b>Total Expenditures</b>	<u>\$ 6,143</u>	<u>\$ 10,506</u>	<u>\$ 18,025</u>	<u>\$ 239,254</u>	<u>\$ 14,600</u>	<u>\$ 4,288,409</u>	<u>\$ 4,535,923</u>	<u>\$ 9,112,860</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	(52,308)	(14,563)	-	(769,652)	(836,523)
Other Financing Sources								
Transfers In- General Fund	-	-	-	20,000	-	-	769,652	789,652
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,308)</u>	<u>(14,563)</u>	<u>-</u>	<u>-</u>	<u>(46,871)</u>
<b>Fund Balance, Beginning of Year (Restated)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,807</u>	<u>39,024</u>	<u>-</u>	<u>-</u>	<u>379,831</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,499</u>	<u>\$ 24,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,960</u>

**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, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	\$ 963,580	91,910	1,055,490	\$ 941,950	\$ 113,540
Other Salaries for Instruction	480,898	92,636	573,534	436,856	136,678
Purchased Professional-Educational Services	1,119,300	(1,116,476)	2,824	-	2,824
Other Purchased Services	20,000	8,370	28,370	24,274	4,096
General Supplies	61,544	60,472	122,016	108,215	13,801
Total Instruction	2,645,322	(863,088)	1,782,234	1,511,295	270,939
Support Services					
Salaries of Supervisors of Instruction	170,000	(103,000)	67,000	66,999	1
Salaries of Other Professional Staff	252,605	-	252,605	185,720	66,885
Salaries of Secretarial and Clerical Assistants	50,000	70,300	120,300	69,099	51,201
Salaries of Community Involvement Spec	30,000	-	30,000	29,374	626
Salaries of Master Teachers	146,565	-	146,565	74,995	71,570
Other Salaries	46,106	60,000	106,106	95,619	10,487
Personal Services - Employee Benefits	411,122	10,598	421,720	421,720	-
Other Purchased Professional - Education Servi	25,976	687,770	713,746	478,307	235,439
Cleaning, Repair & Maintenance Services		75,000	75,000	75,000	-
Purchased Property Service		242,645	242,645	242,645	-
Contracted Services Transportation	5,000	-	5,000	-	5,000
Travel	3,000	-	3,000	-	3,000
Supplies and Materials	15,000	18,370	33,370	14,124	19,246
Total Support Services	1,155,374	1,061,683	2,217,057	1,753,602	463,455
Facilities Acquisition and Construction Services					
Instructional Equipment	-	87,323	87,323	85,562	1,761
Noninstructional Equipment	-	12,000	12,000	11,980	20
Total Facilities Acquisition and Construction Services	-	99,323	99,323	97,542	1,781
Total Expenditures	\$ 3,800,696	\$ 297,918	\$ 4,098,614	\$ 3,362,439	\$ 736,175

**Calculation of Budget Carryover**

Total revised 2020-2021 Preschool Education Aid Allocation	\$ 2,855,052
Cancelled Prior Year Accounts Payable	-
General Fund Contribution	769,652
Add: Actual ECPA/PEA Carryover (June 30, 2020)	502,000
Total Preschool Ed. Aid Funds Available for 2020-2021 Budget	4,126,704
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	4,098,614
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	28,090
Add: June 30, 2021 Unexpended Preschool Education Aid	736,175
2020-2021 C/O - Preschool Education Aid Programs	\$ 764,265
2020-21 Preschool Education Aid C/O Budgeted in 2021-2022	\$ 57,212

## **CAPITAL PROJECTS FUND**

**HACENSACK BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Project Balance June 30, 2021</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Energy Savings Improvement Program	\$ 13,262,055	\$ -	\$ 4,076,138	\$ 9,185,917
Acquisition of Chromebooks & Various Information Technology Items	<u>1,027,723</u>	<u>-</u>	<u>1,020,418</u>	<u>7,305</u>
	<u>\$ 14,289,778</u>	<u>\$ -</u>	<u>\$ 5,096,556</u>	<u>\$ 9,193,222</u>
Fund Balance, June 30, 2021 - GAAP Basis				<u>\$ 9,193,222</u>
<b><u>Reconciliation to Fund Balance</u></b>				
Restricted for Capital Projects				
Year End Encumbrances				\$ 8,812,977
Available for Capital Projects				<u>380,245</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 9,193,222</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, 2021**

**Revenues and Other Financing Sources**

Investment Earning	\$ 580
Energy Savings Program Bond Proceeds	11,275,000
Premium on Energy Savings Proceeds	1,986,791
Lease Purchase Proceeds	<u>1,027,407</u>

Total Revenues and Other Financing Sources	<u>14,289,778</u>
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**Expenditures and Other Financing Uses**

Instruction	
General Supplies	1,020,418
Capital Outlay	
Other Professional Services	147,418
Construction Services	3,775,884
Debt Service	
Other Purchased Services - Cost of Issuance	<u>152,836</u>

Total Expenditures and Other Financing Uses	<u>5,096,556</u>
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Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	9,193,222
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Fund Balance- Beginning	<u>-</u>
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Fund Balance- Ending	<u>\$ 9,193,222</u>
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**Reconciliation to GAAP**

Fund Balance, End of Year - Budgetary Basis	<u>\$ 9,193,222</u>
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Fund Balance, June 30, 2021- GAAP	<u>\$ 9,193,222</u>
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**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Energy Savings Program Proceeds	\$ -	11,275,000	\$ 11,275,000	\$ 11,275,000
Premium on Energy Savings Proceeds		1,986,791	1,986,791	1,986,791
Investment Earnings	-	264	264	264
	<u>-</u>	<u>13,262,055</u>	<u>13,262,055</u>	<u>13,262,055</u>
Total Revenues and Other Financing Sources	<u>-</u>	<u>13,262,055</u>	<u>13,262,055</u>	<u>13,262,055</u>
<b>Expenditures and Other Financing Uses</b>				
Capital Outlay				
Other Professional Services - Architectural/Engineering		147,418	147,418	500,000
Construction Services	-	3,775,884	3,775,884	12,195,121
Debt Service				
Other Purchased Services - Cost of Issuance		152,836	152,836	152,836
Interest on ESIP	-	-	-	414,098
	<u>-</u>	<u>4,076,138</u>	<u>4,076,138</u>	<u>13,262,055</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>4,076,138</u>	<u>4,076,138</u>	<u>13,262,055</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 9,185,917</u>	<u>\$ 9,185,917</u>	<u>\$ -</u>



**HACKENSACK BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**BUDGETARY BASIS**  
**ACQUISITION OF CHROMEBOOKS & VARIOUS INFORMATION TECHNOLOGY ITEMS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**ENTERPRISE FUND**

**EXHIBIT G-1**

**HACKENSACK BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**HACKENSACK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<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, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>						
2021 Energy Savings Incentive Program (ESIP) Refunding Bonds	5/12/2021	\$ 11,275,000	5/1/2023	\$ 445,000	4.00	%				
			5/1/2024	725,000	4.00					
			5/1/2025	345,000	4.00					
			5/1/2026	405,000	4.00					
			5/1/2027	435,000	4.00					
			5/1/2028	435,000	4.00					
			5/1/2029	465,000	4.00					
			5/1/2030	500,000	4.00					
			5/1/2031	535,000	4.00					
			5/1/2032	575,000	4.00					
			5/1/2033	615,000	4.00					
			5/1/2034	655,000	4.00					
			5/1/2035	700,000	4.00					
			5/1/2036	745,000	4.00					
			5/1/2037	795,000	4.00					
			5/1/2038	515,000	4.00					
			5/1/2039	550,000	3.00					
			5/1/2040	580,000	3.00					
			5/1/2041	610,000	3.00					
			5/1/2042	645,000	3.00					
					Totals	\$ -	\$ 11,275,000	\$ -	\$ 11,275,000	

**HACKENSACK BOARD OF EDUCATION**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE-PURCHASE AGREEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
<u><b>CAPITAL LEASES</b></u>						
Phone System	\$ 800,000	2.934%	\$ 483,330		\$ 156,474	\$ 326,856
School Buses	400,000	2.38%	297,477		96,831	200,646
Copier Lease	216,116	2.39%	161,007		52,404	108,603
<u><b>LEASE-PURCHASE AGREEMENTS</b></u>						
2017 Chromebooks and Various Information Technology Items	1,500,000	1.756%	338,487		338,487	
2020 Chromebooks and Various Information Technology Items	1,027,407	1.056%	<u>-</u>	<u>\$ 1,027,407</u>	<u>260,305</u>	<u>767,102</u>
			<u>\$ 1,280,301</u>	<u>\$ 1,027,407</u>	<u>\$ 904,501</u>	<u>\$ 1,403,207</u>
			Paid by Budget Appropriation		<u>\$ 904,501</u>	

**HACKENSACK BOARD OF EDUCATION**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

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

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

	as of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
							(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 14,383,804	\$ 15,447,155	\$ 17,935,592	\$ 17,953,621	\$ 18,092,071	\$ 17,223,376	\$ 17,704,621	\$ 23,002,316	\$ 23,194,990	\$ 25,425,587
Restricted	6,775,148	9,354,947	8,721,596	8,136,312	10,816,135	12,657,948	15,616,934	8,518,737	11,523,490	10,918,345
Unrestricted	(1,321,681)	(1,264,109)	(1,577,122)	(26,614,963)	(30,453,813)	(33,999,979)	(35,568,264)	(32,987,323)	(26,565,637)	(19,455,481)
Total Governmental Activities Net Position	<u>\$ 19,837,271</u>	<u>\$ 23,537,993</u>	<u>\$ 25,080,066</u>	<u>\$ (525,030)</u>	<u>\$ (1,545,607)</u>	<u>\$ (4,118,655)</u>	<u>\$ (2,246,709)</u>	<u>\$ (1,466,270)</u>	<u>\$ 8,152,843</u>	<u>\$ 16,888,451</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 190,280	\$ 344,984	\$ 346,164	\$ 318,696	\$ 291,668	\$ 326,094	\$ 326,579	\$ 382,705	\$ 571,561	\$ 522,703
Unrestricted	687,511	392,514	149,704	442,639	575,117	733,272	980,188	1,086,974	613,193	3,416,546
Total Business-Type Activities Net Position	<u>\$ 877,791</u>	<u>\$ 737,498</u>	<u>\$ 495,868</u>	<u>\$ 761,335</u>	<u>\$ 866,785</u>	<u>\$ 1,059,366</u>	<u>\$ 1,306,767</u>	<u>\$ 1,469,679</u>	<u>\$ 1,184,754</u>	<u>\$ 3,939,249</u>
District-wide										
Net Investment in Capital Assets	\$ 14,574,084	\$ 15,792,139	\$ 18,281,756	\$ 18,272,317	\$ 18,383,739	\$ 17,549,470	\$ 18,031,200	\$ 23,385,021	\$ 23,766,551	\$ 25,948,290
Restricted	6,775,148	9,354,947	8,721,596	8,136,312	10,816,135	12,657,948	15,616,934	8,518,737	11,523,490	10,918,345
Unrestricted	(634,170)	(871,595)	(1,427,418)	(26,172,324)	(29,878,696)	(33,266,707)	(34,588,076)	(31,900,349)	(25,952,444)	(16,038,935)
Total District Net Position	<u>\$ 20,715,062</u>	<u>\$ 24,275,491</u>	<u>\$ 25,575,934</u>	<u>\$ 236,305</u>	<u>\$ (678,822)</u>	<u>\$ (3,059,289)</u>	<u>\$ (939,942)</u>	<u>\$ 3,409</u>	<u>\$ 9,337,597</u>	<u>\$ 20,827,700</u>

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

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

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 35,664,211	\$ 33,789,219	\$ 33,354,824	\$ 39,560,046	\$ 45,499,116	\$ 48,403,666	\$ 47,378,571	\$ 61,409,161	\$ 58,774,895	\$ 66,549,132
Special Education	8,511,975	11,115,653	11,333,736	12,925,784	15,010,597	17,289,908	16,621,434	27,386,726	27,125,449	28,951,522
Other Instruction	2,036,424	2,051,464	2,328,603	2,753,555	3,224,878	3,449,483	3,210,306	3,738,828	3,589,091	3,747,029
School Sponsored Activities and Athletics	1,361,102	2,033,545	1,881,660	1,744,437	1,970,847	2,227,997	2,269,278	2,267,830	1,768,094	1,858,461
Support Services:										
Tuition	5,872,964	5,753,383	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963			
Student & Instruction Related Services	13,060,606	13,630,248	13,795,797	15,296,922	17,791,998	19,302,967	17,540,603	21,465,340	20,689,562	23,316,910
General Administrative Services	946,725	877,269	962,018	4,824,863	1,065,390	1,177,771	1,330,245	1,774,589	1,123,138	1,827,057
School Administrative Services	4,253,322	3,807,103	3,738,373	1,231,913	5,356,535	6,175,303	6,182,749	7,551,630	7,524,095	7,361,203
Central Administration and Info. Technology	1,565,419	1,627,556	1,995,738	2,229,429	2,377,684	2,489,029	2,475,056	2,563,278	3,190,296	3,392,599
Plant Operations and Maintenance	6,644,370	6,741,300	7,620,236	9,401,587	9,758,225	10,227,734	9,730,533	11,594,792	12,201,920	12,303,949
Pupil Transportation	1,914,443	1,833,554	1,978,391	2,407,699	2,794,002	3,087,134	2,505,866	3,023,372	2,943,653	1,622,672
Unallocated Benefits	7,866,070	9,345,453	8,331,799	9,993,897	12,469,212	15,852,579	22,686,341			
Allocated Benefits	5,817,476	6,305,195	8,397,609	8,032,117						
Special Schools								-		
Charter Schools	881,134	1,287,670	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937			
Interest on Long-Term Debt	206,380	186,561	165,390	145,108	127,381	114,440	82,095	57,839	28,078	78,081
Unallocated Depreciation	914,767	976,090	1,104,117	1,161,461	1,115,703	1,142,749	1,143,311			
Amortization and Capital Lease Obligations	(33,956)	(33,956)	(33,956)	(33,956)	(33,956)	(33,956)	(33,956)			
Capital Outlay - Nondepreciable	52,665	125,489	243,549	64,638	37,814	1,128,571	836,338			
Total Governmental Activities Expenses	<u>97,536,097</u>	<u>101,452,796</u>	<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>
Business-Type Activities:										
Food service	2,238,297	2,519,991	2,699,334	2,336,040	2,422,862	2,400,207	2,427,100	2,737,472	2,484,552	2,610,116
Total Business-Type Activities Expense	<u>2,238,297</u>	<u>2,519,991</u>	<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>
Total District Expenses	<u>\$ 99,774,394</u>	<u>\$ 103,972,787</u>	<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>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services								\$ 7,089,863	\$ 7,183,378	\$ 5,900,740
Operating Grants and Contributions	4,052,372	4,190,989	4,007,107	3,778,533	4,368,622	3,852,009	4,537,785	40,793,399	38,377,215	52,107,989
Capital Grants and Contributions	232,061	125,124	7,390	9,112	4,254	4,285	2,875	27,500	13,058	143,431
Total Governmental Activities Program Revenues	<u>\$ 4,284,433</u>	<u>\$ 4,316,113</u>	<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>
Business-Type Activities:										
Charges for services										
Food Service	\$ 428,259	\$ 424,644	\$ 478,178	\$ 438,598	\$ 335,273	\$ 437,568	\$ 427,223	\$ 471,145	\$ 303,497	\$ 16,181
Operating Grants and Contributions	1,878,859	1,921,521	1,977,656	2,138,555	2,187,382	2,155,209	2,241,332	2,429,239	1,896,130	5,334,755
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>2,307,118</u>	<u>2,346,165</u>	<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>
Total District Program Revenues	<u>\$ 6,591,551</u>	<u>\$ 6,662,278</u>	<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>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (93,251,664)	\$ (97,136,683)	\$ (101,512,535)	\$ (116,243,337)	\$ (122,874,620)	\$ (138,042,980)	\$ (139,707,010)	\$ (94,922,623)	\$ (93,384,620)	\$ (92,856,455)
Business-Type Activities	68,821	(173,826)	(243,500)	241,113	99,793	192,570	241,455	162,912	(284,925)	2,740,820
Total District-Wide Net Expense	<u>\$ (93,182,843)</u>	<u>\$ (97,310,509)</u>	<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>

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

	For the Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 66,302,510	\$ 68,520,822	\$ 71,216,667	\$ 73,389,592	\$ 74,857,383	\$ 79,062,039	\$ 81,256,564	\$ 82,865,444	\$ 84,522,752	\$ 85,283,457
Property taxes levied for debt service	804,445	572,182	654,712	757,906	725,525	696,645	664,813	635,813	623,263	
Unrestricted grants and contributions	20,398,040	23,271,486	21,970,153	33,950,195	38,124,112	47,401,576	51,319,112	11,552,967	14,254,090	15,654,463
Tuition Received	6,900,539	7,859,900	8,543,020	8,492,535	7,943,156	8,129,712	7,651,040			
Investment earnings	966	4,630	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378
Miscellaneous income	275,782	608,385	669,736	697,352	198,585	161,514	973,876	437,861	328,663	608,440
Transfers				(21,554)	(5,504)					(13,675)
Total Governmental Activities	<u>94,682,282</u>	<u>100,837,405</u>	<u>103,054,608</u>	<u>117,270,267</u>	<u>121,854,043</u>	<u>135,467,932</u>	<u>141,899,035</u>	<u>95,703,062</u>	<u>99,939,467</u>	<u>101,592,063</u>
Business-Type Activities:										
Investment earnings	123	163	199	152	153	11		-	-	-
Miscellaneous Income		33,370	1,671	2,648			5,946			
Transfers				21,554	5,504					13,675
Total Business-Type Activities	<u>123</u>	<u>33,533</u>	<u>1,870</u>	<u>24,354</u>	<u>5,657</u>	<u>11</u>	<u>5,946</u>	<u>-</u>	<u>-</u>	<u>13,675</u>
Total District-Wide	<u>\$ 94,682,405</u>	<u>\$ 100,870,938</u>	<u>\$ 103,056,478</u>	<u>\$ 117,294,621</u>	<u>\$ 121,859,700</u>	<u>\$ 135,467,943</u>	<u>\$ 141,904,981</u>	<u>\$ 95,703,062</u>	<u>\$ 99,939,467</u>	<u>\$ 101,605,738</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,430,618	\$ 3,700,722	\$ 1,542,073	\$ 1,026,930	\$ (1,020,577)	\$ (2,575,048)	\$ 2,192,025	\$ 780,439	\$ 6,554,847	\$ 8,735,608
Business-Type Activities	68,944	(140,293)	(241,630)	265,467	105,450	192,581	247,401	162,912	(284,925)	2,754,495
Total District	<u>\$ 1,499,562</u>	<u>\$ 3,560,429</u>	<u>\$ 1,300,443</u>	<u>\$ 1,292,397</u>	<u>\$ (915,127)</u>	<u>\$ (2,382,467)</u>	<u>\$ 2,439,426</u>	<u>\$ 943,351</u>	<u>\$ 6,269,922</u>	<u>\$ 11,490,103</u>

Source: District financial statements

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 3,768,021	\$ 1,911,097	\$ 4,430,263	\$ 8,136,294	\$ 10,200,658	\$ 11,020,459	\$ 13,418,250	\$ 13,184,269	\$ 16,877,653	\$ 18,024,782
Committed	262,350							-	688,720	
Assigned	1,855,896	6,884,100	4,291,196	2,613,807	615,459	1,637,489	2,198,684	1,170,127	2,634,393	5,807,549
Unassigned	1,306,634	1,488,724	1,300,578	843,264	1,089,606	935,090	793,394	(261,120)	(508,601)	1,582,140
Total General Fund	<u>\$ 7,192,901</u>	<u>\$ 10,283,921</u>	<u>\$ 10,022,037</u>	<u>\$ 11,593,365</u>	<u>\$ 11,905,723</u>	<u>\$ 13,593,038</u>	<u>\$ 16,410,328</u>	<u>\$ 14,093,276</u>	<u>\$ 19,692,165</u>	<u>\$ 25,414,471</u>
All Other Governmental Funds										
Restricted								\$ 158,040	\$ 379,832	\$ 9,526,183
Committed		\$ 418,023								
Assigned	888,881	141,727	137	18	18					
Unassigned										
Total All Other Governmental Funds	<u>\$ 888,881</u>	<u>\$ 559,750</u>	<u>\$ 137</u>	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,040</u>	<u>\$ 379,832</u>	<u>\$ 9,526,183</u>

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)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Property Tax levy	\$ 67,106,955	\$ 69,093,004	\$ 71,871,379	\$ 74,147,498	\$ 75,582,908	\$ 79,758,684	\$ 81,921,377	\$ 83,501,257	\$ 85,146,015	\$ 85,283,457
Tuition	6,900,539	7,859,900	8,543,020	8,492,535	7,943,156	8,129,712	7,651,040	6,989,382	7,083,222	5,713,794
Interest Earnings	966	4,630	320	4,241	10,786	16,446	33,630	210,977	210,699	59,378
Miscellaneous	279,599	621,355	670,620	697,352	198,585	161,514	973,876	538,342	428,819	795,386
State Sources	21,158,521	24,087,294	22,731,077	23,976,186	25,595,547	27,118,735	31,428,514	37,373,225	42,912,755	49,201,328
Federal Sources	3,520,135	3,498,111	3,252,689	3,316,277	3,853,908	3,097,730	3,456,224	3,445,154	3,421,997	5,404,278
<b>Total Revenues</b>	<b>98,966,715</b>	<b>105,164,294</b>	<b>107,069,105</b>	<b>110,634,089</b>	<b>113,184,890</b>	<b>118,282,821</b>	<b>125,464,661</b>	<b>132,058,337</b>	<b>139,203,507</b>	<b>146,457,621</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	32,198,345	30,756,018	31,158,011	32,526,740	33,726,562	33,224,664	34,661,348	54,798,763	55,407,509	59,902,853
Special Education Instruction	7,580,750	9,957,533	10,463,045	10,245,356	10,450,990	10,962,493	11,313,451	25,412,935	26,255,293	27,018,176
Other Instruction	1,813,458	1,838,113	2,150,846	2,178,302	2,234,337	2,193,068	2,176,804	3,290,741	3,375,233	3,321,597
School Sponsored Activities and Athletics	1,253,065	1,864,498	1,770,382	1,476,210	1,510,947	1,599,235	1,725,248	2,110,886	1,713,625	1,753,382
Support Services:										
Instruction - Tuition	5,872,964	5,753,383	5,850,284	5,300,618	6,044,410	6,678,148	7,000,963			
Attendance and Social Work Services	170,564	9,045	10,400	10,000	10,000	10,025	12,500			
Health Services	855,428	861,884	890,880	941,811	966,533	967,420	927,182			
Student & Inst. Related Services	10,950,983	11,639,734	12,048,869	11,652,786	12,227,179	12,395,976	11,999,909	19,260,335	19,630,380	21,210,950
General Administrative Services	899,140	835,180	3,453,363	3,822,606	872,452	929,077	1,091,233	1,727,546	1,102,718	1,613,581
School Administrative Services	3,792,230	3,409,905	929,071	1,120,063	3,705,997	3,906,676	4,195,262	6,707,138	7,140,247	6,614,034
Central Services and Info. Technology	1,414,568	1,483,117	1,872,608	1,844,386	1,706,302	1,682,347	1,794,776	2,327,566	3,079,091	3,150,977
Plant Operations and Maintenance	6,200,809	6,321,376	7,311,018	8,396,580	8,065,046	7,958,977	7,981,821	10,091,133	10,832,833	10,569,301
Pupil Transportation	1,914,443	1,826,799	1,974,200	2,394,399	2,768,977	3,063,355	2,483,988	3,003,297	2,924,892	1,598,929
Allocated Employee Benefits	5,817,476	6,305,195	8,397,609	8,032,117						
Unallocated Employee Benefits	6,914,814	6,714,485	4,956,683	5,321,619	13,556,417	14,129,465	15,227,477			
TPAF Pension/Social Security	7,334,294	9,217,396	8,203,459	9,428,672	10,994,683	12,463,706	14,511,019	-		
Charter Schools	881,134	1,287,670	2,478,864	2,990,864	2,637,660	3,185,751	3,287,937			
Capital Outlay	764,785	1,510,974	3,187,147	600,172	663,011	1,472,478	2,391,640	4,864,802	2,288,208	8,020,887
Debt service:										
Principal	630,000	620,000	615,000	610,000	595,000	585,000	580,000	1,344,054	1,558,183	904,501
Interest and other charges	209,637	190,100	168,863	148,025	130,525	111,663	84,813	87,097	66,528	32,483
Cost of Issuance										152,836
<b>Total Expenditures</b>	<b>97,468,887</b>	<b>102,402,405</b>	<b>107,890,602</b>	<b>109,041,326</b>	<b>112,867,028</b>	<b>117,519,524</b>	<b>123,447,371</b>	<b>135,026,293</b>	<b>135,374,740</b>	<b>145,864,487</b>
Excess (Deficiency) of Revenues over (under) Expenditures	1,497,828	2,761,889	(821,497)	1,592,763	317,862	763,297	2,017,290	(2,967,956)	3,828,767	593,134
<b>Other Financing sources (uses)</b>										
Transfers in		219,312	162,248	461,344	388,929	377,450	411,499	411,499	413,376	789,652
Transfers out		(219,312)	(162,248)	(482,898)	(394,433)	(377,450)	(411,499)	(411,499)	(413,376)	(803,327)
ESIP Bond Proceeds										11,275,000
Premium on Issuance of ESIP Bonds										1,986,791
Lease Proceeds (Non-Budgeted)						924,000	800,000	-	616,116	1,027,407
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,554)</b>	<b>(5,504)</b>	<b>924,000</b>	<b>800,000</b>	<b>-</b>	<b>616,116</b>	<b>14,275,523</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,497,828</b>	<b>\$ 2,761,889</b>	<b>\$ (821,497)</b>	<b>\$ 1,571,209</b>	<b>\$ 312,358</b>	<b>\$ 1,687,297</b>	<b>\$ 2,817,290</b>	<b>\$ (2,967,956)</b>	<b>\$ 4,444,883</b>	<b>\$ 14,868,657</b>
Debt service as a percentage of noncapital expenditures	0.87%	0.80%	0.75%	0.70%	0.65%	0.60%	0.55%	1.10%	1.22%	0.68%

\* 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)**

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b><u>Tuition</u></b>	<b><u>Rentals</u></b>	<b><u>E-Rate</u></b>	<b>Refunds</b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2012	\$ 966	\$ 6,900,539	\$ 66,928		\$ 143,976	\$ 64,878	\$ 7,177,287
2013	4,630	7,859,900	54,388		110,847	443,031	8,472,796
2014	320	8,543,020	40,104		119,359	510,255	9,213,058
2015	4,241	8,492,535	30,450		14,087	652,815	9,194,128
2016	56,293	4,943,156	141,642			10,356	5,151,447
2017	52,652	8,129,712	122,978		647		8,305,989
2018	126,613	7,651,040	62,300		11,535	807,058	8,658,546
2019	210,247	6,989,382	100,481			437,861	7,737,971
2020	208,636	7,083,222	100,156		121,652	207,011	7,720,677
2021	58,761	5,713,794	90,489	56,465	94,644	366,842	6,380,995

Source: District financial statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 47,731,400	\$ 1,998,662,800			\$ 1,740,230,570	\$ 295,561,200	\$ 891,042,000	\$ 4,973,227,970	\$ 21,534,684	\$ 4,994,762,654	\$ 5,746,741,785	\$ 1.363
2013	48,369,100	1,995,196,200			1,718,956,070	288,435,400	879,727,000	4,930,683,770	21,534,684	4,952,218,454	5,607,198,120	1.424
2014	47,055,600	1,974,545,090			1,752,931,970	283,867,900	882,157,400	4,940,557,960		4,940,557,960	5,312,764,739	1.478
2015	48,420,800	1,964,113,450			1,721,451,400	277,317,000	862,744,900	4,874,047,550		4,874,047,550	5,508,010,175	1.551
2016	42,509,300	1,883,698,300			1,926,523,500	315,236,600	994,241,400	5,162,209,100		5,162,209,100	5,162,209,100	1.491
2017	57,910,900	1,941,114,800			1,913,353,700	322,384,000	1,025,760,400	5,260,523,800		5,260,523,800	5,260,253,800	1.537
2018	67,181,700	1,972,039,200			1,953,822,500	326,749,900	1,068,679,400	5,388,472,700		5,388,472,700	5,556,091,429	1.536
2019	61,899,700	2,014,583,100			1,974,594,400	323,042,200	1,169,973,000	5,544,092,400		5,544,092,400	5,741,485,756	1.521
2020	68,958,300	2,056,633,000			1,961,591,500	333,360,200	1,225,258,500	5,645,801,500		5,645,801,500	5,794,104,130	1.510
2021	73,784,300	2,103,579,500			1,917,220,650	326,401,500	1,155,682,200	5,576,668,150		5,576,668,150	5,968,392,164	1.537

Source: County Abstract of Ratables

<sup>a</sup>

\* 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)*

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Calendar Year	Total Direct School Tax Rate	City of Hackensack	Bergen County	Total Direct and Overlapping Tax Rate
2012	\$ 1.360	\$ 1.490	\$ 0.250	\$ 3.100
2013	1.420	1.540	0.260	3.220
2014	1.480	1.610	0.240	3.330
2015	1.550	1.690	0.260	3.500
2016	1.490	1.640	0.250	3.380
2017	1.540	1.640	0.240	3.420
2018	1.536	1.629	0.248	3.413
2019	1.521	1.585	0.251	3.357
2020	1.510	1.552	0.247	3.309
2021	1.537	1.565	0.256	3.358

Source: Municipal Tax Collector

Note: Bergen County Board of Taxation certifies only the total tax rate of each taxing entity as total tax rate of the respective municipality

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

	2021		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
<b>Taxpayer</b>				
Riverside Squire LTD	\$ 136,000,000	2.44%	\$ 156,048,800	3.08%
20 Prospect Avenue (HUMC)	145,000,000	2.60%	126,774,000	2.50%
Continental Plaza (401, 411 & 433 Hack Ave)	107,000,000	1.92%		
Hackensack VF, LLC (Vornado)	75,100,000	1.35%	71,639,700	1.41%
GSG Residential Prosp Towers	75,000,000	1.34%		
Bloomington's Inc	70,000,000	1.26%	35,917,300	0.71%
Quail Heights Partnership	57,631,000	1.03%	41,125,000	0.81%
S7A Commercial - 185 Prospect	51,952,300	0.93%		
DASA Company 414 Hackensack	51,605,200	0.93%		
Sebring Assoc - Excelsior II	48,637,200	0.87%		
Stellar Capital Management			51,455,400	1.01%
Court Plaza Associates			48,000,000	0.95%
Pierre Towers			37,000,000	0.73%
Bart VII, LLC			38,902,800	0.77%
10 Hackensack Avenue			35,631,700	0.70%
	<u>\$ 817,925,700</u>	<u>14.67%</u>	<u>\$ 642,494,700</u>	<u>12.67%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 67,106,955	\$ 67,106,955	100.00%	
2013	69,093,004	69,093,004	100.00%	
2014	71,871,379	71,871,379	100.00%	
2015	74,147,498	74,147,498	100.00%	
2016	75,582,908	75,582,908	100.00%	
2017	79,758,684	79,758,684	100.00%	
2018	81,921,377	81,921,377	100.00%	
2019	83,501,257	83,501,257	100.00%	
2020	85,146,015	85,146,015	100.00%	
2021	85,283,457	85,277,183	99.99%	\$ 6,274

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 Bonds	Capital Leases/Lease Purchase Agreements			
2012	\$ 4,780,000	\$ 817,322	\$ 5,597,322	43,308	\$ 129
2013	4,160,000	552,286	4,712,286	43,409	109
2014	3,545,000	279,913	3,824,913	43,515	88
2015	2,935,000	-	2,935,000	44,185	66
2016	2,340,000	-	2,340,000	44,286	53
2017	1,755,000	688,809	2,443,809	44,268	55
2018	1,175,000	1,262,399	2,437,399	44,519	55
2019	595,000	1,627,368	2,222,368	44,358	50
2020	-	1,280,301	1,280,301	44,189	29
2021	11,275,000	1,403,207	12,678,207	43,981	288

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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2012	\$ 4,780,000		\$ 4,780,000	0.10%	\$ 110
2013	4,160,000		4,160,000	0.08% *	96
2014	3,545,000		3,545,000	0.07%	81
2015	2,935,000		2,935,000	0.06%	66
2016	2,340,000		2,340,000	0.05%	53
2017	1,755,000		1,755,000	0.03%	40
2018	1,175,000		1,175,000	0.02%	26
2019	595,000		595,000	0.01%	13
2020	-		-	0.00%	-
2021	11,275,000		11,275,000	0.20%	256

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 DEBT  
AS OF DECEMBER 31, 2020  
(Unaudited)**

**Total Debt**

## Municipal Debt: (1)

Hackensack Board of Education (As of June 30, 2021)

\$ 11,275,000

City of Hackensack

100,959,505112,234,505

## Overlapping Debt Apportioned to the Municipality:

Bergen County:

County of Bergen (A)

47,297,980

Bergen County Utilities Authority - Water Pollution (B)

11,517,37258,815,352

Total Direct and Overlapping Debt

\$ 171,049,857

## Source:

(1) City of Hackensack's 2020 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Hackensack by dividing the municipality's 2020 equalized value by the total 2020 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 2021**

	Equalized valuation basis	
	2020	\$ 5,946,704,761
	2019	5,951,151,138
	2018	5,857,546,967
	[A]	<u>\$ 17,755,402,866</u>
Average equalized valuation of taxable property	[A/3]	\$ 5,918,467,622
Debt limit (4 % of average equalization value)	[B]	236,738,705 a
Total Net Debt Applicable to Limit	[C]	<u>11,275,000</u>
Legal debt margin	[B-C]	<u>\$ 225,463,705</u>

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 239,997,688	\$ 229,860,092	\$ 221,207,837	\$ 218,298,105	\$ 223,061,645	\$ 227,501,240	\$ 229,364,335	\$ 228,279,753	\$ 233,145,744	\$ 236,738,705
Total net debt applicable to limit	<u>4,780,000</u>	<u>4,160,000</u>	<u>3,545,000</u>	<u>2,935,000</u>	<u>2,340,000</u>	<u>1,755,000</u>	<u>1,175,000</u>	<u>595,000</u>	<u>-</u>	<u>11,275,000</u>
Legal debt margin	<u>\$ 235,217,688</u>	<u>\$ 225,700,092</u>	<u>\$ 217,662,837</u>	<u>\$ 215,363,105</u>	<u>\$ 220,721,645</u>	<u>\$ 225,746,240</u>	<u>\$ 228,189,335</u>	<u>\$ 227,684,753</u>	<u>\$ 233,145,744</u>	<u>\$ 225,463,705</u>
Total net debt applicable to the limit as a percentage of debt limit	1.99%	1.81%	1.60%	1.34%	1.05%	0.77%	0.51%	0.26%	0.00%	4.76%

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>
2012	43,305	\$ 66,068	8.80%
2013	43,409	69,056	7.70%
2014	43,515	72,164	6.50%
2015	44,185	71,699	5.50%
2016	44,286	74,480	5.00%
2017	44,268	77,767	4.70%
2018	44,519	79,407	4.30%
2019	44,358	81,676	3.70%
2020	44,189	86,404	11.40%
2021	43,981	89,456	11.40% E

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>2021</u>		<u>2012</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 *</u>	<u>2021</u>
Instruction										
Regular	304	310	284	280	526	427	438	444	327	302.0
Special Education	216	220	184	193	105	128	163	101	110	8.0
Other Special Education								70	60	113.3
Vocational										99.6
Other Instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	85	87	87	89	60	86	40	86	133	84.2
General administrative services	6	6	6	4	3	4	5	18	6	7.0
School administrative services	52	60	63	37	36	38	39	49	41	35.0
Business Administrative Services	16	14	14	17	14	14	18	12	15	20.0
Plant operations and maintenance	62	81	68	65	51	62	56	76	58	55.4
Pupil transportation								1	1	1.0
Total	<u>741</u>	<u>778</u>	<u>706</u>	<u>685</u>	<u>795</u>	<u>759</u>	<u>759</u>	<u>857</u>	<u>751</u>	<u>725.5</u>

Source: District Personnel Records

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

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	High School				
2012	5,258	\$ 95,864,465	\$ 18,232	1.19%	520	1:11	1:10	1:10	5,224	4,994	1.79%	95.60%
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%	431.20	Not Provided	Not Provided	Not Provided	5,473	5,006	-2.57%	91.46%

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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
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	531	568	541	581	585	575	542	495	533	458
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	665	670	601	579	581	557	560	603	617	546
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	568	562	504	569	583	575	532	519	571	435
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	468	454	399	433	430	424	413	424	443	415
ECDC										
Square Feet			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
Enrollment			280	275	309	276	265	277	290	210
<b><u>Middle School</u></b>										
Middle School										
Square Feet	103,293	103,293	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	630	1,327	1,406	1,395	1,401	1,415	1,465	1,509	1,571	1,570
<b><u>High School</u></b>										
Hackensack High School										
Square Feet	158,243	158,243	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	1,729	1,803	1,775	1,816	1,813	1,835	1,901	1,943	1,909	1,810

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Other</u>										
Administration Building										
Square Feet	10,000	10,000	7,516	7,516	7,516	7,516	7,516	7,516	7,516	7,516

Number of Schools at June 30, 2021  
Elementary = 5  
Middle School = 1  
High School = 2  
Other School = 2

Source: District Records

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

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

	Project # (s)	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>School Facilities</u>											
Hackensack High School	N/A	\$ 218,177	\$ 277,050	\$ 325,944	\$ 406,956	\$ 289,651	\$ 311,184	\$ 345,441	\$ 455,351	\$ 632,489	\$ 782,478
Middle School	N/A	130,216	158,843	173,039	216,047	153,772	165,203	183,389	241,740	578,160	530,422
Nellie K. Parker School	N/A	52,481	66,681	97,875	122,201	86,977	93,443	103,730	136,734	144,363	237,705
Fairmount School	N/A	35,413	66,083	74,369	92,854	66,088	71,002	78,818	103,896	111,491	170,273
Fanny M. Hillers School	N/A	109,118	145,988	97,534	121,775	86,673	93,117	103,368	136,257	146,529	242,587
Jackson Avenue School	N/A	57,598	113,845	74,125	92,549	65,872	70,769	78,559	103,555	111,492	186,217
ECDC	N/A			49,144	61,358	43,672	46,918	52,083	68,655	91,984	131,056
Administration Building	N/A	<u>63,035</u>	<u>3,966</u>	<u>9,163</u>	<u>11,441</u>	<u>8,143</u>	<u>8,748</u>	<u>9,712</u>	<u>12,801</u>	<u>15,963</u>	<u>27,072</u>
Total School Facilities		<u>666,038</u>	<u>832,456</u>	<u>901,193</u>	<u>1,125,181</u>	<u>800,848</u>	<u>860,384</u>	<u>955,100</u>	<u>1,258,989</u>	<u>1,832,471</u>	<u>2,307,810</u>
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>\$ 666,038</u>	<u>\$ 832,456</u>	<u>\$ 901,193</u>	<u>\$ 1,125,181</u>	<u>\$ 800,848</u>	<u>\$ 860,384</u>	<u>\$ 955,100</u>	<u>\$ 1,258,989</u>	<u>\$ 1,832,471</u>	<u>\$ 2,307,810</u>

Source: District Records

Source: School District's financial statements

**HACKENSACK BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2021**  
**(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	\$ 184,803,442		
	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	\$ 6,000,000		N/A
	Limited Builders Risk	\$ 10,000,000		N/A
	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	\$ 2,500,000	\$	1,000
	Equipment -			
	Combined Single Limit per Accident for Property Damage and Business Income	\$ 100,000,000	\$	5,000
	Crime -			
	Public Employee Dishonesty with Faithful Performance	\$ 500,000	\$	1,000
	Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	\$ 50,000	\$	500
	Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	\$ 50,000	\$	500
	Forgery or Alteration	\$ 50,000	\$	500
	Computer Fraud	\$ 50,000	\$	500
	Comprehensive General Liability -			
	Bodily Injury and Property Damage	\$ 31,000,000		N/A
	Products and Completed Operations	\$ 31,000,000		N/A
	Sexual Abuse	\$ 17,000,000		N/A
	Personal Injury and Advertising Injury	\$ 31,000,000		N/A
	Employee Benefits Liability	\$ 31,000,000	\$	1,000
	Terrorism	\$ 1,000,000		N/A
	Automobile -			
	Bodily Injury and Property Damage	\$ 31,000,000		N/A

Source: District Records

## SINGLE AUDIT SECTION





**LERCH, VINCI & HIGGINS, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

**EXHIBIT K-1**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, 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, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

**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, 2021 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 February 3, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hackensack Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

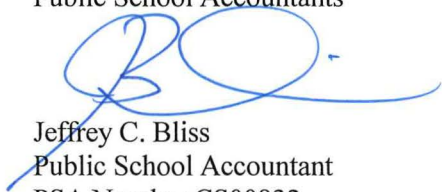
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Hackensack Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 3, 2022.

### **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 & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 3, 2022





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

## EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA 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**

We have audited the Hackensack Board of Education's compliance with the types of compliance requirements described 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, 2021. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Hackensack Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Hackensack Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Hackensack Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Hackensack Board of Education complied, in all material respects, with the types of 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, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the 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 2021-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

Management of the Hackensack Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hackensack Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hackensack Board of Education's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

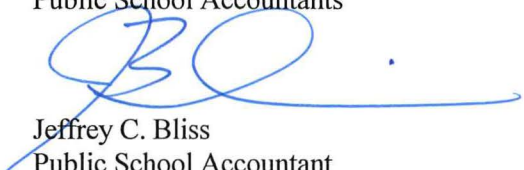
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

**Report on Schedule of Expenditures of Federal Awards Required by the 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, 2021, 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 February 3, 2022, 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 & Higgins, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 3, 2022

**HACKENSACK BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Project Period	Award Amount	Balance, June 30, 2020			Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Returned To Grantor	Balance, June 30, 2021			Memo GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
Enterprise Fund																	
National School Lunch Program	10.555																
Non-Cash Assistance (Food Distribution)		211NJ304N1099	N/A	7/1/20-6/30/21	\$ 193,146						\$ 193,146	\$ 191,104		\$ 2,042			
Cash Assistance		211NJ304N1099	N/A	7/1/20-6/30/20	2,915,784						2,535,563	2,915,784			\$ (380,221)		\$ (380,221)
Cash Assistance		201NJ304N1099	N/A	7/1/19-6/30/21	1,124,251		\$ (96,642)				96,642						
Emergency Operational Cost Program	10.555	202121H170341	N/A	7/1/20-6/30/21	218,027							218,027			(218,027)		(218,027)
P-EBT Administrative Costs	10.649	2021215900941	N/A	7/1/20-6/30/21	3,063							3,063			(3,063)		(3,063)
National School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20-6/30/20	1,830,464						1,591,770	1,830,464			(238,694)		(238,694)
National School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	543,048	\$ -	(60,746)	\$ -	-	-	60,746	-	-	-	-	-	-
Total U.S. Department of Agriculture/Child Nutrition Cluster						-	(157,388)	-	-	-	4,477,867	5,158,442	-	2,042	(840,005)	-	(840,005)
Total Enterprise Fund						-	(157,388)	-	-	-	4,477,867	5,158,442	-	2,042	(840,005)	-	(840,005)
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
IDEA Part B	84.027	H027A200100	IDEA-1860-21	7/1/20-9/30/21	1,521,704				77,370	(77,370)	1,169,997	1,570,018		29,056	(429,077)		(400,021)
IDEA Part B	84.027	H027A190100	IDEA-1860-20	7/1/19-9/30/20	1,464,974	77,370	(187,627)		(77,370)	77,370	110,257	-		-	-		-
IDEA Part B	84.027	H027A170100	IDEA-1860-18	7/1/17-6/30/18	1,419,259			2,924					2,924	-	-	-	-
IDEA Preschool	84.173	H173A200114	IDEA-1860-21	7/1/20-9/30/21	52,769	-	-	-	-	-	52,769	52,769	-	-	-	-	-
Total Special Education Cluster (IDEA)						77,370	(187,627)	2,924	-	-	1,333,023	1,622,787	2,924	29,056	(429,077)	-	(400,021)
ESEA Title I	84.010	S010A1200030	ESEA-1860-21	7/1/20-9/30/21	1,279,383				146,483	(146,483)	1,027,979	1,234,738		191,128	(397,887)		(206,759)
ESEA Title I	84.010	S010A190030	ESEA-1860-20	7/1/19-9/30/20	1,209,073	146,483	(213,858)		(146,483)	146,483	67,375			-	-		-
ESEA Title I	84.010	S010A170030	ESEA-1860-18	7/1/17-6/30/18	1,783,431	-	-	14,762					14,762	-	-	-	-
ESEA Title I Reallocated	84.010	S010A200030	ESEA-1860-21	7/1/20-9/30/21	121,616						79,380	100,415		-	(21,035)		(21,035)
ESEA Title I Reallocated	84.010	S010A180030	ESEA-1860-19	7/1/18-9/30/19	145,856	-	-	26,953	-	-	-	-	-	-	-	26,953	-
Total Title I						146,483	(213,858)	41,715	-	-	1,174,734	1,335,153	14,762	191,128	(418,922)	26,953	(227,794)
ESEA Title II- A	84.367A	S367A200029	ESEA-1860-21	7/1/20-9/30/21	202,257				1,717	(1,717)	168,890	200,100		3,874	(35,084)		(31,210)
ESEA Title II- A	84.367A	S367A190029	ESEA-1860-20	7/1/19-9/30/20	177,941	1,717	(3,684)		(1,717)	1,717	1,967			-	-		-
ESEA Title II- A	84.367A	S367A170029	ESEA-1860-18	7/1/17-6/30/18	197,823	-	-	134	-	-	-	-	134	-	-	-	-
Total Title II						1,717	(3,684)	134	-	-	170,857	200,100	134	3,874	(35,084)	-	(31,210)
ESEA Title III	84.365	S365A200030	ESEA-1860-21	7/1/20-9/30/21	118,777				12,251	(12,251)	107,581	107,795		23,233	(23,447)		(214)
ESEA Title III	84.365	S365A190030	ESEA-1860-20	7/1/19-9/30/20	107,306	12,251	(17,662)		(12,251)	12,251	5,411			-	-		-
ESSA Title III - Immigrant	84.365	S365A200030	ESEA-1860-21	7/1/20-9/30/21	-				11,176	(11,176)	7,228	10,993		183	(3,948)		(3,765)
ESSA Title III - Immigrant	84.365	S365A190030	ESEA-1860-20	7/1/19-9/30/20	-	11,176	(11,293)	-	(11,176)	11,176	117	-	-	-	-	-	-
Total Title III						23,427	(28,955)	-	-	-	120,337	118,788	-	23,416	(27,395)	-	(3,979)
ESEA Title IV	84.424	S424A200031	ESEA-1860-21	7/1/20-9/30/21	89,295			-	12,872	(12,872)	86,251	98,201		3,966	(15,916)	-	(11,950)
ESEA Title IV	84.424	S424A190031	ESEA-1860-20	7/1/19-9/30/20	75,426	12,872	(15,007)	-	(12,872)	12,872	2,135	-	-	-	-	-	-
Total Title IV						12,872	(15,007)	-	-	-	88,386	98,201	-	3,966	(15,916)	-	(11,950)
Vocational Education - Perkins	84.048A	V048A190030	V048A190030	7/1/19-6/30/20	47,094	2,911	(2,911)		-	-	-	-		-	-	-	-
Vocational Education - Perkins	84.048A	V048A170030	V048A170030	7/1/17-6/30/18	50,146	-	-	1,600	-	-	-	-	1,600	-	-	-	-
Total Vocational-Education - Perkins						2,911	(2,911)	1,600	-	-	-	-	1,600	-	-	-	-

**HACKENSACK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Project Period	Award Amount	Balance, June 30, 2020			Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Returned To Grantor	Balance, June 30, 2021			*	Memo GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor		
Elementary and Secondary School Emergency Relief (ESSER)																		
Coronavirus Aid, Relief, and Economic Security (CARES) Act																		
CARES Emergency Relief Grant	84.425D	5425D200027	N/A	3/13/20-9/30/22	1,045,357	968,004	(1,045,357)				903,283	913,380		54,624	(142,074)	-	*	(87,450)
Elementary and Secondary School Emergency Relief (ESSER II)																		
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																		
ESSER II	84.425D	S425D210027		3/13/20-9/30/23	4,013,033									4,013,033	(4,013,033)		*	
Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	257,536									257,536	(257,536)		*	
Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000	-	-	-	-	-	-	-	-	45,000	(45,000)	-	*	-
Total ESSER Cluster						968,004	(1,045,357)	-	-	-	903,283	913,380	-	4,370,193	(4,457,643)	-	*	(87,450)
Coronavirus Relief Fund																		
CARES Act - Bergen County Pass Thru	21.019	N/A	N/A	3/1/20-12/31/21	291,659	-	-	-	-	-	291,659	261,118	-	30,541	-	-	*	-
Coronavirus Relief Fund	21.019	N/A	N/A	3/1/20-12-31-21	545,032	-	-	-	-	-	545,032	545,030	-	2	-	-	*	-
Total CRF Program Cluster						-	-	-	-	-	836,691	806,148	-	30,543	-	-	*	-
Project ACES																		
Project ACES	17.259	AA-26795-16-55-A-34	N/A	7/1/17-6/30/18	73,892		(35,250)				35,250				-		*	-
Project ACES	17.259	AA-26795-16-55-A-34	N/A	7/1/16-6/30/17	127,400			158					158			-	*	-
Project ACES	17.259	AA-26795-16-55-A-34	N/A	7/1/14-6/30/15	107,475		(979)				979				-		*	-
Project ACES	17.259	AA-26795-16-55-A-34	N/A	7/1/13-6/30/14	108,000		(2,577)				2,163				(414)		*	(414)
Project ACES	17.259	AA-26795-16-55-A-34	N/A	7/1/12-6/30/13	57,600	-	(2,799)	-	-	-	-	-	-	-	(2,799)	-	*	(2,799)
Total Project ACES Cluster						-	(41,605)	158	-	-	38,392	-	158	-	(3,213)	-	*	(3,213)
Total U.S. Department of Education																		
						1,232,784	(1,539,004)	46,531	-	-	4,665,703	5,094,557	19,578	4,652,176	(5,387,250)	26,953	*	(765,617)
Total Special Revenue Fund																		
						1,232,784	(1,539,004)	46,531	-	-	4,665,703	5,094,557	19,578	4,652,176	(5,387,250)	26,953	*	(765,617)
See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance																		
U.S. Department of Health and Human Services																		
Medicaid Cluster																		
General Fund:																		
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	7/1/20-6/30/21	269,969	-	-	-	-	-	\$ 269,969	\$ 269,969	-	-	-	-	*	-
Total General Fund Fund						-	-	-	-	-	269,969	269,969	-	-	-	-	*	-
Total Federal Awards																		
						\$ 1,232,784	\$ (1,696,392)	\$ 46,531	\$ -	\$ -	\$ 9,413,539	\$ 10,522,968	\$ 19,578	\$ 4,654,218	\$ (6,227,255)	\$ 26,953	*	\$ (1,605,622)



**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, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2021			MEMO	
										Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund														
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 15,777,591			\$ 14,343,065	\$ 15,777,591				\$ (1,434,526)			\$ 15,777,591
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	14,505,187	\$ (1,311,398)		1,311,398					-			
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	2,121,557			1,928,661	2,121,557				(192,896)			2,121,557
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	2,121,557	(191,807)		191,807					-			
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	4,787,838			4,352,519	4,787,838				(435,319)			4,787,838
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	4,787,838	(432,863)	-	432,863		-	-	-	-	-	-	-
Total State Aid Public Cluster				(1,936,068)	-	22,560,313	22,686,986	-	-	-	(2,062,741)	-	-	22,686,986
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	682,382			620,339	682,382				(62,043)			682,382
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	682,382	(61,694)	-	61,694		-	-	-	-	-	-	-
Total Transportation Aid Cluster				(61,694)	-	682,033	682,382	-	-	-	(62,043)	-	-	682,382
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	1,714,459				1,714,459				(1,714,459)			1,714,459
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	1,507,303	(1,507,303)		1,507,303					-			
On-Behalf TPAF Pension System Contributions NCGI	21-495-034-5094-004	7/1/20-6/30/21	251,429			251,429	251,429				-			251,429
On-Behalf TPAF Pension System Contributions Normal Costs and Accrued Liability	21-495-034-5094-002	7/1/20-6/30/21	13,214,779			13,214,779	13,214,779				-			13,214,779
On-Behalf TPAF Contributions (Post Retirement Medical)	21-495-034-5094-001	7/1/20-6/30/21	4,220,100			4,220,100	4,220,100				-			4,220,100
On-Behalf TPAF Contributions (Long-Term Disability Insurance Premium)	21-495-034-5094-004	7/1/20-6/30/21	4,959			4,959	4,959				-			4,959
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	3,712,612			3,712,612	3,712,612				-			3,712,612
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	3,655,601	(184,314)	-	184,314	-	-	-	-	-	-	\$ -	-
Total General Fund				(3,689,379)	-	46,337,842	46,487,706	-	-	-	(3,839,243)	-	-	46,487,706
Special Revenue:														
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	\$ 2,855,052		\$ 502,000	2,595,468	3,362,439		\$ 769,652	\$ 764,265	\$ (259,584)			\$ 3,362,439
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	\$ 1,818,812	\$ 337,563	(502,000)	164,437					-			-
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	23,515			23,515	12,011				\$ -	\$ 11,504		12,011
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	26,769	8,922		2,681		11,603			-	-		-
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	1,324	973	-	185	-	1,158	-	-	-	-	-	-
Total Auxiliary Services (Chapter 192) Cluster				9,895	-	26,381	12,011	12,761	-	-	-	11,504	-	12,011
Handicapped Services:														
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	\$ 24,899			\$ 24,899	\$ 11,514				\$ -	\$ 13,385		\$ 11,514
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	19,326	\$ 8,103		2,483		10,586			-	-		-
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	10,025			10,025	2,916				-	7,109		2,916
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	8,658	5,005		1,458		6,463			-	-		-
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	10,523			10,523	4,970				-	5,553		4,970
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	10,281	(333)	-	333	-	-	\$ -	-	-	-	-	-
Total Handicapped Services (Chapter 193) Cluster				12,775	-	49,721	19,400	17,049	-	-	-	26,047	-	19,400



**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, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Transfers / Adjustments	Balance, June 30, 2021			MEMO	
										Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Nonpublic Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	6,170			6,170	6,143				-	27		6,143
Nonpublic Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	10,506			10,506	10,506					-		10,506
Nonpublic Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	10,379	4,199				4,199				-		-
Nonpublic Technology	20-100-034-5120-373	7/1/19-6/30/20	3,780	11				11				-		-
Nonpublic Security	21-100-034-5120-509	7/1/20-6/30/21	18,025			18,025	18,025				-	-		18,025
Depart of Human Services - SBYFS														
Friendly Family	FF07015	7/1/20-6/30/21	45,463			45,463	34,734					10,729		34,734
Friendly Family	FF07015	7/1/19-6/30/20	45,463	6,560								6,560		-
Friendly Family	FF07015	7/1/18-6/30/19	45,463	2,163								2,163		-
Friendly Family	FF07015	7/1/17-6/30/18	45,963	1,689								1,689		-
School Based Youth Service Program	100-054-7500-068	7/1/20-6/30/21	299,940			299,940	299,676					264		299,676
School Based Youth Service Program	100-054-7500-068	7/1/19-6/30/20	299,940	9,446			1,515	4,987				2,944		1,515
School Based Youth Service Program	100-054-7500-068	7/1/18-6/30/19	299,940	356	-	-	-	356		-	-	-	-	-
School Based Youth Service Program	100-054-7500-068	7/1/17-6/30/18	303,940	5,727	-	-	-	5,727	-	-	-	-	-	-
Total SBYS Program Cluster				25,941	-	345,403	335,925	11,070	-	-	-	24,349	-	335,925
Total Special Revenue Fund				390,384	-	3,216,111	3,764,449	45,090	769,652	764,265	(259,584)	61,927	-	3,764,449
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	148,212			121,279	148,212				(26,933)		(26,933)	148,212
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	20,687	(1,519)	-	7,525	6,006	-	\$ -		-	-	-	6,006
Total Enterprise Fund				(1,519)	-	128,804	154,218	-	-	-	(26,933)	-	(26,933)	154,218
Total State Financial Assistance Subject to Single Audit Determination				(3,300,514)	-	49,682,757	50,406,373	45,090	769,652	764,265	(4,125,760)	61,927	(26,933)	50,406,373
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
On-Behalf TPAF Pension System Contributions-NCGI	21-495-034-5094-004	7/1/20-6/30/21	251,429			(251,429)	(251,429)							(251,429)
On-Behalf TPAF Normal Costs	21-495-034-5094-002	7/1/20-6/30/21	13,214,779			(13,214,779)	(13,214,779)							(13,214,779)
On-Behalf TPAF Post-Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	4,220,100			(4,220,100)	(4,220,100)							(4,220,100)
On-Behalf TPAF Long-Term Disability Ins. Contributions	21-495-034-5094-004	7/1/20-6/30/21	4,959	-	-	(4,959)	(4,959)	-	-	-	-	-	-	(4,959)
Total State Financial Assistance Subject to Major Program Determination				\$ (3,300,514)	\$ -	\$ 31,991,490	\$ 32,715,106	\$ 45,090	\$ 769,652	\$ 764,265	\$ (4,125,760)	\$ 61,927	\$ (26,933)	\$ 32,715,106

**HACKENSACK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$334,178 for the general fund and an increase of \$92,755 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	\$ 269,969	\$ 46,153,528	\$ 46,423,497
Special Revenue Fund	5,134,309	3,047,800	8,182,109
Food Service Fund	<u>5,158,442</u>	<u>154,218</u>	<u>5,312,660</u>
Total Awards and Financial Assistance	<u>\$ 10,562,720</u>	<u>\$ 49,355,546</u>	<u>\$ 59,918,266</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, 2021**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$3,712,612 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$13,466,208, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,220,100 and TPAF Long-Term Disability Insurance in the amount of \$4,959 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**HACKENSACK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*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?       X       yes            no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>H027A200100/H173A200114</u>	<u>IDEA Part B/IDEA Preschool Cluster</u>
<u>84.425</u>	<u>54250200027</u>	<u>CARES Emergency Relief Act</u>
<u>21.019</u>	<u>Not Available</u>	<u>Coronavirus Relief Fund</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, 2021**

***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 2021-001**

We noted the ESIP project contract in the amount of \$12.6 million was not encumbered upon award and therefore was not recorded in the District's accounting records at year end.

**Criteria or specific requirement:**

State Department of Education's GAAP Technical System Manual, generally accepted accounting principles.

**Condition**

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

**Context**

The ESIP contract award of \$12,586,259 was not encumbered when approved and outstanding encumbrances totaling \$8,812,979 was not recorded at June 30, 2021.

**Effect**

Unencumbered project balance maybe overstated. Audit adjustments were made to record known material outstanding encumbrances at year end.

**Cause**

A purchase order was not issued for the ESIP contract award when approved by the Board.

**Recommendation**

Procedures be revised to ensure all contracts are encumbered when awarded by the District.

**View of Responsible Officials and Planned Corrective Action**

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

**HACKENSACK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*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**

There were none.

**HACKENSACK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***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**

**Finding 2021-002**

Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it relates to compliance with the Public School Contracts Law and State procurement regulations:

- We noted a contract for substitute staffing services which exceeded the bid threshold was not awarded through a public bidding or competitive contracting process. In addition, we noted the contract award did not include a maximum not to exceed contract amount.
- We noted State contract and cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved State contract or cooperative purchasing program award. In addition, we also noted in some instances that certain State contract and cooperative contract vendors were not specifically approved by Board resolution, as such.
- We noted payments were made for pest control, security and printing services which exceeded the quote threshold, however competitive quotations were not sought.
- Our audit indicated that the District did not submit to the Office of the State Comptroller the pre-advertisement or post award notices for a contract award which exceeding \$10 million as required by NJSA 52:15C-10.

**State program information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions  
NJSA 18A:18A – Public School Contracts Law

**Condition:**

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

**Questioned Costs:**

Unknown.



**HACKENSACK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*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**

**Finding 2021-002 (Continued)**

**Context:**

- Contract for substitute staffing services exceeded bid threshold was not awarded through public bidding or competitive contracting. Contract payments totaled \$392,000 for the 2021 fiscal year.
- State contract and cooperative purchasing program contract award information was not on file in the District and therefore not reviewed to ensure goods or services purchased and prices paid were in agreement to the respective State contract or cooperative program approved contract award.
- In three (3) instances competitive quotations were not sought for purchasing exceeding \$6,600.
- The District did not properly notify the Office of the State Comptroller of a contract awarded in excess of \$10 million. The contract awarded was approximately \$12.6 million.

**Effect:**

Noncompliance with requirements of the Public School Contracts Law and State procurement regulations.

**Cause:**

Unknown.

**Recommendation:**

Continued efforts be made over purchasing procedures to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file to support the District's awards pursuant to State contracts and cooperative purchasing agreements.

**Views of Responsible Officials and Planned Corrective Action Plan:**

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

**HACKENSACK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2020-001**

**Condition**

Certain open purchase orders classified as encumbrances at June 30, 2020 were determined 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 2020-002**

**Condition**

Certain time and effort reports were not on file to support certain salary charges to the Title I grant program during 2019/2020.

**Current Status**

Corrective action has been taken.

**Finding 2020-003**

**Condition**

Capital lease and lease-purchase payments, travel expense reimbursement and the Athletic Director's salary were not charged to the proper budget program, function and/or object codes.

**Current Status**

Partial corrective action has been taken. See Auditor's Management Report finding 2021-2.

**HACKENSACK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2020-004**

**Condition**

Certain students IEP's included on the Extraordinary Aid application did not indicate they were required to receive intensive related services.

**Current Status**

Corrective action has been taken.

**Finding 2020-005**

**Condition**

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

**Current Status**

See Finding 2021-002