

**SCHOOL DISTRICT
OF
SOUTH HACKENSACK**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

**Annual Comprehensive
Financial Report**

of the

South Hackensack School District

South Hackensack, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**South Hackensack School District
Board of Education**

SOUTH HACKENSACK SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

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

Jason Chirichella
Superintendent

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

October 22, 2024

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

Dear Board Members:

The annual comprehensive financial report of the South Hackensack School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The South Hackensack School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The South Hackensack School District and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an average daily enrollment of 240 students, which is an increase of 3 students from the previous year's enrollment.

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

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

3) MAJOR INITIATIVES: For the 2024-2025 school year, the South Hackensack School District endeavored to implement and achieve the following Board of Education approved Educational Goals:

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

Objectives:

1. Teacher committee will continue to develop/refine the inventory of screening tools and alternate assessments for initial identification and monitoring of students needing support.
2. Analyze data including but not limited to NJSLA, LinkIt!, District Benchmarks to identify achievement gaps to assist in determining tiering levels.
3. Coordinate high-quality instruction and evidence-based interventions to match student needs
 - a. Provide Professional Development opportunities for staff to support specific interventions for use within Tier 2 and Tier 3.
4. Utilize specific staff and scheduling processes that will reinforce the tiered supports to increase student achievement and reduce achievement gaps.
5. Coordinate and employ tiered supports based on student need to enable the acquisition of missing skills while continuing grade-level instruction.

- Groups responsible: Administration, Teaching Staff
- Timeline: End of the 2024-2025 academic year

2. Implementation of a Mathematics Committee to conduct a district wide search for a new math program and textbook series for grades PK-8 for the following school year.

Objectives:

1. Create a Math Committee of select staff that will begin to research best practice, high quality programs and companies that will best align with the new math curriculum.
2. Collaborate with administrators and the school business administrator to develop a budget for the purchase of a new math program and textbook series.
3. Identify math program companies to contact to share sample programs related materials, resources, textbooks for the committee to review.
4. Discuss and review the identified math program companies and samples to determine curriculum alignment, best practices, teacher resources and materials.

5. Make a recommendation to the Board of Education for a new math program to be purchased and implemented for the 2025-2026 school year
 - Groups responsible: Administration, Teaching Staff
 - Timeline: End of the 2024-2025 academic year
3. Implementation of the DREAMS Program (Developing Resiliency with Engaging Approaches to Maximize Success) and Nurtured Heart Approach (Year 1 of a 2-Year full program implementation). This includes ongoing professional development throughout the school year provided by NJ Department of Children and Families.

Objectives:

1. Create a DREAMS champion team that includes district administrator, school leadership, teacher, student support services, child study team, paraprofessionals.
 2. Participate in an introduction meeting with the Nurtured Heart Approach Community Mentors.
 3. Develop an implementation plan along with the mentor to inform the process.
 4. Identify 2 trainer candidates to attend 6-hour training to be certified in the Nurtured Heart Approach.
 5. Identify dates for professional development/collaboration to conduct the Nurtured Heart Approach training with staff.
 6. Work with the Community Mentor to support the planning process and implementation of the Nurtured Heart Approach.
- Groups responsible: Administration, Teaching Staff
 - Timeline: End of the 2025-2025 academic year

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

The Honorable President and Members of

purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

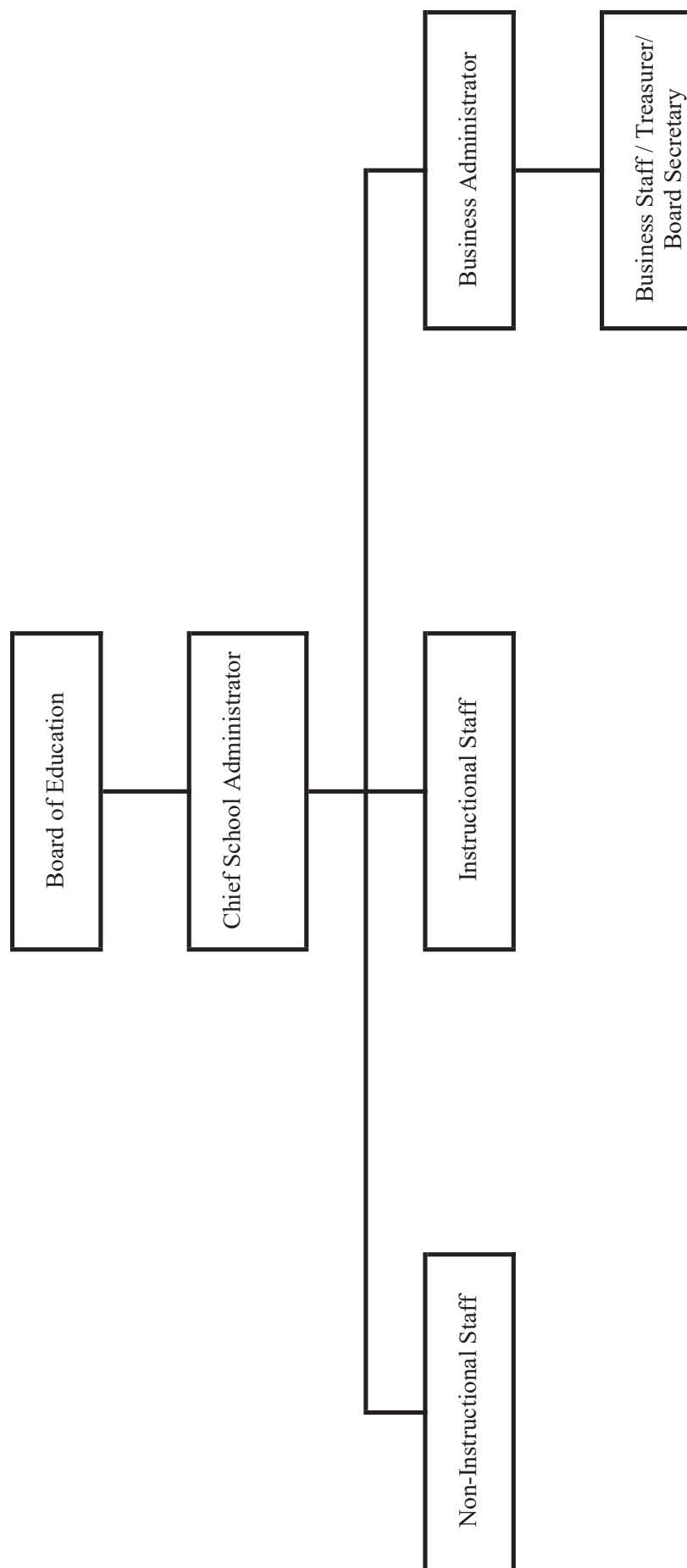


Jason Chirichella
Superintendent



Bert Arifaj
Business Administrator

SOUTH HACKENSACK BOARD OF EDUCATION
Organizational Chart
(Unit Control)



**SOUTH HACKENSACK SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education 2023-2024</u>	<u>Term</u>
Anika Davis	2024-2026
James Donatello	2023-2025
Ashley Paladino	2023-2025
Lawrence Paladino	2022-2024
Salvatore Tornambe	2022-2024
Henry Yannetti	2022-2024
Jennifer Zanca	2024-2026

Other Officials

Jason Chirichella - Superintendent/Principal

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

Alfredo Aguilar – Business Administrator – January 1, 2024 – February 23, 2024

Beverly Vlietstra – Interim Business Administrator – February 26, 2024 – June 30, 2024

Bert Arifaj – Business Administrator/ Board Secretary – Starting July 1, 2024

SOUTH HACKENSACK SCHOOL DISTRICT
Consultants and Advisors

Attorney

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

Audit Firm

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

Official Depository

Valley National Bank
20 Court Street
Hackensack, NJ 07601

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the South Hackensack School District (the "District"), in the County of Bergen, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

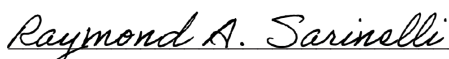
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
October 22, 2024

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

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

**SOUTH HACKENSACK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section of South Hackensack School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of the Board of Education of the Township of South Hackensack's Financial Report

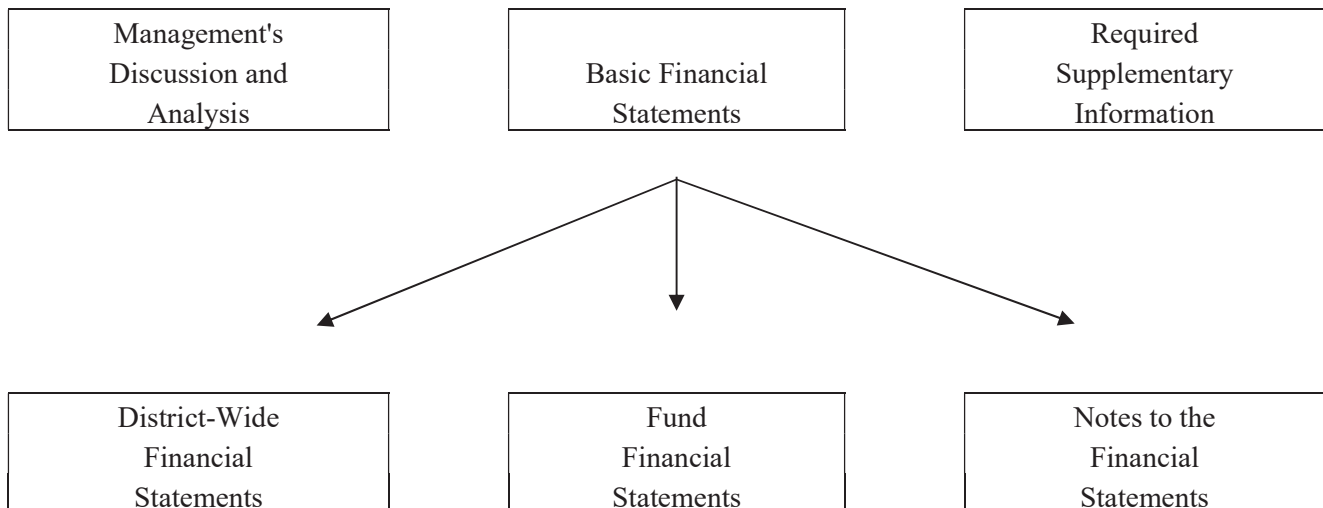


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: Food Services and the After School Program
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Notes to Basic Financial Statements

Provide additional information essential to full understanding of District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's net position is shown in Figure A-3. It is important to note here that depreciation of the District's capital assets is computed into the totals. The depreciation factored into the District's net position for 2023/2024 is \$310,900 in governmental activities and \$187 in business-type activities. This same amount is also factored in as an expense in the current year's financial statements. A second factor affecting the net position was the paydown of long-term liabilities in the amount of \$341,844 which decreased debt and increased net position. The restricted net position increased in the current year primarily due to the increases in excess surplus, capital reserve and maintenance reserve. The unrestricted net position increased primarily due to changes in net pension liability and related deferred outflows and inflows.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Current and							
Other Assets	\$ 3,301,997	\$ 2,540,991	\$ 38,205	\$ 35,246	\$ 3,340,202	\$ 2,576,237	
Capital Assets, Net	12,281,941	12,574,763	243	430	12,282,184	12,575,193	
Total Assets	15,583,938	15,115,754	38,448	35,676	15,622,386	15,151,430	3.11%
Deferred Outflows of Resources	279,638	283,941			279,638	283,941	-1.52%
Other Liabilities	378,926	161,050			378,926	161,050	
Long-Term Liabilities	1,956,207	2,252,524			1,956,207	2,252,524	
Total Liabilities	2,335,133	2,413,574			2,335,133	2,413,574	-3.25%
Deferred Inflows of Resources	170,432	345,046			170,432	345,046	-50.61%
Net Position:							
Net Investment in							
Capital Assets	11,739,960	11,735,865	243	430	11,740,203	11,736,295	
Restricted	2,505,887	2,094,609			2,505,887	2,094,609	
Unrestricted/ (Deficit)	(887,836)	(1,189,399)	38,205	35,246	(849,631)	(1,154,153)	
Total Net Position	\$ 13,358,011	\$ 12,641,075	\$ 38,448	\$ 35,676	\$ 13,396,459	\$ 12,676,751	5.68%

Changes in Net Position. The changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (See Figure A-4).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Revenue:							
Program Revenue:							
Charges for Services	\$ 87,262	\$ 27,992	\$ 76,876	\$ 72,641	\$ 164,138	\$ 100,633	
Grants and Contributions:							
Operating	2,362,120	1,855,845	48,787	54,406	2,410,907	1,910,251	
General Revenue:							
Property Taxes	8,968,865	9,036,223			8,968,865	9,036,223	
Federal and State Aid Not Restricted	37,398	37,349			37,398	37,349	
Other	448,514	407,784	3,236	1,764	451,750	409,548	
Total Revenue	<u>11,904,159</u>	<u>11,365,193</u>	<u>128,899</u>	<u>128,811</u>	<u>12,033,058</u>	<u>11,494,004</u>	4.69%
Expenses:							
Instruction	4,616,825	4,202,619			4,616,825	4,202,619	
Pupil and Instruction Services	4,297,345	4,010,305			4,297,345	4,010,305	
Administrative and Business	641,886	460,954			641,886	460,954	
Maintenance and Operations	689,316	868,807			689,316	868,807	
Transportation	585,574	603,854			585,574	603,854	
Other	338,924	526,568	143,481	137,420	482,405	663,988	
Total Expenses	<u>11,169,870</u>	<u>10,673,107</u>	<u>143,481</u>	<u>137,420</u>	<u>11,313,351</u>	<u>10,810,527</u>	4.65%
Transfers	<u>(17,353)</u>	<u>(12,842)</u>	<u>17,353</u>	<u>12,842</u>	<u>-0-</u>	<u>-0-</u>	0.00%
Increase/(Decrease) in Net Position	<u>\$ 716,936</u>	<u>\$ 679,244</u>	<u>\$ 2,771</u>	<u>\$ 4,233</u>	<u>\$ 719,707</u>	<u>\$ 683,477</u>	5.30%

Governmental Activities

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

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

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023/24	2022/23	2023/24	2022/23
Instruction	\$ 4,616,825	\$ 4,202,619	\$ 2,337,856	\$ 2,483,155
Pupil and Instruction Services	4,297,345	4,010,305	4,201,021	3,920,295
Administrative and Business	641,886	460,954	619,565	437,944
Maintenance and Operations	689,316	868,807	689,316	868,807
Transportation	585,574	603,854	533,806	552,501
Other	338,924	526,568	338,924	526,568
	<u>\$ 11,169,870</u>	<u>\$ 10,673,107</u>	<u>\$ 8,720,488</u>	<u>\$ 8,789,270</u>

Business-Type Activities

Net position from the District's business-type activity increased \$2,771 (Refer to Figure A-4). This was primarily due to an increase in daily sales and a decrease in operating expenses offset by a decrease in operating grants and contributions.

Capital Assets

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Land	\$ 4,870,146	\$ 4,870,146			\$ 4,870,146	\$ 4,870,146	
Construction in Progress							
Site Improvements	5,901	7,630			5,901	7,630	
Buildings and Building Improvements	7,320,905	7,617,835			7,320,905	7,617,835	
Machinery and Equipment	84,989	79,152	\$ 243	\$ 430	85,232	79,582	
Total Capital Assets, Net	<u>\$ 12,281,941</u>	<u>\$ 12,574,763</u>	<u>\$ 243</u>	<u>\$ 430</u>	<u>\$ 12,282,184</u>	<u>\$ 12,575,193</u>	-2.33%

The current year depreciation was \$311,087 and the District had \$18,078 of additions during the fiscal year. More detailed information about the District's capital assets is presented in Note 5 to the Basic Financial Statements.

Long-term Liabilities

At year-end, the District had \$400,000 in general obligation bonds – a decrease of \$190,000 from last year – as shown in Figure A-7. More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements.

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change 2023/24
	2023/24	2022/23	
General Obligation Bonds	\$ 400,000	\$ 590,000	
Net Pension Liability	1,030,402	984,875	
Financed Purchases	141,981	248,898	
Other Long Term Liabilities	383,824	428,751	
	<u>\$ 1,956,207</u>	<u>\$ 2,252,524</u>	-13.15%

- The District continued to pay down its existing debt, retiring \$190,000 of bonded debt.
- The District had a net decrease of \$44,927 with regard to compensated absences payable as well as an increase of \$45,527 in net pension liability.
- The District did not enter into any new financed purchase agreements, but paid down \$106,917 in financed purchase agreement principal during the fiscal year.

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

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

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and customers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 1 Dyer Avenue, South Hackensack, New Jersey 07606.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 507,315	\$ 36,091	\$ 543,406
Receivables from Federal Government	331,580	2,055	333,635
Receivables from State Government	351,687	59	351,746
Restricted Cash and Cash Equivalents	2,111,415		2,111,415
Capital Assets, Net:			
Sites (Land) and Construction in Progress	4,870,146		4,870,146
Depreciable Buildings and Building Improvements and Site Improvements, Machinery and Equipment	7,411,795	243	7,412,038
Total Assets	15,583,938	38,448	15,622,386
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	279,638		279,638
Total Deferred Outflows of Resources	279,638		279,638
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	366,491		366,491
Accrued Interest Payable	6,188		6,188
Unearned Revenue	6,247		6,247
Noncurrent Liabilities:			
Due Within One Year	275,587		275,587
Due Beyond One Year	1,680,620		1,680,620
Total Liabilities	2,335,133		2,335,133
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	170,432		170,432
Total Deferred Inflows of Resources	170,432		170,432
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	11,739,960	243	11,740,203
Restricted for:			
Maintenance	482,726		482,726
Capital Projects	1,576,644		1,576,644
Excess Surplus	394,472		394,472
Unemployment Compensation	21,543		21,543
Student Activities	9,393		9,393
Scholarships	21,109		21,109
Unrestricted/(Deficit)	(887,836)	38,205	(849,631)
Total Net Position	\$ 13,358,011	\$ 38,448	\$ 13,396,459

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,530,663	\$ 58,381	\$ 1,291,079	\$	(2,181,203)	\$	(2,181,203)
Special Education	612,277		846,385		234,108		234,108
Other Special Instruction	332,322		63,168		(269,154)		(269,154)
Other Instruction	141,563		19,956		(121,607)		(121,607)
Support Services:							
Tuition	3,054,555				(3,054,555)		(3,054,555)
Student & Instruction Related Services	1,242,790	28,881	67,443		(1,146,466)		(1,146,466)
General Administrative Services	255,066				(255,066)		(255,066)
School Administrative Services	120,660		22,321		(98,339)		(98,339)
Central Services	187,308				(187,308)		(187,308)
Plant Operations and Maintenance	689,316				(689,316)		(689,316)
Administration Information Technology	78,852				(78,852)		(78,852)
Pupil Transportation	585,574		51,768		(533,806)		(533,806)
Capital Outlay	18,956				(18,956)		(18,956)
Interest on Long-Term Liabilities	21,309				(21,309)		(21,309)
Unallocated Depreciation	298,659				(298,659)		(298,659)
Total Governmental Activities	\$ 11,169,870	\$ 87,262	\$ 2,362,120	\$	(8,720,488)	\$	(8,720,488)

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service Program	\$ 77,451	\$ 4,934	\$ 48,787		\$ (23,730)	\$ (23,730)
After School Program	66,030	71,943			5,913	5,913
Total Business-Type Activities	143,481	76,877	48,787		(17,817)	(17,817)
Total Primary Government	<u>\$ 11,313,351</u>	<u>\$ 164,139</u>	<u>\$ 2,410,907</u>	<u>\$ (8,720,488)</u>	<u>\$ (17,817)</u>	<u>\$ (8,738,305)</u>
General Revenues and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 8,754,670	\$	\$ 8,754,670
Taxes Levied for Debt Service				214,195		214,195
Federal and State Aid not Restricted				37,398		37,398
Interest and Miscellaneous Income				448,514	\$ 3,236	451,750
Transfers				(17,353)	17,353	
Total General Revenues and Transfers				9,437,424	20,589	9,458,013
Change in Net Position				716,936	2,772	719,708
Net Position - Beginning				12,641,075	35,676	12,676,751
Net Position - Ending				<u>\$ 13,358,011</u>	<u>\$ 38,448</u>	<u>\$ 13,396,459</u>

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

FUND FINANCIAL STATEMENTS

SOUTH HACKENSACK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 507,315		\$ 507,315
Interfund Receivables	198,056		198,056
Receivables from Federal Government		\$ 331,580	331,580
Receivables from State Government	351,687		351,687
Restricted Cash and Cash Equivalents	2,080,913	30,502	2,111,415
Total Assets	<u>\$ 3,137,971</u>	<u>\$ 362,082</u>	<u>\$ 3,500,053</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 133,295	\$ 133,327	\$ 266,622
Interfund Payable		198,056	198,056
Unearned Revenue	6,050	197	6,247
Total Liabilities	<u>139,345</u>	<u>331,580</u>	<u>470,925</u>
Fund Balances:			
Restricted:			
Maintenance Reserve	482,726		482,726
Capital Reserve	1,576,644		1,576,644
Unemployment Compensation	21,543		21,543
Student Activities		9,393	9,393
Scholarships		21,109	21,109
Excess Surplus - 2025-2026	192,628		192,628
Excess Surplus - 2024-2025	201,844		201,844
Assigned:			
Other Purposes	3,579		3,579
Designated for Subsequent Year's Expenditures	97,974		97,974
Unassigned	421,688		421,688
Total Fund Balances	<u>2,998,626</u>	<u>30,502</u>	<u>3,029,128</u>
Total Liabilities and Fund Balances	<u>\$ 3,137,971</u>	<u>\$ 362,082</u>	<u>\$ 3,500,053</u>

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

Total Fund Balances From Above	\$ 3,029,128
Capital Assets Used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	12,281,941
Interest on Long-Term Liabilities is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(6,188)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,030,402)

SOUTH HACKENSACK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:

Deferred Outflows

\$ 179,769

Deferred Inflows

(170,432)

Long-Term Liabilities, including Bonds Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.

(925,805)

Net Position of Governmental Activities

\$ 13,358,011

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 8,754,670		\$ 214,195	\$ 8,968,865
Tuition	58,381			58,381
Restricted Miscellaneous Revenue		\$ 28,881		28,881
Unrestricted Miscellaneous Revenue	448,514			448,514
Total - Local Sources	9,261,565	28,881	214,195	9,504,641
State Sources	2,396,205			2,396,205
Federal Sources		781,386		781,386
Total Revenues	11,657,770	810,267	214,195	12,682,232
EXPENDITURES				
Current:				
Regular Instruction	1,957,069	686,215		2,643,284
Special Education Instruction	334,374	90,128		424,502
Other Special Instruction	209,635			209,635
Other Instruction	102,804			102,804
Support Services and Undistributed Costs:				
Tuition	3,054,555			3,054,555
Student & Instruction Related Services	1,024,179	28,732		1,052,911
General Administrative Services	218,178			218,178
School Administrative Services	76,492			76,492
Administrative Information Technology	2,470			2,470
Central Services	149,908			149,908
Plant Operations and Maintenance	685,694			685,694
Pupil Transportation	585,574			585,574

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES				
Unallocated Benefits	\$ 2,665,441			\$ 2,665,441
Debt Service:				
Principal			\$ 190,000	190,000
Interest and Other Charges			24,195	24,195
Capital Outlay	31,991	\$ 5,043		37,034
Total Expenditures	11,098,364	\$ 810,118	214,195	12,122,677
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	559,406	149		559,555
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(17,353)			(17,353)
Total Other Financing Sources/(Uses)	(17,353)			(17,353)
Net Change in Fund Balances	542,053	149		542,202
Fund Balance—July 1	2,456,573	30,353		2,486,926
Fund Balance—June 30	\$ 2,998,626	\$ 30,502	\$ -0-	\$ 3,029,128

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 542,202
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Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:

Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation in the period.

Depreciation expense	\$ (310,900)
Capital Asset Additions	18,078
	<u>(292,822)</u>

Repayment of bond principal and financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

296,917

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

2,886

Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase

Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.

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

Change in Net Pension Liability	(45,527)
Changes in Deferred Outflows	(6,261)
Changes in Deferred Inflows	174,614

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

earned amount the difference is an addition to the reconciliation (+).	44,927
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 716,936

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 16,072	\$ 20,018	\$ 36,090
Accounts Receivable:			
Federal	2,055		2,055
State	59		59
Total Current Assets	18,186	20,018	38,204
Capital Assets:			
Machinery and Equipment	2,960		2,960
Less: Accumulated Depreciation	(2,717)		(2,717)
Total Capital Assets	243		243
Total Assets	18,429	20,018	38,447
NET POSITION:			
Investment in Capital Assets	243		243
Unrestricted	18,186.00	20,018	38,204
Total Net Position	\$ 18,429	\$ 20,018	\$ 38,447

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 4,933		\$ 4,933
After School Program		\$ 71,943	71,943
Total Operating Revenue	4,933	71,943	76,876
Operating Expenses:			
Cost of Sales - Reimbursable Programs	39,858		39,858
Salaries, Benefits & Payroll Taxes	33,008	66,030	99,038
Depreciation	187		187
Miscellaneous Expenses	4,398		4,398
Total Operating Expenses	77,451	66,030	143,481
Operating Loss	(72,518)	5,913	(66,605)
Non-Operating Revenue:			
Federal Sources:			
School Breakfast Program	943		943
National School Lunch Program	35,754		35,754
Supply Chain Assistance	10,335		10,335
Pandemic/ Electronic Benefits Transfer Administrative Reimbursement	653		653
State Sources:			
School Breakfast Program	3		3
School Lunch Program	1,099		1,099
Local Sources:			
Interest Revenue	3,236		3,236
Total Non-Operating Revenue	52,023		52,023
Change in Net Position before Transfers	(20,495)	5,913	(14,582)
Transfers In:			
General Fund - Board Contribution	17,353		17,353
Change in Net Position after Transfers	(3,142)	5,913	2,771
Net Position - Beginning of Year	21,571	14,105	35,676
Net Position - End of Year	\$ 18,429	\$ 20,018	\$ 38,447

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

SOUTH HACKENSACK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 4,933	\$ 71,943	\$ 76,876
Payments to Employees	(33,008)	(66,030)	(99,038)
Payments to Suppliers	(44,256)		(44,256)
Net Cash Used for Operating Activities	(72,331)	5,913	(66,418)
Cash Flows from Investing Activities:			
Interest Revenue	3,236		3,236
Net Cash Provided by Investing Activities	3,236		3,236
Cash Flows from Noncapital Financing Activities:			
Board Contribution	17,353		17,353
Federal Sources	46,639		46,639
State Sources	1,081		1,081
Net Cash Provided by Noncapital Financing Activities	65,073		65,073
Net Increase in Cash and Cash Equivalents	(4,022)	5,913	1,891
Cash and Cash Equivalents, July 1	20,094	14,105	34,199
Cash and Cash Equivalents, June 30	<u>\$ 16,072</u>	<u>\$ 20,018</u>	<u>\$ 36,090</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (72,518)	\$ 5,913	\$ (66,605)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:			
Depreciation	187		187
Net Cash Used for Operating Activities	<u>\$ (72,331)</u>	<u>\$ 5,913</u>	<u>\$ (66,418)</u>

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary fund:

Enterprise (Food Service and After School Program) Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria and after school operations. The food service fund and after school program fund are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 11,653,224	\$ 824,722
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenue on the Budgetary Basis but not on the GAAP Basis		
Current Year Encumbrances		(8,796)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	24,233	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(19,687)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,657,770</u>	<u>\$ 815,926</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,098,364	\$ 810,118
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(8,796)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,098,364</u>	<u>\$ 801,322</u>

E. Cash and Cash Equivalents and Investments:

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

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

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	30 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Lease Assets

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

M. Subscription Assets

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

Q. Lease Payable

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

R. Subscription Payable

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

S. Unearned revenue:

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

T. Fund Balance Appropriated:

General Fund: Of the \$2,998,626 General Fund fund balance at June 30, 2024, \$482,726 is restricted in the maintenance reserve account; \$1,576,644 is restricted in the capital reserve account; \$21,543 is restricted in the unemployment compensation reserve account; \$192,628 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$201,844 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025, \$97,974 is assigned for subsequent year's expenditures and \$421,688 is unassigned fund balance which is \$19,687 more than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until fiscal year ended June 30, 2024.

Special Revenue Fund: Of the \$30,502 Special Revenue Fund fund balance at June 30, 2024, \$9,392 is restricted for student activities and \$21,110 is restricted for scholarships.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus in the fiscal year ending June 30, 2024 as noted above.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording these last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Fund Balance Restrictions, Commitments and Assignments:

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion, or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

V. Deficit Net Position:

The District has a deficit in unrestricted net position of \$887,836 in governmental activities, which is primarily a result of accrued interest payable, compensated absences payable, net pension liability, and the related deferred inflows and outflows. This deficit does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

W. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2024 for pensions. The District has deferred inflows of resources for pensions.

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

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Investments (Cont'd)

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Investments (Cont'd)

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

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 543,406</u>	<u>\$ 2,111,415</u>	<u>\$ 2,654,821</u>

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$2,654,821 and the bank balance was \$2,720,765.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District transferred \$13,035 to the capital outlay accounts, all of which was transferred to equipment and did not require County Superintendent approval.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,870,146			\$ 4,870,146
Total Capital Assets Not Being Depreciated	4,870,146			4,870,146
Capital Assets Being Depreciated:				
Site Improvements	78,914			78,914
Buildings and Building Improvements	13,150,275			13,150,275
Machinery and Equipment	801,928	\$ 18,078		820,006
Total Capital Assets Being Depreciated	14,031,117	18,078		14,049,195
Governmental Activities Capital Assets	18,901,263	18,078		18,919,341
Less Accumulated Depreciation for:				
Site Improvements	(71,284)	(1,729)		(73,013)
Buildings and Building Improvements	(5,532,440)	(296,930)		(5,829,370)
Machinery and Equipment	(722,776)	(12,241)		(735,017)
	(6,326,500)	(310,900)		(6,637,400)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 12,574,763	\$ (292,822)	\$ -0-	\$ 12,281,941
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 2,960			\$ 2,960
Less Accumulated Depreciation	(2,530)	\$ (187)		(2,717)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 430	\$ (187)	\$ -0-	\$ 243
Total Governmental & Business-Type Capital Assets, Net of Accumulated Depreciation	\$ 12,575,193	\$ (293,009)	\$ -0-	\$ 12,282,184

Depreciation expense was charged to governmental functions as follows:

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT

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

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

Balance at June 30, 2023	\$ 362,226
Increased by Board Resolution June 2024	120,000
Interest Earnings	<u>500</u>
Balance at June 30, 2024	<u><u>\$ 482,726</u></u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Added	Retired	Balance 6/30/2024	Due within One Year
Serial Bonds Payable	\$ 590,000		\$ 190,000	\$ 400,000	\$ 200,000
Net Pension Liability	984,875	\$ 45,527		1,030,402	
Financed Purchases Payable	248,898		106,917	141,981	73,638
Compensated Absences Payable	<u>428,751</u>		<u>44,927</u>	<u>383,824</u>	<u>1,949</u>
	<u><u>\$ 2,252,524</u></u>	<u><u>\$ 45,527</u></u>	<u><u>\$ 341,844</u></u>	<u><u>\$ 1,956,207</u></u>	<u><u>\$ 275,587</u></u>

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and are liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds of 2006	02/15/26	4.000% - 4.150%	<u>\$ 400,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 200,000	\$ 16,500	\$ 216,500
2026	<u>200,000</u>	<u>8,300</u>	<u>208,300</u>
	<u>\$ 400,000</u>	<u>\$ 24,800</u>	<u>\$ 424,800</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board had no bonds authorized but not issued.

C. Financed Purchase Payable

The District has financed purchases agreements for various technology equipment. The finance purchase agreements are for terms of five years. The following is a schedule of the future minimum finance purchase payments under these financed purchases, and the present value of the net minimum financed purchases payments at June 30, 2024.

<u>Year</u>	<u>Amount</u>
2025	\$ 81,891
2026	57,972
2027	<u>15,127</u>
Total Minimum Finance Purchase Payments	154,990
Less: Amount representing interest	<u>(13,009)</u>
Present value of net minimum financed purchase payments	<u>\$ 141,981</u>

The current portion of financed purchases payable at June 30, 2024 is \$73,638, the long term portion payable is \$68,343. Financed Purchase agreements will be liquidated through the General Fund.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. There is a current portion of the liability of \$1,949 for compensated absences. The remaining long-term portion is \$381,875.

There was no liability for compensated absences payable in the District's Enterprise Funds at June 30, 2024.

E. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$0 and the long-term portion is \$1,030,402. See Note 8 for more information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey.

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$97,911 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$3,213 to the PERS for normal pension benefits on behalf of the district.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2024, the District's liability was \$1,030,402 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.00714%, which was a increase of 0.00061% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$27,746 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$3,213 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 5,598
	2020	5.16		50,928
	2021	5.13	\$ 2,264	
	2022	5.04		5,921
			<u>2,264</u>	<u>62,447</u>
Difference Between Expected and Actual Experience	2019	5.21	428	
	2020	5.16	2,837	
	2021	5.13		1,800
	2022	5.04		2,412
	2023	5.08	6,587	
			<u>9,852</u>	<u>4,212</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	15,957	
	2021	5.00	(132,707)	
	2022	5.00	157,889	
	2023	5.00	(36,394)	
			<u>4,745</u>	
Changes in Proportion	2019	5.21		800
	2020	5.16	28,885	
	2021	5.13	55,340	
	2022	5.04		102,972
	2023	5.08	78,682	
			<u>162,907</u>	<u>103,772</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	99,869	
			<u>\$ 279,637</u>	<u>\$ 170,431</u>

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2024	\$ (54,401)
2025	(30,365)
2026	42,433
2027	(7,594)
2028	129
	<u>\$ (49,798)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,341,364	\$ 1,030,402	\$ 765,732

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$1,046,860 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$291,173.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$11,852,137. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0232%, which was an increase of 0.0034% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>11,852,137</u>
Total	<u><u>\$ 11,852,137</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$291,173 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 13,975,820	\$ 11,852,137	\$ 10,063,491

Pension Plan Fiduciary Net Position

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

NOTE 9. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

The June 30, 2024 audit report for the Fund is not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2023 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 58,120,778
Net Position	\$ 19,408,763
Total Revenue	\$ 60,984,350
Total Expenses	\$ 61,472,363
Change in Net Position	\$ -0-
Member Dividends	\$ (488,013)

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ -0-	\$ 1,036	\$ 6,034	\$ 8,645	\$ 21,543
2022-2023	-0-	852	5,632	12,498	23,118
2021-2022	-0-	45	5,472	29	29,132

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. DEFERRED COMPENSATION

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

Lincoln Investment Planning Inc.
Fidelity Investments

NOTE 12. TAX CALENDAR

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

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

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2024 were as follows:

	<u>Governmental Funds</u>		<u>District</u>	
	<u>General</u>	<u>Special</u>	<u>Contribution</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Subsequent to</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Measurement Date</u>	<u>Activities</u>
Vendors	\$ 100,786	\$ 16,189		\$ 116,975
Payroll Deductions and Withholdings	32,509			32,509
Due to State of New Jersey		\$ 117,138	\$ 99,869	217,007
	<u>\$ 133,295</u>	<u>\$ 133,327</u>	<u>\$ 99,869</u>	<u>\$ 366,491</u>

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its \$5,290,000 School Bonds dated February 15, 2003, its \$3,195,000 School Bonds dated February 15, 2006. The amount of liability at June 30, 2024, if any, is unknown.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Total Governmental Funds
<u> </u>	<u> </u>	<u> </u>
\$ 3,579	\$ 8,796	\$ 12,375
<u> </u>	<u> </u>	<u> </u>

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$8,796 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

	Interfund Receivable	Interfund Payable
	<u> </u>	<u> </u>
General Fund	\$ 212,511	
Special Revenue		\$ 212,511
	<u>\$ 212,511</u>	<u>\$ 212,511</u>

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$50,000 on June 9, 2014 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance July 1, 2023	\$ 1,345,644
Increased by Board Resolution June 2024	230,000
Interest Earnings	<u>1,000</u>
Balance June 30, 2024	<u><u>\$ 1,576,644</u></u>

The June 30, 2024 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2024. The withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 8,902,433
Changes for Year:	
Service Cost	477,491
Interest on the Total OPEB Liability	320,935
Differences between Expected and Actual Experiences	(364,664)
Changes of Assumptions	18,367
Gross Benefit Payments by the State	(250,174)
Contributions from Members	<u>8,224</u>
Net Changes	<u>210,179</u>
Balance at June 30, 2023	<u>\$ 9,112,612</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 10,682,973	\$ 9,112,612	\$ 7,851,794

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

	June 30, 2023		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 7,564,873	\$ 9,112,612	\$ 11,137,833

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$265,780 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 328,362
	2018	9.51		339,883
	2019	9.29	\$ 50,002	
	2020	9.24	1,222,472	
	2021	9.24	6,958	
	2022	9.13		1,846,509
	2023	9.3	16,392	
			<u>1,295,824</u>	<u>2,514,754</u>
Differences between Expected and Actual Experience	2018	9.51		321,296
	2019	9.29		588,530
	2020	9.24	1,139,394	
	2021	9.24		1,338,067
	2022	9.13	190,163	
	2023	9.3		152,279
			<u>1,329,557</u>	<u>2,400,172</u>
Changes in Proportion	N/A	N/A	<u>124,199</u>	<u>577,562</u>

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (454,437)
2025	(454,437)
2026	(394,970)
2027	(232,859)
2028	(47,664)
Thereafter	<u>(705,178)</u>
	<u>\$ (2,289,545)</u>

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH HACKENSACK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0082734344%	0.0089647725%	0.0090441571%	0.0083041413%	0.0063296955%	0.0062417663%	0.0068124713%	0.0074236014%	0.0065260798%	0.7113884100%
District's proportionate share of the net pension liability	\$ 1,549,013	\$ 2,012,412	\$ 2,678,620	\$ 1,933,071	\$ 1,246,285	\$ 1,124,672	\$ 1,110,936	\$ 879,437	\$ 984,875	\$ 1,030,402
District's covered employee payroll	\$ 602,220	\$ 614,510	\$ 598,518	\$ 464,668	\$ 565,500	\$ 487,782	\$ 498,576	\$ 413,878	\$ 565,858	\$ 543,222
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	257.22%	327.48%	447.54%	416.01%	220.39%	230.57%	222.82%	212.49%	174.05%	189.68%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	58.32%	62.91%	65.23%

SOUTH HACKENSACK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 68,205	\$ 79,814	\$ 84,488	\$ 83,466	\$ 62,960	\$ 63,929	\$ 77,375	\$ 123,893	\$ 85,384	\$ 97,911
Contributions in relation to the contractually required contribution	(68,205)	(79,814)	(84,488)	(83,466)	(62,960)	(63,929)	(77,375)	(123,893)	(85,384)	(97,911)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 614,510	\$ 598,518	\$ 464,668	\$ 565,500	\$ 487,782	\$ 498,576	\$ 413,878	\$ 565,858	\$ 543,222	\$ 487,165
Contributions as a percentage of covered employee payroll	11.10%	13.34%	18.18%	14.76%	12.91%	12.82%	18.70%	21.89%	15.72%	20.10%

SOUTH HACKENSACK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0187787499%	0.0199339075%	0.0181713221%	0.0188570801%	0.0188747089%	0.0187086873%	0.0201925020%	0.0208326023%	0.0197879213%	0.0232246069%
State's proportionate share of the net pension liability attributable to the District	\$ 10,036,631	\$ 12,599,081	\$ 14,294,719	\$ 12,714,123	\$ 12,007,684	\$ 11,481,698	\$ 13,296,520	\$ 10,015,313	\$ 10,209,462	\$ 11,852,137
District's covered employee payroll	\$ 1,814,797	\$ 1,851,834	\$ 1,926,453	\$ 1,923,384	\$ 2,020,583	\$ 2,302,881	\$ 2,384,871	\$ 2,623,409	\$ 2,846,743	\$ 2,847,924
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	553.04%	680.36%	742.02%	661.03%	594.27%	498.58%	557.54%	381.77%	358.64%	416.17%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

SOUTH HACKENSACK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 540,065	\$ 769,287	\$ 1,074,049	\$ 880,770	\$ 700,006	\$ 677,221	\$ 826,834	\$ 235,665	\$ 274,765	\$ 291,173
Contributions in relation to the contractually required contribution	(107,770)	(139,991)	(145,486)	(277,959)	(367,955)	(442,899)	(605,578)	(814,600)	(949,436)	(1,046,860)
Contribution deficiency/(excess)	\$ 432,295	\$ 629,296	\$ 928,563	\$ 602,811	\$ 332,051	\$ 234,322	\$ 221,256	\$ (578,935)	\$ (674,671)	\$ (755,687)
District's covered employee payroll	\$ 1,851,834	\$ 1,926,453	\$ 1,923,384	\$ 2,020,583	\$ 2,302,881	\$ 2,384,871	\$ 2,623,409	\$ 2,846,743	\$ 2,847,924	\$ 2,859,913
Contributions as a percentage of covered employee payroll	5.82%	7.27%	7.56%	13.76%	15.98%	18.57%	23.08%	28.62%	33.34%	36.60%

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

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 529,173	\$ 437,893	\$ 355,077	\$ 354,307	\$ 690,394	\$ 603,761	477,491
Interest Cost	317,753	369,998	336,994	274,876	279,293	235,924	320,935
Changes of Benefit Terms					(11,460)		
Differences between Expected and Actual Experiences		(1,158,624)	(1,444,293)	1,772,823	(1,978,789)	(89,346)	(364,664)
Changes in Assumptions	(1,349,058)	(971,390)	113,311	2,190,024	10,622	(2,388,158)	18,367
Member Contributions	8,534	7,823	6,915	6,326	7,140	7,497	8,224
Gross Benefit Payments	(231,750)	(226,348)	(233,286)	(208,723)	(220,005)	(233,690)	(250,174)
Net Change in Total OPEB Liability	(725,348)	(1,540,648)	(865,282)	4,389,633	(1,222,805)	(1,864,012)	210,179
Total OPEB Liability - Beginning	10,730,895	10,005,547	8,464,899	7,599,617	11,989,250	10,766,445	8,902,433
Total OPEB Liability - Ending	<u>\$ 10,005,547</u>	<u>\$ 8,464,899</u>	<u>\$ 7,599,617</u>	<u>\$ 11,989,250</u>	<u>\$ 10,766,445</u>	<u>\$ 8,902,433</u>	<u>\$ 9,112,612</u>
District's Covered Employee Payroll *	\$ 2,388,052	\$ 2,485,251	\$ 2,868,381	\$ 2,872,653	\$ 3,121,985	\$ 3,260,621	\$ 2,847,924
Total OPEB Liability as a Percentage of Covered Employee Payroll	394%	429%	398%	395%	395%	395%	320%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are based on the payroll on the June 30, 2016 - 2022 census data.

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

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

BUDGETARY COMPARISON SCHEDULES

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 8,754,670		\$ 8,754,670	\$ 8,754,670	
Tuition From Individuals	1,600		1,600	1,600	
Tuition From Other Sources	42,000		42,000	56,781	\$ 14,781
Unrestricted Miscellaneous Revenues	360,909		360,909	447,014	86,105
Interest Earned on Capital and Maintenance Reserves	1,500		1,500	1,500	
Total Revenues from Local Sources	9,160,679		9,160,679	9,261,565	100,886
Revenues from State Sources:					
School Choice Aid					
Categorical Transportation Aid	47,149		47,149	47,149	
Extraordinary Aid	150,000		150,000	337,280	187,280
Categorical Special Education Aid	315,713		315,713	315,713	
Equalization Aid	99,417		99,417	99,417	
Categorical Security Aid	36,988		36,988	36,988	
Other State Aids				4,095	4,095
TPAF Post Retirement Contributions (Non-Budgeted)				288,166	288,166
TPAF Pension Contributions (Non-Budgeted)				1,046,860	1,046,860
TPAF Non-Contributory Insurance (Non-Budgeted)				11,939	11,939
TPAF Long-Term Disability Insurance (Non-Budgeted)				328	328
Reimbursed TPAF Social Security Contributions				203,724	203,724
Total Revenues from State Sources	649,267		649,267	2,391,659	1,742,392
TOTAL REVENUE	9,809,946		9,809,946	11,653,224	1,843,278

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 100,188	\$ 175	\$ 100,363	\$ 90,223	\$ 10,140
Kindergarten - Salaries of Teachers	208,710	(11,041)	197,669	183,710	13,959
Grades 1-5 - Salaries of Teachers	852,827	1,288	854,115	827,561	26,554
Grades 6-8 - Salaries of Teachers	523,641	6,873	530,514	520,514	10,000
Salaries of Teachers	2,000		2,000	120	1,880
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	59,403	(22,573)	36,830	34,876	1,954
Purchased Professional-Educational Services	131,103	(30,500)	100,603	65,846	34,757
Purchased Technical Services	96,521	(6,323)	90,198	82,776	7,422
Other Purchased Services (400-500 series)	92,751	6,323	99,074	99,074	
General Supplies	65,500		65,500	50,830	14,670
Textbooks	20,000	(100)	19,900	130	19,770
Other Objects	5,500	100	5,600	1,409	4,191
Total Regular Programs - Instruction	2,158,144	(55,778)	2,102,366	1,957,069	145,297
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	344,364	(8,355)	336,009	334,374	1,635
Total Resource Room/Resource Center	344,364	(8,355)	336,009	334,374	1,635
TOTAL SPECIAL EDUCATION - INSTRUCTION	344,364	(8,355)	336,009	334,374	1,635
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	129,184		129,184	115,273	13,911
Total Basic Skills/Remedial - Instruction	129,184		129,184	115,273	13,911
Bilingual Education - Instruction:					
Salaries of Teachers	94,362		94,362	94,362	
General Supplies	500		500		\$ 500
Total Bilingual Education - Instruction	94,862		94,862	94,362	500

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 76,000		\$ 76,000	\$ 45,053	\$ 30,947
Purchased Services (300-500 series)	21,500	\$ 4,161	25,661	18,739	6,922
Supplies and Materials	20,000	(4,161)	15,839	15,839	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	117,500		117,500	79,631	37,869
Summer School - Instruction:					
Salaries of Teachers	15,000	22,300	37,300	23,173	14,127
Total Summer School - Instruction	15,000	22,300	37,300	23,173	14,127
Total Summer School	15,000	22,300	37,300	23,173	14,127
TOTAL INSTRUCTION	2,859,054	(41,833)	2,817,221	2,603,882	213,339
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	1,190,305	(161,010)	1,029,295	1,021,665	7,630
Tuition to Other LEAs Within the State-Special	1,321,926	(105,346)	1,216,580	1,216,580	
Tuition to County Voc. School Dist.-Regular	144,900	(38,461)	106,439	106,439	
Tuition to County Voc. School Dist.-Special	247,320	(48,870)	198,450	198,450	
Tuition to CSSD & Reg. Day Schools	378,618	132,803	511,421	511,421	
Tuition to Priv. Sch. for the Handicap. W/I State	94,415	(94,134)	281		281
Total Undistributed Expenditures - Instruction	3,377,484	(315,018)	3,062,466	3,054,555	7,911
Undistributed Expend. - Attend. & Social Work:					
Salaries	6,656		6,656	6,656	
Total Undist. Expend. - Attendance and Social Work	6,656		6,656	6,656	
Undistributed Expenditures - Health Services:					
Salaries	95,980	(24,607)	71,373	71,373	
Purchased Professional and Technical Services	7,000	2,600	9,600	9,600	
Other Purchased Services (400-500 series)	500	8	508	508	
Supplies and Materials	3,000	831	3,831	3,778	53
Total Undist. Expenditures - Health Services	106,480	(21,168)	85,312	85,259	53

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 68,980	\$ (5,614)	\$ 63,366	\$ 63,058	\$ 308
Purchased Professional - Educational Services	90,270	6,307	96,577	96,577	
Supplies and Materials	500	1,000	1,500	997	503
Total Undist. Expend. - Speech, OT, PT, Related Svcs	159,750	1,693	161,443	160,632	811
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	80,307	4,751	85,058	78,674	6,384
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	80,307	4,751	85,058	78,674	6,384
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	84,730	54,675	139,405	139,405	
Other Purchased Prof. and Tech. Services	108,695	210,255	318,950	318,950	
Supplies and Materials	4,000	(1,791)	2,209	2,209	
Total Undist Expend. - Child Study Team	197,425	263,139	460,564	460,564	
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	120,000	(4,969)	115,031	115,031	
Salaries of Secretarial and Clerical Assistants	30,865		30,865	30,864	1
Supplies and Materials	5,000	(1,325)	3,675		3,675
Other Objects	5,000		5,000	860	4,140
Total Undist. Expend.-Improv. of Inst. Serv.	160,865	(6,294)	154,571	146,755	7,816
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	45,812	36,277	82,089	82,089	
Supplies and Materials	1,000	(1,000)			
Total Undist Expend-Edu. Media Serv./Sch. Library	46,812	35,277	82,089	82,089	
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	6,000		6,000	3,550	2,450
Total Undist.Expend.-Instructional Staff Training Services	6,000		6,000	3,550	2,450

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 124,427		\$ 124,427	\$ 124,427	
Legal Services	10,000	\$ 28,135	38,135	26,399	\$ 11,736
Audit Fees	30,000	6,845	36,845	36,845	
Other Purchased Professional Services	7,000	1,945	8,945	8,945	
Communications / Telephone	8,296	(6,246)	2,050	1,222	
Other Purch. Serv. (400-500 series other than 530 & 585)	5,200	3,266	8,466	8,362	828
General Supplies	1,000	1,512	2,512	2,512	104
Miscellaneous Expenditures	5,000	(231)	4,769	4,769	
BOE Membership Dues and Fees	4,000	697	4,697	4,697	
Total Undist. Expend.-Support Serv.-Gen. Admin.	194,923	35,923	230,846	218,178	12,668
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	74,076		74,076	74,076	
Other Purchased Services (400-500 series)	8,000	(5,843)	2,157		2,157
Supplies and Materials	2,000	420	2,420	2,416	4
Total Undist. Expend.-Support Serv.-School Adm.	84,076	(5,423)	78,653	76,492	2,161
Undist. Expend. - Central Services:					
Salaries	78,365	53,362	131,727	131,727	
Purchased Professional Services	500		500	345	155
Purchased Technical Services	18,456	(2,302)	16,154	13,923	2,231
Miscellaneous Purchased Services (400-500 series other than 594)	1,500	814	2,314	2,314	
Supplies and Materials	1,500		1,500	1,500	
Other Objects	500		500	99	401
Total Undist. Expend. - Central Services	100,821	51,874	152,695	149,908	2,787
Undist. Expend. - Admin. Info. Technology:					
Other Purchased Services (400-500 series)	1,500		1,500	970	530
Supplies and Materials	1,500		1,500	1,500	
Total Undist. Expend. - Admin. Info. Technology	3,000		3,000	2,470	530

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	\$ 87,426	\$ 8,297	\$ 95,723	\$ 84,524	\$ 11,199
General Supplies	10,000	616	10,616	9,315	1,301
Total Undist. Expend.- Required Maint. for School Facilities	97,426	8,913	106,339	93,839	12,500
Undist. Expend.-Custodial Services:					
Salaries	290,766	(4,966)	285,800	269,028	16,772
Purchased Professional and Technical Services	1,000		1,000	497	503
Cleaning, Repair, and Maintenance Services	10,000	2,575	12,575	11,573	1,002
Other Purchased Property Services	25,624	(3,594)	22,030	16,022	6,008
Insurance	83,771	4,542	88,313	87,697	616
Miscellaneous Purchased Services	5,000		5,000	4,427	573
General Supplies	15,000	(3,904)	11,096	11,096	
Energy (Electricity)	120,000	(12,202)	111,820	105,251	6,569
Energy (Oil)		(12,201)			
Energy (Gasoline)		(12,200)			
Other Objects	2,000	(12,199)	622		622
Total Undist. Expend.-Custodial Services	553,161	(14,905)	538,256	505,591	32,665
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	9,500	(3,515)	5,985	5,985	
General Supplies	2,500	(2,234)	266		266
Total Care And Upkeep Of Grounds	12,000	(5,749)	6,251	5,985	266
Security:					
Salaries	30,000	10,175	40,175	38,854	1,321
Purchased Professional and Technical Services	27,770	4,960	32,730	32,730	
Cleaning, Repair, and Maintenance Services	6,000	(1,000)	5,000	4,421	579
General Supplies	5,000	(726)	4,274	4,274	
Total Security	68,770	13,409	82,179	80,279	1,900
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	731,357	1,668	733,025	685,694	47,331

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studies	\$ 14,000	\$ 248	\$ 14,248	\$ 14,248	
Contract. Serv.(Bet. Home & Sch.)-Vendors	232,444	(1,916)	230,528	186,924	\$ 43,604
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	15,000		15,000	4,605	10,395
Contract. Serv.(Reg. Students)-ESCs & CTSA's	127,326	(17,765)	109,561	95,086	14,475
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	266,946	17,765	284,711	284,711	
Total Undist. Expend.-Student Trans. Serv.	655,716	(1,668)	654,048	585,574	68,474
UNALLOCATED BENEFITS					
Social Security Contributions	65,000	65,540	130,540	107,663	22,877
Other Retirement Contributions - PERS	102,779	(403)	102,376	97,911	4,465
Unemployment Compensation	5,000	(3,425)	1,575	1,575	
Workers Compensation	31,408	403	31,811	31,811	
Health Benefits	912,597	(85,372)	827,225	809,930	17,295
Tuition Reimbursement	10,000		10,000	600	9,400
Other Employee Benefits	26,352	25,001	51,353	47,828	3,525
Unused Sick Payment to Terminated/Retired Staff	20,340	335	20,675	17,106	3,569
TOTAL UNALLOCATED BENEFITS	1,173,476	2,079	1,175,555	1,114,424	61,131
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				288,166	(288,166)
TPAF Pension Contributions (Non-Budgeted)				1,046,860	(1,046,860)
TPAF Non-Contributory Insurance (Non-Budgeted)				11,939	(11,939)
TPAF Long-Term Disability Insurance (Non-Budgeted)				328	(328)
Reimbursed TPAF Social Security Contributions				203,724	(203,724)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				1,551,017	(1,551,017)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,173,476	2,079	1,175,555	2,665,441	(1,489,886)
TOTAL UNDISTRIBUTED EXPENDITURES	7,085,148	46,833	7,131,981	8,462,491	(1,330,510)
TOTAL GENERAL CURRENT EXPENSE	9,944,202	5,000	9,949,202	11,066,373	(1,117,171)

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Home Instruction		\$ 5,043	\$ 5,043	\$ 5,043	
Undistributed:					
Undist. Expnd. - Required Maint for School Fac.		7,992	7,992	7,992	
Total Equipment		13,035	13,035	13,035	
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	\$ 18,956		18,956	18,956	
Total Facilities Acquisition and Const. Serv.	18,956		18,956	18,956	
TOTAL CAPITAL OUTLAY	18,956	13,035	31,991	31,991	
Transfer of Funds to Charter Schools	18,035	(18,035)			
	18,035	(18,035)			
TOTAL EXPENDITURES	9,981,193		9,981,193	11,098,364	\$ (1,117,171)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(171,247)		(171,247)	554,860	726,107
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)	(27,253)		(27,253)	(17,353)	9,900
Total Other Financing Sources/(Uses):	(27,253)		(27,253)	(17,353)	9,900
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(198,500)		(198,500)	537,507	736,007

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 2,480,806		\$ 2,480,806	\$ 2,480,806	
Fund Balance, June 30	\$ 2,282,306	\$ -0-	\$ 2,282,306	\$ 3,018,313	\$ 736,007
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 192,628	
Excess Surplus - Restricted For 2024-2025				201,844	
Capital Reserve				1,576,644	
Maintenance Reserve				482,726	
Unemployment Compensation				21,543	
Assigned Fund Balance:					
Year End Encumbrances				3,579	
Designated for Subsequent Year's Expenditures				97,974	
Unassigned Fund Balance				441,375	
				3,018,313	
Reconciliation to Governmental Funds Statement (GAAP):				(19,687)	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				\$ 2,998,626	

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources					
Federal Sources	\$ 479,165	\$ 20,101	\$ 20,101	\$ 28,881	8,780
		451,206	930,371	781,386	(148,985)
Total Revenues	479,165	471,307	950,472	810,267	(140,205)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	109,085	139,665	248,750	248,750	
Purchased Professional and Technical Services	41,137	3,239	44,376	13,988	30,388
Other Purchased Services	59,124	57,016	116,140	116,140	
General Supplies	25,229	89,499	114,728	93,593	21,135
Total Instruction	234,575	289,419	523,994	472,471	51,523
Support Services:					
Salaries of Other Professional Staff		3,600	3,600		3,600
Personal Services - Employee Benefits	122,965	88,368	211,333	178,521	32,812
Purchased Professional and Technical Services	59,625	116,334	175,959	125,351	50,608
Supplies and Materials		1,804	1,804		1,804
Scholarships Awarded		3,000	3,000	3,000	
Student Activities		25,732	25,732	25,732	
Total Support Services	182,590	238,838	421,428	332,604	88,824
Facilities Acquisition and Construction Services:					
Instructional Equipment		5,050	5,050	5,043	7
Non-Instructional Equipment	62,000	(62,000)			
Total Facilities Acquisition and Construction Services	62,000	(56,950)	5,050	5,043	7
Total Expenditures	\$ 479,165	\$ 471,307	\$ 950,472	\$ 810,118	\$ 140,354
Deficit of Revenue Under Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 149	\$ 149

SOUTH HACKENSACK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 11,653,224	\$ 824,722
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenue on the Budgetary Basis not on the GAAP Basis.		
Current Year Encumbrances		(8,796)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	24,233	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(19,687)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,657,770</u>	<u>\$ 815,926</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,098,364	\$ 810,118
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(8,796)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,098,364</u>	<u>\$ 801,322</u>

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

SPECIAL REVENUE FUND

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A. Part B		ARP		Elementary and Secondary Education Act		
	Basic	Preschool	Basic	Preschool	Title I	Title II - Part A	Title III
REVENUES:							
Local Sources							
Federal Sources	\$ 73,139	\$ 3,001	\$ 12,890	\$ 1,098	\$ 126,251	\$ 27,783	\$ 331
Total Revenues	73,139	3,001	12,890	1,098	126,251	27,783	331
EXPENDITURES:							
Instruction:							
Salaries of Teachers					66,787	15,000	
Purchased Professional and Technical Services			12,890	1,098			
Other Purchased Services	73,139	3,001			488		331
General Supplies							
Total Instruction	73,139	3,001	12,890	1,098	67,275	15,000	331
Support Services:							
Personal Services - Employee Benefits					58,976	12,783	
Purchased Professional and Technical Services							
Scholarships Awarded							
Student Activities							
Total Support Services					58,976	12,783	
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	\$ 73,139	\$ 3,001	\$ 12,890	\$ 1,098	\$ 126,251	\$ 27,783	\$ 331

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund COVID 19 - ARP				
	ESSER III	Learning Acceleration	Summer Learning and Enrichment	Comprehensive Beyond the School Day	Mental Health
REVENUES:					
Local Sources	\$ 378,095	\$ 18,700	\$ 14,046	\$ 28,493	\$ 10,659
Federal Sources					
Total Revenues	378,095	18,700	14,046	28,493	10,659
EXPENDITURES:					
Instruction:					
Salaries of Teachers	133,838		10,690	22,435	
Purchased Professional and Technical Services					
Other Purchased Services	39,260		3,356	6,058	
General Supplies	173,098		14,046	28,493	
Total Instruction					
Support Services:					
Personal Services - Employee Benefits	106,762				10,659
Purchased Professional and Technical Services	93,192	18,700			
Scholarships Awarded					
Student Activities					
Total Support Services	199,954	18,700			10,659
Facilities Acquisition and Construction Services:					
Instructional Equipment	5,043				
Total Facilities Acquisition and Construction Services	5,043				
Total Expenditures	\$ 378,095	\$ 18,700	\$ 14,046	\$ 28,493	\$ 10,659

SOUTH HACKENSACK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund				
	COVID 19 - CRRSA				
	ESSER II	Mental Health	Student Activities	Scholarship	Totals
REVENUES:					
Local Sources					
Federal Sources					
Total Revenues					
	\$ 44,100	\$ 42,800	\$ 27,732	\$ 1,149	\$ 28,881
	44,100	42,800	27,732	1,149	781,386
					810,267
EXPENDITURES:					
Instruction:					
Salaries of Teachers					248,750
Purchased Professional and Technical Services					13,988
Other Purchased Services		40,000			116,140
General Supplies	44,100				93,593
Total Instruction	44,100	40,000			472,471
Support Services:					
Personal Services - Employee Benefits					178,521
Purchased Professional and Technical Services		2,800			125,351
Scholarships Awarded				3,000	3,000
Student Activities			25,732		25,732
Total Support Services		2,800	25,732	3,000	332,604
Facilities Acquisition and Construction Services:					
Instructional Equipment					5,043
Total Facilities Acquisition and Construction Services					5,043
Total Expenditures	\$ 44,100	\$ 42,800	\$ 25,732	\$ 3,000	\$ 810,118

PROPRIETARY FUNDS

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Enterprise Funds		
	Major Funds	Non-Major Funds	
	Food Service Program	After School Program	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 16,072	\$ 20,018	\$ 36,090
Accounts Receivable:			
Federal	2,055		2,055
State	59		59
Total Current Assets	18,186	20,018	38,204
Capital Assets:			
Machinery and Equipment	2,960		2,960
Less: Accumulated Depreciation	(2,717)		(2,717)
Total Capital Assets	243		243
Total Assets	18,429	20,018	38,447
NET POSITION:			
Investment in Capital Assets	243		243
Unrestricted	18,186	20,018	38,204
Total Net Position	\$ 18,429	\$ 20,018	\$ 38,447

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Major Funds	Non-Major Funds	
	Food Service Program	After School Program	Total
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 4,933		\$ 4,933
After School Program Fees		\$ 71,943	71,943
Total Operating Revenue	4,933	71,943	76,876
Operating Expenses:			
Cost of Sales - Reimbursable Programs	39,858		39,858
Salaries, Benefits & Payroll Taxes	33,008	66,030	99,038
Depreciation	187		187
Miscellaneous Expenses	4,398		4,398
Total Operating Expenses	77,451	66,030	143,481
Operating Income/(Loss)	(72,518)	5,913	(66,605)
Non-Operating Revenue:			
Federal Sources:			
School Breakfast Program	943		943
National School Lunch Program	35,754		35,754
Supply Chain Assistance	10,335		10,335
Pandemic/ Electronic Benefits Transfer			
Administrative Reimbursement	653		653
State Sources:			
School Breakfast Program	3		3
School Lunch Program	1,099		1,099
Local Sources:			
Interest Revenue	3,236		3,236
Total Non-Operating Revenue	52,023		52,023
Change in Net Position before Transfers	(20,495)	5,913	(14,582)
Transfers In:			
General Fund - Board Contribution	17,353		17,353
Change in Net Position	(3,142)	5,913	2,771
Net Position - Beginning of Year	21,571	14,105	35,676
Net Position - End of Year	\$ 18,429	\$ 20,018	\$ 38,447

SOUTH HACKENSACK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds		
	Major Funds	Non-Major Funds	
	Food Service Program	After School Program	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 4,933	\$ 71,943	\$ 76,876
Payments to Employees	(33,008)	(66,030)	(99,038)
Payments to Suppliers	(44,256)		(44,256)
Net Cash Provided by/(Used for) Operating Activities	(72,331)	5,913	(66,418)
Cash Flows from Investing Activities:			
Interest Revenue	3,236		3,236
Net Cash Provided by Investing Activities	3,236		3,236
Cash Flows from Noncapital Financing Activities:			
Board Contribution	17,353		17,353
Federal Sources	46,639		46,639
State Sources	1,081		1,081
Net Cash Provided by Noncapital Financing Activities	65,073		65,073
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,022)	5,913	1,891
Cash and Cash Equivalents, July 1	20,094	14,105	34,199
Cash and Cash Equivalents, June 30	\$ 16,072	\$ 20,018	\$ 36,090
Reconciliation of Operating Loss to Net Cash Provide by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (72,518)	\$ 5,913	\$ (66,605)
Adjustment to Reconcile Operating (Loss) to Cash Provided by/			
(Used for) Operating Activities:			
Depreciation	187		187
Net Cash Provided by/(Used for) Operating Activities	\$ (72,331)	\$ 5,913	\$ (66,418)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2023	Retired or Matured	Balance June 30, 2024
			Date	June 30, 2024	Amount				
Memorial Elementary School Addition	02/15/06	\$ 3,195,000	02/15/25	\$	200,000	4.100 %	\$	590,000	\$
			02/15/26		200,000	4.150 %	\$	190,000	\$
							\$	590,000	\$

SOUTH HACKENSACK SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FISCAL YEAR ENDED JUNE 30, 2024

Item	Interest Rate	Original Issue	Balance July 1, 2023	Matured	Balance June 30, 2024
Security Equipment and Digital Phones (#634)	4.96%	\$ 160,262	\$ 96,581	\$ 30,649	\$ 65,932
Promethean Titanium ActivPanel (#627)	4.67%	32,262	19,439	6,186	13,253
Security Camera Equipment (#745)	7.65%	24,614	19,182	4,279	14,903
Promethean Boards (#587)	5.99%	20,919	8,589	4,170	4,419
Promethean ActivPanels (#463)	4.61%	25,955	5,419	5,419	
Dell Financial - Chromebooks 810-8289969-011	7.79%	91,607	30,513	30,513	
Dell Financial - Servers 810-8289969-010	5.12%	20,499	8,452	4,080	4,372
Connection Financial Services - UPS Units for Server	4.99%	4,724	1,181	1,181	
Dell Financial - Laptops 810-8289969-015	9.48%	42,840	33,459	7,792	25,667
Dell Financial - Laptops 810-8289969-014	12.82%	4,734	3,053	1,477	1,576
Dell Financial - Chromebooks 810-8289969-016	6.03%	35,620	23,030	11,171	11,859
			<u>\$ 248,898</u>	<u>\$ 106,917</u>	<u>\$ 141,981</u>

SOUTH HACKENSACK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 214,195		\$ 214,195	\$ 214,195	
Total Revenues	214,195		214,195	214,195	
EXPENDITURES:					
Regular Debt Service:					
Interest	24,195		24,195	24,195	
Redemption of Principal	190,000		190,000	190,000	
Total Regular Debt Service	214,195		214,195	214,195	
Total Expenditures	214,195		214,195	214,195	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund Balance, June 30					

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets										
Restricted	\$ 9,541,659	\$ 9,735,654	\$ 9,989,194	\$ 10,195,247	\$ 10,388,538	\$ 10,586,098	\$ 10,613,935	\$ 11,129,339	\$ 11,735,865	\$ 11,739,960
Unrestricted/(Deficit)	858,156	697,545	739,859	1,129,976	1,043,567	1,677,368	2,412,918	1,792,066	2,094,609	2,505,887
	(1,360,618)	(1,513,090)	(1,602,371)	(1,812,745)	(1,758,702)	(1,788,405)	(1,571,250)	(959,574)	(1,189,399)	(887,836)
Total Governmental Activities Net Position	\$ 9,039,197	\$ 8,920,109	\$ 9,126,682	\$ 9,512,478	\$ 9,673,403	\$ 10,475,061	\$ 11,455,603	\$ 11,961,831	\$ 12,641,075	\$ 13,358,011
Business-Type Activities:										
Investment in Capital Assets	\$ 1,460	\$ 1,741	\$ 1,491	\$ 1,367	\$ 1,179	\$ 992	\$ 804	\$ 617	\$ 430	\$ 243
Unrestricted	10,108	1,762	22,619	15,288	8,961	8,724	10,635	30,826	35,246	38,205
Total Business-Type Activities Net Position	\$ 11,568	\$ 3,503	\$ 24,110	\$ 16,655	\$ 10,140	\$ 9,716	\$ 11,439	\$ 31,443	\$ 35,676	\$ 38,448
District-Wide:										
Net Investment in Capital Assets	\$ 9,543,119	\$ 9,737,395	\$ 9,990,685	\$ 10,196,614	\$ 10,389,717	\$ 10,587,090	\$ 10,614,739	\$ 11,129,956	\$ 11,736,295	\$ 11,740,203
Restricted	858,156	697,545	739,859	1,129,976	1,043,567	1,677,368	2,412,918	1,792,066	2,094,609	2,505,887
Unrestricted/(Deficit)	(1,350,510)	(1,511,328)	(1,579,752)	(1,797,457)	(1,749,741)	(1,779,681)	(1,560,615)	(928,748)	(1,154,153)	(849,631)
Total District Net Position	\$ 9,050,765	\$ 8,923,612	\$ 9,150,792	\$ 9,529,133	\$ 9,683,543	\$ 10,484,777	\$ 11,467,042	\$ 11,993,274	\$ 12,676,751	\$ 13,396,459

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,554,379	\$ 2,868,193	\$ 3,154,977	\$ 3,540,609	\$ 3,140,109	\$ 2,990,681	\$ 3,369,708	\$ 3,136,367	\$ 3,143,180	\$ 3,530,663
Special Education	523,319	567,092	654,487	694,154	635,866	631,730	645,314	580,549	576,222	612,277
Other Special Instruction	333,761	346,244	408,987	441,486	289,092	302,001	295,662	309,178	321,516	332,322
Other Instruction	158,365	154,528	150,043	173,292	197,968	162,093	72,154	160,059	161,701	141,563
Support Services:										
Tuition	2,355,015	2,581,040	2,298,439	2,224,130	2,755,146	2,534,656	2,361,509	2,708,399	2,987,131	3,054,555
Student & Instruction Related Services	876,033	925,876	846,687	844,816	1,075,359	1,041,671	1,037,519	1,150,380	1,023,174	1,242,790
General Administrative Services	285,034	329,122	239,376	218,958	220,254	248,671	276,039	234,150	234,830	255,066
School Administrative Services	108,359	110,307	123,805	148,970	133,822	136,456	120,939	134,234	115,295	120,660
Central Services	80,890	85,711	93,093	94,345	91,152	92,968	107,120	117,026	110,829	187,308
Plant Operations and Maintenance	593,619	634,103	785,742	728,369	701,636	704,963	598,582	852,252	774,543	689,316
Administration Information Technology						91,966	85,562	62,738	94,264	78,852
Pupil Transportation	212,126	398,724	432,689	371,133	435,571	315,790	259,420	427,153	603,854	585,574
Unallocated Depreciation	299,608	310,716	310,716	299,663	300,122	298,659	297,619	186,309	298,659	18,956
Capital Outlay	18,956	31,640	18,956	18,956	18,956	18,956	18,956	57,745	172,806	21,309
Interest on Long-term Liabilities	196,735	191,845	160,361	138,170	117,543	99,046	78,145	298,657	37,195	298,659
Transfer of Funds to Charter School		68,703	40,440			57,540			17,908	
Total Governmental Activities Expenses	8,596,199	9,603,844	9,718,798	9,937,051	10,112,596	9,727,847	9,624,248	10,415,196	10,673,107	11,169,870
Business-Type Activities:										
Proprietary Funds										
	73,380	85,921	44,238	120,290	118,124	86,819	40,101	149,471	137,420	143,481
Total Business-Type Activities Expenses	73,380	85,921	44,238	120,290	118,124	86,819	40,101	149,471	137,420	143,481
Total District Expenses	8,669,579	9,689,765	9,763,036	10,057,341	10,230,720	9,814,666	9,664,349	10,564,667	10,810,527	11,313,351

SOUTH HACKENSACK SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Governmental Activities:										
Charges for Services						\$	\$	\$	\$	\$
Operating Grants and Contributions	\$ 1,287,258	\$ 1,545,651	\$ 1,847,720	\$ 2,215,529	\$ 1,886,568	1,630,365	2,002,484	1,931,711	1,855,845	2,362,120
Total Governmental Activities Program Revenues	1,287,258	1,545,651	1,847,720	2,215,529	1,886,568	1,650,107	2,015,597	1,939,998	1,883,837	2,449,382
Business-Type Activities:										
Charges for Services	41,240	38,107	36,336	54,696	68,464	53,400	1,628	52,445	72,641	76,877
Operating Grants and Contributions	24,700	26,670	25,005	35,597	31,680	21,968	22,971	93,973	54,406	48,787
Total Business-Type Activities Revenues	65,940	64,777	61,341	90,293	100,144	75,368	24,599	146,418	127,047	125,664
Total District Program Revenues	1,353,198	1,610,428	1,909,061	2,305,822	1,986,712	1,725,475	2,040,196	2,086,416	2,010,884	2,575,046
Net (Expense)/Revenue										
Governmental Activities	(7,308,941)	(8,058,193)	(7,871,078)	(7,721,522)	(8,226,028)	(8,077,740)	(7,608,651)	(8,475,198)	(8,789,270)	(8,720,488)
Business-Type Activities	(7,440)	(21,144)	17,103	(29,997)	(17,980)	(11,451)	(15,502)	(3,053)	(10,373)	(17,817)
Total District Net (Expense)/Revenue	(7,316,381)	(8,079,337)	(7,853,975)	(7,751,519)	(8,244,008)	(8,089,191)	(7,624,153)	(8,478,251)	(8,799,643)	(8,738,305)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	6,665,448	6,942,507	7,081,352	7,222,979	7,456,695	7,938,815	7,938,815	8,097,591	8,471,228	8,754,670
Taxes Levied for Debt Service	742,646	751,845	754,220	640,595	625,795	605,795	595,795	575,395	564,995	214,195
Federal and State Aid not Restricted	29,331	27,739	32,489	32,069	37,531	35,823	36,372	36,539	37,349	37,398
Interest and Miscellaneous Income	239,135	230,090	213,091	234,097	278,160	283,047	246,585	294,921	407,784	448,514
Transfers	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	(23,020)	(12,842)	(17,353)
Total Governmental Activities	7,664,080	7,939,105	8,077,651	8,107,318	8,386,953	8,852,565	8,800,345	8,981,426	9,468,514	9,437,424
Business-Type Activities:										
Miscellaneous Income		3	3		237	112	3	37	1,764	3,236
Transfers	12,480	13,076	3,501	22,422	11,228	10,915	17,222	23,020	12,842	17,353
Total Business-Type Activities	12,480	13,079	3,504	22,422	11,465	11,027	17,225	23,057	14,606	20,589
Total District	7,676,560	7,952,184	8,081,155	8,129,740	8,398,418	8,863,592	8,817,570	9,004,483	9,483,120	9,458,013
Change in Net Position:										
Governmental Activities	355,139	(119,088)	206,573	385,796	160,925	774,825	1,191,694	506,228	679,244	716,936
Business-Type Activities	5,040	(8,065)	20,607	(7,575)	(6,515)	(424)	1,723	20,004	4,233	2,772
Total District	\$ 360,179	\$ (127,153)	\$ 227,180	\$ 378,221	\$ 154,410	\$ 774,401	\$ 1,193,417	\$ 526,232	\$ 683,477	\$ 719,708

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 858,156	\$ 690,128	\$ 722,166	\$ 1,129,976	\$ 1,043,167	\$ 1,677,368	\$ 2,411,617	\$ 1,767,656	\$ 2,064,256	\$ 2,475,385
Assigned	72,374	40,252	190,952	59,573	33,804	7,108	68,742	407,921	68,576	101,553
Unassigned	276,495	290,970	259,827	249,079	319,790	299,203	389,170	433,450	323,741	421,688
Total General Fund	\$ 1,207,025	\$ 1,021,350	\$ 1,172,945	\$ 1,438,628	\$ 1,396,761	\$ 1,983,679	\$ 2,869,529	\$ 2,609,027	\$ 2,456,573	\$ 2,998,626
All Other Governmental Funds:										
Restricted							\$ 1,301	\$ 24,410	\$ 30,353	\$ 30,502
Total All Other Governmental Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,301	\$ 24,410	\$ 30,353	\$ 30,502
Total Governmental Funds:										
Restricted	\$ 858,156	\$ 690,128	\$ 722,166	\$ 1,129,976	\$ 1,043,167	\$ 1,677,368	\$ 2,412,918	\$ 1,792,066	\$ 2,094,609	\$ 2,505,887
Assigned	72,374	40,252	190,952	59,573	33,804	7,108	68,742	407,921	68,576	101,553
Unassigned	276,495	290,970	259,827	249,079	319,790	299,203	389,170	433,450	323,741	421,688
Total Governmental Funds	\$ 1,207,025	\$ 1,021,350	\$ 1,172,945	\$ 1,438,628	\$ 1,396,761	\$ 1,983,679	\$ 2,870,830	\$ 2,633,437	\$ 2,486,926	\$ 3,029,128

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 7,408,094	\$ 7,694,352	\$ 7,835,572	\$ 7,863,574	\$ 8,082,490	\$ 8,544,610	\$ 8,534,610	\$ 8,672,986	\$ 9,036,223	\$ 8,968,865
Tuition Charges	21,505	11,360	23,780	6,320	4,800	19,742	6,513	1,600	1,600	58,381
Miscellaneous	239,135	196,564	203,252	236,097	279,160	286,547	253,185	339,761	434,176	477,395
State Sources	741,461	829,889	867,149	948,044	1,144,438	1,247,160	1,548,603	1,855,509	2,148,033	2,396,205
Federal Sources	121,328	136,371	129,759	159,460	161,094	147,250	261,175	276,415	341,396	781,386
Total Revenues	8,531,523	8,868,536	9,059,512	9,213,495	9,671,982	10,245,309	10,604,086	11,146,271	11,961,428	12,682,232
Expenditures:										
Instruction:										
Regular Instruction	1,572,149	1,624,765	1,637,096	1,798,110	1,811,953	1,879,249	2,106,582	2,239,973	2,348,210	2,643,284
Special Education Instruction	321,316	327,849	336,314	352,839	366,536	380,003	395,126	391,911	400,121	424,502
Other Special Instruction	190,026	181,297	189,086	200,714	152,313	173,540	165,588	195,285	214,043	209,635
Other Instruction	110,309	106,572	91,107	102,837	121,414	104,520	45,737	112,219	116,222	102,804
Support Services:										
Tuition	2,355,015	2,581,040	2,298,439	2,224,130	2,755,146	2,534,656	2,361,509	2,708,399	2,987,131	3,054,555
Student & Instruction Related Services	683,579	687,814	644,425	647,319	782,444	807,011	760,147	905,224	833,092	1,052,911
General Administrative Services	143,494	159,724	190,468	180,087	180,233	198,191	240,395	210,039	207,185	220,648
School Administrative Services	66,520	62,305	61,516	75,654	77,876	72,710	68,914	81,017	75,217	76,492
Central Services	63,192	65,737	67,581	72,433	72,500	75,234	88,181	102,896	94,137	149,908
Plant Operations and Maintenance	589,638	628,677	623,143	611,030	601,728	697,434	574,428	843,691	786,958	685,694
Pupil Transportation	212,126	398,724	432,689	371,133	435,571	315,704	259,420	427,153	603,854	585,574
Unallocated Benefits	1,287,112	1,364,443	1,518,936	1,609,347	1,700,156	1,750,065	2,013,954	2,164,323	2,406,890	2,665,441
Capital Outlay	18,956	31,640	18,956	39,162	18,956	22,657	23,937	587,995	522,328	37,034
Transfer of Funds to Charter Schools		68,703	40,440			57,540			17,908	
Debt Service:										
Principal	530,000	560,000	585,000	495,000	500,000	500,000	510,000	510,000	520,000	190,000
Interest and Other Charges	213,245	191,845	169,220	145,595	125,795	105,795	85,795	65,395	44,995	24,195
Total Expenditures	8,356,677	9,041,135	8,904,416	8,925,390	9,702,621	9,674,309	9,699,713	11,545,520	12,178,291	12,122,677

SOUTH HACKENSACK SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 174,846	\$ (172,599)	\$ 155,096	\$ 288,105	\$ (30,639)	\$ 571,000	\$ 904,373	\$ (399,249)	\$ (216,863)	\$ 559,555
Other Financing Sources (Uses)										
Financed Purchases (Non-Budgeted)	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	184,876	83,194	(17,353)
Transfers Out								(23,020)	(12,842)	
Total Other Financing Sources (Uses)	(12,480)	(13,076)	(3,501)	(22,422)	(11,228)	(10,915)	(17,222)	161,856	70,352	(17,353)
Net Change in Fund Balances	\$ 162,366	\$ (185,675)	\$ 151,595	\$ 265,683	\$ (41,867)	\$ 560,085	\$ 887,151	\$ (237,393)	\$ (146,511)	\$ 542,202
Debt Service as a Percentage of Noncapital Expenditures	9.8 %	9.1 %	9.3 %	7.8 %	6.9 %	6.7 %	6.6 %	5.5 %	5.1 %	1.8 %

Source: South Hackensack School District Financial Reports.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refunds</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
2015	\$ 1,842	\$ 15,016	\$ 183,120	\$ 21,505	\$ 39,157	\$ 260,640
2016	3,502	7,143	185,919	11,360		207,924
2017	4,443	7,052	190,520	23,780	461	226,256
2018	20,623	16,296	188,620	6,320	8,558	240,417
2019	38,438	33,718	198,126	4,800	7,878	282,960
2020	23,684	1,332	250,800	19,742	7,231	302,789
2021	2,259	33	243,575	6,513	718	253,098
2022	5,325	678	263,240	1,600	20,190	291,033
2023	105,116	4,563	270,571	1,600	15,424	397,274
2024	141,290	25,874	278,715	58,381	2,635	506,895

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	* \$ 9,250,900	\$ 164,409,300	\$ 63,262,500	\$ 332,344,600	\$ 569,267,300	\$ 10,000	\$ 569,277,300	\$ 54,164,200	1.30	\$ 618,590,728
2015	8,944,800	166,387,000	64,155,700	337,270,500	576,758,000	10,000	576,768,000	54,173,300	1.31	613,468,843
2016	8,362,500	169,597,800	65,052,300	346,937,600	589,950,200	10,000	589,960,200	54,186,500	1.32	607,881,710
2017	8,548,000	173,870,600	65,968,100	355,200,800	603,587,500	10,000	603,597,500	59,678,209	1.30	663,275,709
2018	8,237,600	179,077,000	68,414,200	360,698,500	616,427,300	10,000	616,437,300	54,217,600	1.29	663,953,258
2019	8,242,600	182,316,900	71,727,100	387,188,800	649,475,400	10,000	649,475,400	57,224,200	1.28	661,933,221
2020	8,368,200	187,216,800	74,925,600	402,358,600	672,869,200	10,000	672,879,200	57,230,800	1.27	651,126,526
2021	13,947,000	209,758,800	73,283,800	440,088,600	737,078,200		737,078,200	57,269,900	1.17	756,195,226
2022	14,426,600	244,641,800	81,318,600	530,655,000	871,042,000		871,042,000	57,331,300	1.04	813,992,991
2023	14,790,300	264,126,300	86,225,300	577,305,600	942,447,500		942,447,500	59,275,100	0.95	900,933,197

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.
 Reassessment occurs when ordered by the County Board of Taxation.

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

^b Tax rates are per \$100 of assessed value.

* Revaluation Year

Source: Township of South Hackensack Tax Assessor.

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

Year Ended December 31,	South Hackensack School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of South Hackensack	Bergen County	
2014	* \$ 1.17	\$ 0.13	\$ 1.30	\$ 1.19	\$ 0.24	\$ 2.72
2015	1.18	0.13	1.31	1.18	0.25	2.74
2016	1.19	0.13	1.32	1.18	0.25	2.75
2017	1.19	0.11	1.30	1.20	0.27	2.77
2018	1.19	0.10	1.29	1.20	0.26	2.76
2019	1.19	0.09	1.28	1.21	0.25	2.73
2020	1.18	0.09	1.27	1.18	0.24	2.68
2021	1.09	0.08	1.17	1.01	0.26	2.43
2022	0.97	0.06	1.04	0.96	0.23	2.23
2023	0.93	0.02	0.95	0.95	0.23	2.13

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

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

* Revaluation Year

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

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

	2023			2014		
	Taxpayer	Taxable Assessed Value	% of Total District Net Valuation Taxable	Taxpayer	Taxable Assessed Value	% of Total District Net Valuation Taxable
	AEW Capital Management	\$ 34,714,100	3.99 %	30 Wesley St. LLC	\$ 15,733,000	2.52 %
	Forsgate Ventures IX LLC	24,695,000	2.84 %	Forsgate Ventures IX LLC	14,740,000	2.36 %
	Forsgate Ventures IX LLC	22,568,000	2.59 %	SVC Chippewa LLC	12,900,000	2.07 %
	Somjoan 490 Huyler Owner LLC	21,038,800	2.42 %	Bldg Phillips LLC	10,400,000	1.66 %
	Marschall Warehouse Co	20,456,500	2.35 %	Treco Enterprises	10,331,000	1.65 %
	Treco Enterprises	19,406,500	2.23 %	Mahopac Partners LLC	10,319,000	1.65 %
	Horizon Boulevard LLC	17,020,200	1.95 %	Forsgate Ventures IX LLC	9,178,700	1.47 %
	Mahopac Partners LLC	16,313,500	1.87 %	Alfred Sanzari Enterprises	8,990,000	1.44 %
	Naturex Inc. Corp	15,285,000	1.75 %	Huyler Strategies, LLC	8,836,000	1.41 %
	Center Point	14,290,600	1.64 %	Naturex Inc. Corporation	8,404,000	1.35 %
Total		\$ 205,788,200	23.63 %	Total	\$ 109,831,700	17.58 %

Source: Township of South Hackensack Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 7,408,094	\$ 7,408,094	100.00 %	-0-
2016	7,694,352	7,694,352	100.00 %	-0-
2017	7,835,572	7,835,572	100.00 %	-0-
2018	7,863,574	7,863,574	100.00 %	-0-
2019	8,082,490	8,082,490	100.00 %	-0-
2020	8,544,610	8,544,610	100.00 %	-0-
2021	8,534,610	8,534,610	100.00 %	-0-
2022	8,672,986	8,672,986	100.00 %	-0-
2023	9,036,223	9,036,223	100.00 %	-0-
2024	8,968,865	8,968,865	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business -Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds		Financed Purchases	Total District		
2015	\$ 4,770,000		\$ - 0 -	\$ 4,770,000	2.52 %	\$ 1,958.93
2016	4,210,000		- 0 -	4,210,000	2.18 %	1,733.22
2017	3,625,000		- 0 -	3,625,000	1.81 %	1,479.59
2018	3,130,000		- 0 -	3,130,000	1.48 %	1,279.64
2019	2,630,000		- 0 -	2,630,000	1.21 %	1,079.64
2020	2,130,000		- 0 -	2,130,000	0.96 %	879.08
2021	1,620,000		- 0 -	1,620,000	0.62 %	604.70
2022	1,110,000		296,802	1,406,802	0.54 %	525.71
2023	590,000		248,898	838,898	0.32 %	310.70
2024	400,000		141,981	541,981	0.21 %	200.73

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

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

Source: South Hackensack School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 4,770,000	\$ - 0 -	\$ 4,770,000	0.76 %	\$ 1,958.93
2016	4,210,000	- 0 -	4,210,000	0.74 %	1,733.22
2017	3,625,000	- 0 -	3,625,000	0.63 %	1,479.59
2018	3,130,000	- 0 -	3,130,000	0.53 %	1,279.64
2019	2,630,000	- 0 -	2,630,000	0.44 %	1,079.64
2020	2,130,000	- 0 -	2,130,000	0.35 %	879.08
2021	1,620,000	- 0 -	1,620,000	0.25 %	604.70
2022	1,110,000	- 0 -	1,110,000	0.16 %	414.80
2023	590,000	- 0 -	590,000	0.08 %	218.52
2024	400,000	- 0 -	400,000	0.05 %	148.15

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

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

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

Source: South Hackensack School District Financial Reports.

SOUTH HACKENSACK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of South Hackensack	\$ 9,815,897	100.00 %	\$ 9,815,897
Bergen County General Obligation Debt	971,467,303	0.40%	<u>3,858,203</u>
Subtotal, Overlapping Debt			13,674,100
South Hackensack School District Direct Debt			<u>400,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 14,074,100</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2024

Year Ended December 31,	Equalized Valuation Basis
2023	\$ 1,067,082,767
2022	835,612,049
2021	729,780,396
	<u>\$ 2,632,475,212</u>
Average Equalized Valuation of Taxable Property	<u>\$ 877,491,737</u>
Debt Limit (3% of Average Equalization Value) ^a	\$ 26,324,752
Net Bonded School Debt at June 30, 2024	<u>400,000</u>
Legal Debt Margin	<u>\$ 25,924,752</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 19,625,234	\$ 18,719,066	\$ 19,318,710	\$ 19,318,710	\$ 19,318,710
Total Net Debt Applicable to Limit	<u>4,770,000</u>	<u>4,210,000</u>	<u>3,625,000</u>	<u>3,130,000</u>	<u>2,630,000</u>
Legal Debt Margin	<u>\$ 14,855,234</u>	<u>\$ 14,509,066</u>	<u>\$ 15,693,710</u>	<u>\$ 16,188,710</u>	<u>\$ 16,688,710</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.31 %	22.49 %	18.76 %	16.20 %	13.61 %

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 19,530,744	\$ 20,168,439	\$ 20,927,288	\$ 23,178,742	\$ 26,324,752
Total Net Debt Applicable to Limit	<u>2,130,000</u>	<u>1,620,000</u>	<u>1,110,000</u>	<u>590,000</u>	<u>400,000</u>
Legal Debt Margin	<u>\$ 17,400,744</u>	<u>\$ 18,548,439</u>	<u>\$ 19,817,288</u>	<u>\$ 22,588,742</u>	<u>\$ 25,924,752</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.91 %	8.03 %	5.30 %	2.55 %	1.52 %

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

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

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

Year	Township Population ^a	Bergen County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2015	2,435	\$ 77,767	\$ 189,362,645	6.60 %
2016	2,429	79,407	192,879,603	5.50 %
2017	2,450	81,676	200,106,200	4.70 %
2018	2,446	86,404	211,344,184	4.20 %
2019	2,436	89,456	217,914,816	3.90 %
2020	2,423	91,972	222,848,156	13.20%
2021	2,679	97,343	260,781,897	7.40%
2022	2,676	97,138	259,941,288	4.00%
2023	2,700	97,138 **	262,272,600	5.10%
2024	2,700 *	97,138 **	262,272,600 ***	N/A

* Latest population data available (2023) was used for calculation purposes.

** Latest Bergen County per capita personal income available (2022) was used for calculation purposes.

*** Latest available population data (2023) and latest available Bergen County per capita personal incomes (2022) was used for calculation purposes.

N/A - Not Available

Sources:

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

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

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

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

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

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

N/A - Information is not available.

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

SOUTH HACKENSACK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	21.00	21.00	22.00	22.00	22.00	24.00	22.00	22.00	24.00	22.00
Special Education	3.00	3.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00	5.00
Other Instruction	8.00	8.00	8.00	8.00	8.00	9.00	6.00	7.00	7.00	5.00
Support Services:										
Health Services							1.00	1.00	1.00	1.00
Student & Instruction Related Services							1.00	1.00	1.00	1.00
Support Services - Students Special							2.00	2.00	1.00	1.00
Educational Media/School Library							1.00	1.00	1.00	1.00
General Administrative Services	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Central Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Plant Operations and Maintenance	4.00	4.00	4.00	3.00	3.00	4.00	4.00	4.00	3.00	3.00
Total	40.00	40.00	41.00	40.00	42.00	45.00	45.00	46.00	46.00	45.00

Source: South Hackensack School District Personnel Records.

SOUTH HACKENSACK SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a		Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
		Expenditures ^a					Elementary	(ADE) ^d	Attendance (ADA) ^d			
2015	252	\$	7,594,476	\$	30,137	2.45 %	24	1:10.4	252	243	-1.18 %	96.43 %
2016	244		8,257,650		33,843	12.30 %	24	1:10.4	254	243	0.79 %	95.67 %
2017	276		8,131,240		29,461	-12.95 %	25	1:10.5	271	263	6.69 %	97.05 %
2018	288		8,245,633		28,631	-2.82 %	25	1:10.5	294	275	8.49 %	93.54 %
2019	301		9,057,870		30,093	5.11 %	25	1:12	290	273	-1.36 %	94.14 %
2020	288		9,045,857		31,409	4.38 %	27	1:10.7	281	261	-3.10 %	92.88 %
2021	272		9,079,981		33,382	6.28 %	25	1:10.9	265	254	-5.62 %	95.87 %
2022	259		10,382,130		40,085	20.08 %	25	1:10.4	261	246	-1.58 %	94.25 %
2023	254		11,090,968		43,665	8.93 %	24	1:10.5	237	224	-9.20 %	94.51 %
2024	250		11,871,448		47,486	8.75 %	27	1:8.5	240	227	1.27 %	94.58 %

Note: Enrollment based on annual October District count.

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

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

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

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

Source: South Hackensack School District Records.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
Memorial School (2004):										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (Students)	295	295	295	295	295	295	295	295	295	295
Enrollment	252	244	276	288	301	288	272	259	254	250

Number of Schools at June 30, 2024:
Elementary = 1

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

Source: South Hackensack School District Facilities Office.

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

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

School Facilities*	Project # (s)	June 30,									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Memorial Elementary School	N/A	\$ 53,764	\$ 79,814	\$ 70,573	\$ 92,820	\$ 100,571	\$ 130,551	\$ 79,822	\$ 370,440	\$ 175,489	\$ 93,839

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

Source: South Hackensack School District Records.

SOUTH HACKENSACK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

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

SOUTH HACKENSACK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

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

Source: South Hackensack School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the South Hackensack School District (the "District"), in the County of Bergen, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 22, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
South Hackensack School District
Page 2

Report on Compliance and Other Matters

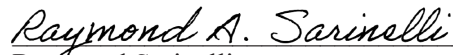
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

October 22, 2024
Mount Arlington, New Jersey

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major State Program

We have audited the South Hackensack School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

The Honorable President and Members
of the Board of Education
South Hackensack School District
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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

The Honorable President and Members
of the Board of Education
South Hackensack School District
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Report on Internal Control Over Compliance

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

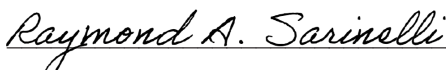
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Mount Arlington, New Jersey
October 22, 2024

NISIVOCCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amounts Provided to Subrecipients
			From	To		(Accounts Receivable)	(Accounts Receivable)			(Accounts Receivable)	(Accounts Receivable)	
U.S. Department of Agriculture - Passed-through State Department of Agriculture:												
Enterprise Fund:												
Child Nutrition Cluster:												
School Breakfast Program	10.553	N/A	7/1/23	6/30/24	\$ 943		\$ 854	\$ (943)	\$ (89)			
School Breakfast Program	10.553	N/A	7/1/22	6/30/23	1,148	\$ (53)	53					
National School Lunch Program	10.555	N/A	7/1/23	6/30/24	35,754		33,788	(35,754)	(1,966)			
National School Lunch Program	10.555	N/A	7/1/22	6/30/23	25,320	(956)	956					
Covid-19 Supply Chain Assistance	10.553	N/A	7/1/23	6/30/24	10,335		10,335	(10,335)				
Total Child Nutrition Cluster						(1,009)	45,986	(47,032)	(2,055)			
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)	10.649	N/A	7/1/23	6/30/24	653		653	(653)				
Total U.S. Department of Agriculture						(1,009)	46,639	(47,685)	(2,055)			
Passed-through State Department of Education:												
Special Revenue:												
Elementary and Secondary Education Act:												
Title I	84.010	ESEA-4870-24	7/1/23	9/30/24	111,348		48,101	(103,085)	(54,984)			
Title I	84.010	ESEA-4870-23	7/1/22	9/30/23	77,283	(26,899)	50,065	(23,166)	(5,615)			
Title II Part A	84.367	ESEA-4870-24	7/1/23	9/30/24	29,388		14,830	(20,445)				
Title II Part A	84.367	ESEA-4870-23	7/1/22	9/30/23	21,714		7,338	(7,338)				
Title III	84.365	ESEA-4870-23	7/1/22	9/30/23	1,332	(1,001)	1,332	(331)				
						(27,900)	121,666	(154,365)	(60,599)			

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amounts Provided to Subrecipients
			From	To		(Accounts Receivable)	(Accounts Receivable)			(Accounts Receivable)		
U.S. Department of Education - Passed-through State Department of Education:												
Special Revenue:												
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA-4870-24	7/1/23	9/30/24	\$ 73,139		\$ 51,413	\$ (73,139)	\$ (21,726)			
I.D.E.A. Part B, Basic	84.027	IDEA-4870-23	7/1/22	9/30/23	70,855	\$ (6,964)	6,964					
ARP - I.D.E.A. Part B, Basic	84.027X	IDEA-5770-22	7/1/21	9/30/23	12,890		12,890	(12,890)				
I.D.E.A. Part B, Preschool	84.173	IDEA-4870-24	7/1/23	9/30/24	3,001		3,001	(3,001)				
ARP - I.D.E.A. Part B, Preschool	85.173X	IDEA-5770-22	7/1/22	9/30/23	1,098		1,098	(1,098)				
Total Department of Education						(6,964)	75,366	(90,128)	(21,726)			
Education Stabilization Fund												
COVID-19 CRRSA:												
ESSER II	84.425D	S425D210027	3/13/20	9/30/23	195,151		2,970	(44,100)				
Mental Health	84.425D	S425D210027	3/13/20	9/30/23	45,000		42,800	(42,800)				
COVID-19 ARP CRRSA:												
ESSER III	84.425U	S425D210027	3/13/20	9/30/24	506,410		185,477	(378,095)	(209,943)			
Learning Acceleration	84.425U	S425D210027	3/13/20	9/30/24	50,000		12,100	(18,700)	(6,600)			
Summer Learning and Enrichment	84.425U	S425D210027	3/13/20	9/30/24	40,000		10,689	(14,046)	(3,357)			
Comprehensive Beyond the School Day	84.425U	S425D210027	3/13/20	9/30/24	40,000		11,507	(28,493)	(28,493)			
Mental Health	84.425U	S425D210027	3/13/20	9/30/24	45,000		999	(10,659)	(9,660)			
Total Education Stabilization Fund						12,298	266,542	(536,893)	(258,053)			
Total Special Revenue Fund						(22,566)	463,574	(781,386)	(340,378)			
TOTAL FEDERAL AWARDS						\$ (23,575)	\$ 510,213	\$ (829,071)	\$ (342,433)	\$ -0-		
N/A - Not Available/Applicable												

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

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		MEMO		
		From	To		(Accounts Receivable)				GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)	Cumulative Total Expenditures		
State Department of Education:													
General Fund:													
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 315,713		\$	\$ 303,264	\$ (315,713)	\$ (337,280)	\$ (12,449)	\$ 315,713		
Extraordinary Aid	24-495-034-5120-044	7/1/23	6/30/24	337,280				(337,280)	(4,095)	(337,280)		337,280	
Nonpublic School Transportation Costs	24-495-034-5120-014	7/1/23	6/30/24	4,095				(4,095)				4,095	
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	36,988			35,529	(36,988)		(1,459)		36,988	
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	47,149			45,290	(47,149)		(1,859)		47,149	
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	99,417			95,497	(99,417)		(3,920)		99,417	
Reimbursed TPAF Social Security Aid	24-495-034-5094-003	7/1/23	6/30/24	203,724			193,412	(203,724)		(10,312)		203,724	
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	295,991	\$ (14,957)		14,957					295,991	
Extraordinary Aid	23-495-034-5120-044	7/1/22	6/30/23	244,230	(244,230)		244,230					244,230	
Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22	6/30/23	3,744	(3,744)		3,744					3,744	
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	36,988	(1,869)		1,869					36,988	
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	47,149	(2,383)		2,383					47,149	
Equalization Aid	23-495-034-5120-078	7/1/22	6/30/23	99,417	(5,024)		5,024					99,417	
Reimbursed TPAF Social Security Aid	23-495-034-5094-003	7/1/22	6/30/23	202,922	(19,525)		19,525					202,922	
On-Behalf TPAF Post Retirement	24-495-034-5094-001	7/1/23	6/30/24	288,166			288,166	(288,166)				288,166	
Medical Contributions	24-495-034-5094-002	7/1/23	6/30/24	1,046,860			1,046,860	(1,046,860)				1,046,860	
On-Behalf TPAF Pension	24-495-034-5094-002	7/1/23	6/30/24	1,046,860			1,046,860	(1,046,860)				1,046,860	
Contributions	24-495-034-5094-004	7/1/23	6/30/24	11,939			11,939	(11,939)				11,939	
On-Behalf TPAF Non-Contributory	24-495-034-5094-004	7/1/23	6/30/24	11,939			11,939	(11,939)				11,939	
Insurance	24-495-034-5094-004	7/1/23	6/30/24	328			328	(328)				328	
On-Behalf TPAF Long-Term Disability	24-495-034-5094-004	7/1/23	6/30/24	328			328	(328)				328	
Insurance	24-495-034-5094-004	7/1/23	6/30/24	328			328	(328)				328	
Total General Fund State Aid													

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		MEMO	
		From	To		(Accounts Receivable)	(Accounts Receivable)			(Accounts Receivable)	(Accounts Receivable)	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Agriculture:												
Enterprise Fund:												
State School Breakfast Program	24-100-010-33 50-023	7/1/23	6/30/24	\$ 3			\$ 2	\$ (3)	\$ (1)	\$ (1)	\$ (1)	\$ 3
State School Lunch Program	24-100-010-33 50-023	7/1/23	6/30/24	1,099			1,041	(1,099)	(58)	(58)	(58)	1,099
State School Lunch Program	23-100-010-33 50-023	7/1/22	6/30/23	1,012	\$ (38)		38					1,012
Total Enterprise Fund					(38)		1,081	(1,102)	(59)	(59)	(59)	2,114
TOTAL STATE AWARDS					(291,770)		2,313,098	(2,392,761)	(351,746)	(371,433)	(371,433)	3,324,214
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Medical Contributions	24-495-034-5094-001	7/1/23	6/30/24	(288,166)				\$ 288,166				
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23	6/30/24	(1,046,860)				1,046,860				
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23	6/30/24	(11,939)				11,939				
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	(328)				328				
Subtotal - On-Behalf TPAF Pension System Contributions								1,347,293				
Total State Awards Subject to Single Audit Major Program Determination								(1,045,468)				

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, South Hackensack School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

SOUTH HACKENSACK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,546 for the general fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,396,205	\$ 2,396,205
Special Revenue Fund	\$ 795,841		795,841
Proprietary Fund	47,685	1,102	48,787
Total Financial Assistance	<u>\$ 843,526</u>	<u>\$ 2,397,307</u>	<u>\$ 3,240,833</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported

Noncompliance material to basic financial statements noted?	Yes	X	No
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Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported

Noncompliance material to basic financial statements noted?	Yes	X	No
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes X No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Education Stabilization Fund:					
COVID-19 CRRSA:					
ESSER II	84.425D	3/13/20	9/30/23	\$ 195,151	\$ 44,100
Mental Health	84.425D	3/13/20	9/30/23	45,000	42,800
COVID-19 ARP CRRSA:					
ESSER III	84.425U	3/13/20	9/30/24	506,410	378,095
Learning Acceleration	84.425U	3/13/20	9/30/24	50,000	18,700
Summer Learning and Enrichment	84.425U	3/13/20	9/30/24	40,000	14,046
Comprehensive Beyond the School Day	84.425U	3/13/20	9/30/24	40,000	28,493
Mental Health	84.425U	3/13/20	9/30/24	45,000	10,659

Dollar threshold used to distinguish between Type A and B programs	\$ 750,000
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SOUTH HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

K-6

Auditee qualified as low-risk auditee? _____ Yes _____ X No

State Awards

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

Internal control over major programs:

1.) Material weakness identified? _____ Yes _____ X No

2.) Significant deficiencies identified? _____ Yes _____ X None reported

Noncompliance material to basic financial statements noted? _____ Yes _____ X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
_____ Yes _____ X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	\$ 99,417	\$ 99,417
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	315,713	315,713
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	36,988	36,988

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

Auditee qualified as low-risk auditee? _____ Yes _____ X No

SOUTH HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior audit findings.