

SCHOOL DISTRICT
OF
HENRY HUDSON REGIONAL



HENRY HUDSON REGIONAL BOARD OF EDUCATION
HIGHLANDS, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

HENRY HUDSON REGIONAL BOARD OF EDUCATION

HIGHLANDS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

**HENRY HUDSON REGIONAL BOARD OF EDUCATION
FINANCE DEPARTMENT**

HENRY HUDSON REGIONAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 5.
Roster of Officials	6.
Consultants and Advisors	7.
Organizational Chart	8.
FINANCIAL SECTION	
Independent Auditor’s Report	9 to 11.
Required Supplementary Information – Part I	
Management’s Discussion and Analysis	12 to 17.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	18.
A-2 Statement of Activities	19 & 20.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	21.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22 & 23.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24.
Proprietary Funds:	
B-4 Statement of Net Position	25.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26.
B-6 Statement of Cash Flows	27.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28.
B-8 Statement of Changes in Fiduciary Net Position	29.
Notes to Financial Statements	30 to 53.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	54 to 63.
C-1b Budgetary Comparison Schedule – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	64.
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule – Note to RSI	65.
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	66.
L-2 Schedule of District Contributions – PERS	67.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	68.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	69.
E-2 Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures, and Changes In Fund Balance – Budgetary Basis	70.
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – New Roof Project	71.
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Partial Roof Replacement – Section A	72.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	N/A
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Schedule of Cash Flows	N/A
Internal Service Fund:	
G-4 Schedule of Net Position	N/A
G-5 Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	73.
H-2 Combining Statement of Changes in Fiduciary Net Position	74.
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	75.
H-4 Payroll Agency Fund Schedule of Changes in Assets and Liabilities	76.
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	77.
I-1a Schedule of Loans Payable	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	78.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	79.
J-2 Changes in Net Position	80.
J-3 Fund Balances – Governmental Funds	81.
J-4 Changes in Fund Balances – Governmental Funds	82.
J-5 General Fund Other Local Revenue by Source	83.
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	84.
J-7 Direct and Overlapping Property Tax Rates	85.
J-8 Principal Property Taxpayers	86.
J-9 Property Tax Levies and Collections	87.
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	88.
J-11 Ratios of General Bonded Debt Outstanding	89.
J-12 Direct and Overlapping Governmental Activities Debt	90.
J-13 Legal Debt Margin Information	91.
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	92.
J-15 Principal Employers	93.
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	94.
J-17 Operating Statistics	95.
J-18 School Building Information	96.
J-19 Schedule of Required Maintenance Expenditures by School Facility	97.
J-20 Insurance Schedule	98.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

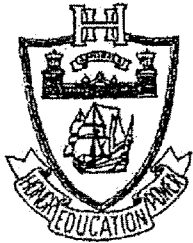
TABLE OF CONTENTS

Page

SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	99 & 100.
K-2	Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by the Uniform Guidance and Schedules of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	101 to 103.
K-3	Schedule of Expenditures of Federal Awards, Schedule A	104.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	105.
K-5	Notes to Schedules of Awards and Financial Assistance	106 to 108.
K-6	Schedule of Findings and Questioned Costs	109 to 112.
K-7	Summary Schedule of Prior Audit Findings	113.

INTRODUCTORY SECTION



HENRY HUDSON REGIONAL SCHOOL DISTRICT

SERVING THE BOROUGHES OF ATLANTIC HIGHLANDS AND HIGHLANDS

One Grand Tour · Highlands, New Jersey 07732-2039

Phone: 732-872-1517

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Sarah Chiles
Board President

Janet Sherlock
Business Administrator/Board Secretary

Dr. Susan Compton
Superintendent

November 28, 2016

The Honorable President and
Members of the Board of Education
Henry Hudson Regional School District
One Grand Tour
Highlands, New Jersey 07732

Dear Board Members/Citizens:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Henry Hudson Regional School District (District). This report is for the fiscal year ended June 30, 2016. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2015-2016 fiscal year.

Responsibility for the accuracy, completeness and fairness of this report rests with the District and, more specifically, the office of the School Business Administrator. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

This report has been divided into four sections:

The Introductory Section: includes this transmittal letter, the District's organizational chart, a list of principal officials, and a map of the State of New Jersey.

The Financial Section: includes the unqualified opinion of our independent auditors, Robert A. Hulsart and Company, Certified Public Accountants, the basic financial statement, and the combining and individual fund and account group financial statements.

The Statistical Section: includes selected financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

The Single Audit Section: is in accordance with generally accepted auditing standards; audit requirements as prescribed by the office of Finance, Department of Education, State of New Jersey; and Government Auditing Standards issued by the Comptroller General of the United States. Information related to this single audit, including the auditor's report in the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Henry Hudson Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The District also acts as fiscal agent for State funds distributed to private schools located within the District boundaries. The private school served is Mother Teresa Regional School in Atlantic Highlands. Because of its independent nature, none of this organization's financial statements are included in this report. The District encompasses the Boroughs of Atlantic Highlands and Highlands. The Board of Education is comprised of five members from Highlands and four members from Atlantic Highlands. They are elected to three-year terms and meet on the third Wednesday of each month for the Regular Board Meeting. During its meetings, the Board determines District goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 7:00 p.m. unless otherwise noted. The name of Henry Hudson Regional comes from the historic Henry Hudson Springs located in Atlantic Highlands. In 1609, Henry Hudson, sea captain of the Half Moon, touched land, and drew water from the spring. Ships continued to use this spring into the 1900's.

The District provides a full-range of educational services appropriate to grade levels 7-12. These include regular, as well as inclusive education for disabled youngsters. The District is the only 7-12 School District in Monmouth County. It is accredited by the Middle States Association of Colleges and Secondary Schools and approved by the New Jersey State Department of Education.

The Parent Teacher Organization (PTO) is highly active in the District and provides community support for a variety of programs and activities for the children.

ECONOMIC CONDITION

The District, located in Monmouth County, is comprised of the boroughs of Atlantic Highlands and Highlands. In October, 2012, both communities were hit by Super Storm Sandy. The Atlantic Highlands Marina was destroyed and many homes and businesses were damaged. In Highlands, the entire downtown area was destroyed. Every home and business was affected. The Atlantic Highlands Marina has been rebuilt. The town of Highlands has recovered with many businesses reopening and many homes being raised. There is a major revitalization project underway in Atlantic Highlands and Highlands.

MAJOR INITIATIVES

Henry Hudson Regional continues to share a Superintendent of Schools with Atlantic Highlands Elementary School and Highlands Elementary School.

The Thirty Eight (38) graduates of the Henry Hudson Regional School Class of 2016 earned a total of \$1,225,105.00 in scholarships. Thirty Four (34) members of the Henry Hudson Regional graduating class will be continuing their education in September 2016.

Most unique about Henry Hudson Regional is that approximately forty percent (40%) of the student population plays an instrument in the award-winning school band. The school also has a talented A Cappella Chior and Jazz Band. The Henry Hudson Regional School Concert Bands, both High School and Middle School placed 1st in their categories. In addition, Henry Hudson is the first school in Monmouth County to embrace the Arts High School Program and currently is the home to the Middle School of the Arts.

Henry Hudson Regional School continues to provide an exceptional educational experience for all students. The breadth of programs from special education to gifted and talented meets each child's unique needs. The 2015-2016 school year demonstrated a continuing emphasis on curriculum alignment to the national Common Core Curriculum Standards.

Henry Hudson Regional School District participates in shared services to keep costs at a minimum. In March 2012 Henry Hudson entered into an agreement with Atlantic Highlands to share a School Business Administrator/Board Secretary. Henry Hudson provides bus transportation for Highlands Elementary School and Atlantic Highlands Elementary. The liability/property insurance is in a group insurance fund through Boynton & Boynton, the health insurance is in a pooled insurance fund through Brown & Brown, and workman's compensation insurance through the Monmouth-Ocean Counties Shared Services Insurance Fund through New Jersey Schools Insurance Group. Transportation jointures and Chapter 192/193 Non-Public Services are obtained through the MOESC (Monmouth-Ocean Educational Services Commission). Henry Hudson Regional School District is also a member of the Bayshore Jointure Commission. This group is comprised of ten (10) school districts. Henry Hudson Regional School District purchases gasoline for its school bus fleet through the Atlantic Highlands Harbor Commission. Henry Hudson Regional School District, Atlantic Highlands School District and Highlands School District participate in a shared Supervisor of Curriculum/Instruction and Supervisor of Special Services. School facilities are used extensively for community recreation programs. The school band and choruses participate in parades and concerts for both communities. The school is a designated Red Cross Emergency Shelter.

INTERNAL ACCOUNTING CONTROLS

The management of the District is responsible for establishing and maintaining an internal central structure designed to ensure that the assets of the District are protected from loss, theft or misuse and ensures 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 structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments of management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state awards.

BUDGETARY CONTROLS

The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the State of New Jersey Department of Education.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure with an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. These amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District organization is on the basis of fund and account groups. These fund and account groups are explained in "Notes to the Financial Statements," Note 1.

CASH MANAGEMENT

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the New Jersey Cash Management Fund established by the Division of Investment of the Treasury Department under the jurisdiction of the New Jersey State Investment Council. The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force on June 30, 2016 is included in the Statistical Section of this report on Schedule J-20.

INDEPENDENT AUDIT

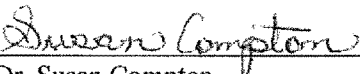
The State of New Jersey requires an annual audit by an independent certified public accounting firm. Robert A. Hulsart and Company was selected by the District to perform the audit for the fiscal year ended June 30, 2016. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related Title 2 U.S. Code of Federal Regulations, Part 200 and the State Treasury Circular Letter 15-08 OMB. The

Auditor's unqualified opinion rendered on the District's general basic financial statements, and their report on the combining and individual fund statements, is included in the financial section of this Comprehensive Annual Financial Report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

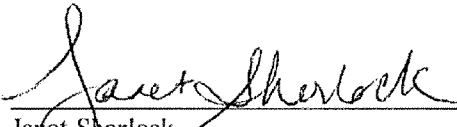
ACKNOWLEDGMENTS

The preparation of this report was made possible by the dedicated services of the entire staff of the Business Office. Finally, the support and commitment to excellence by the Henry Hudson Regional Board of Education and the citizens of the District was vital to the successful issuance of this report and continuing efforts being made to improve our financial management and reporting.

Yours truly,



Dr. Susan Compton
Superintendent



Janet Sherlock
School Business Administrator/Board Secretary

**HENRY HUDSON REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

One Grand Tour, Highlands, NJ 07732

ROSTER OF OFFICIALS
June 30, 2016

Members of the Board of Education

Term Expires

Rosemary D. Ryan	2016
Michel Salazar	2016
Karen Horner-Diebold	2016
Sarah Kroon Chiles, President	2017
Melissa Mohr	2017
Gail A. Woods-King	2017
David Dowds, Vice President	2018
Jay Mullan	2018
Thomas Hayden	2018

Other Officials

Title

Dr. Susan Compton	Superintendent
Janet Sherlock	School Business Administrator/Board Secreta
Armen McOmber, Esq.	Solicitor

**HENRY HUDSON REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION
One Grand Tour, Highlands, NJ 07732**

Consultants and Advisors

Architects

SSP Architectural Group
1011 Route 22, Suite 203
Bridgewater, New Jersey 08807

Audit Firm

Robert A. Hulsart and Company
2807 Hurley Pond Road, Suite 100
P.O. Box 1409
Wall, New Jersey 07719

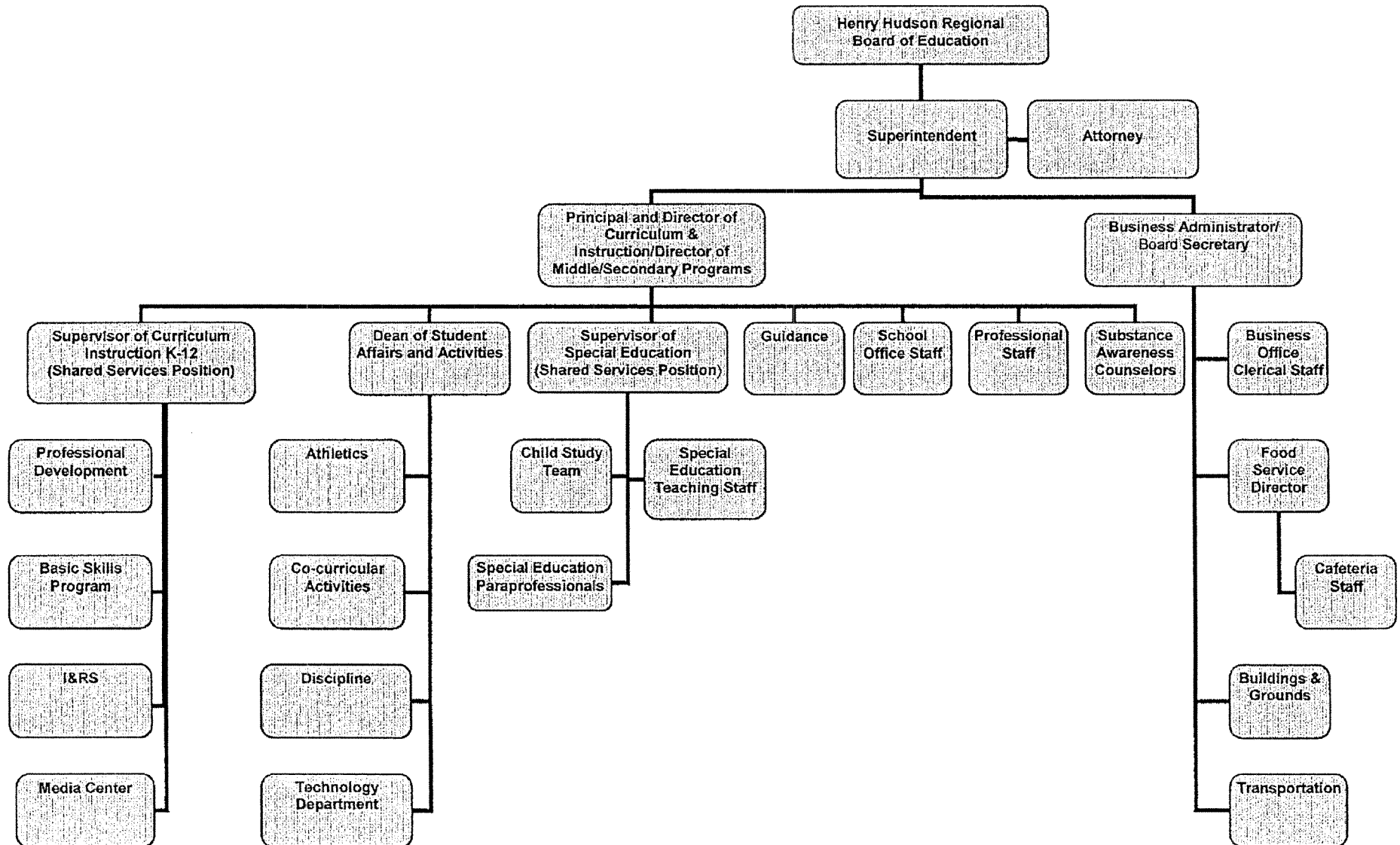
Attorney

McOmber & McOmber
54 Shrewsbury Avenue
Red Bank, New Jersey 07701

Official Depository

TD Bank
207 Harmony Road
Middletown, New Jersey 07748

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 BOARD OF EDUCATION
 ONE GRAND TOUR, HIGHLANDS, NJ 07732
 ORGANIZATIONAL CHART
 2015-2016



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

9.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Henry Hudson Regional School District
County of Monmouth
Highlands, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Henry Hudson Regional School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Henry Hudson Regional School District, in the County of Monmouth, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016 on our consideration of the Henry Hudson Regional Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Henry Hudson Regional Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

November 28, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED

The discussion and analysis of Henry Hudson Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2015-2016 fiscal year are as follows:

- General revenues accounted for \$9,631,343 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$450,481 to total revenues of \$10,081,824.
- Net Position of governmental activities increased by \$738,708.
- The School District had \$9,361,798 in expenses; only \$450,481 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$9,631,343 were adequate to provide for these programs.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Henry Hudson Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Henry Hudson Regional School District, the General Fund is the most significant fund, with the Special Revenue Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2015-2016 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds begins on exhibit B-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2016 and 2015.

Table 1
Net Position

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current and Other Assets	\$ 4,282,340	3,017,582
Capital Assets, Net	<u>11,806,206</u>	<u>12,317,258</u>
Total Assets	<u>\$ 16,088,546</u>	<u>15,334,840</u>
<u>Deferred Outflows of Resources</u>		
Contribution to Pension Plan	<u>\$ 244,082</u>	<u>81,356</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 73,335</u>	<u>128,069</u>
<u>Liabilities</u>		
Other Liabilities	\$ 1,043,841	619,351
Long-Term Liabilities	<u>7,163,953</u>	<u>7,337,303</u>
Total Liabilities	<u>\$ 8,207,794</u>	<u>7,956,654</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 5,651,206	5,752,258
Restricted	3,554,585	2,691,324
Unrestricted	<u>(1,154,292)</u>	<u>(1,112,109)</u>
Total Net Position	<u>\$ 8,051,499</u>	<u>7,331,473</u>

Table 2 shows the changes in net position for fiscal years ended 2016 and 2015.

Table 2
Changes in Net Position

	<u>2016</u>	<u>2015</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 182,895	181,065
Operating Grants and Contributions	267,586	254,130
General Revenues		
Property Taxes	7,876,120	7,926,485
Grants and Entitlements	1,755,814	1,844,293
Other	(591)	38,474
Total Revenues	<u>10,081,824</u>	<u>10,244,447</u>
<u>Program Expenses</u>		
Instruction	3,129,946	3,370,193
Support Services		
Pupils and Instructional Staff	1,368,116	1,463,473
General Administration, School Administration, Business	531,225	466,753
Operations and Maintenance of Facilities	628,276	652,085
Pupil Transportation	584,848	652,604
Interest on Debt	214,756	226,657
Unallocated Benefits	1,694,598	1,732,863
Other	999,381	512,536
Food Service	<u>210,652</u>	<u>207,531</u>
Total Expenses	<u>9,361,798</u>	<u>9,284,695</u>
Change in Net Position	<u>\$ 720,026</u>	<u>959,752</u>

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$18,682.
- Charges for services represent \$135,789 of revenue. This represents amount paid by patrons for daily food services.
- Federal and State reimbursements for lunches, snacks and breakfast were \$56,181.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

School Board Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Boroughs of Atlantic Highlands and Highlands taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined net position balance of \$8,051,499. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

Capital Assets

At June 30, 2016, the School Board had approximately \$20,478,571 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2016 fiscal year.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2016		
Land	\$ 83,060	
Site Improvements	27,103	
Buildings	11,459,860	
Machinery and Equipment	<u>182,373</u>	<u>53,810</u>
Total	<u>\$ 11,752,396</u>	<u>53,810</u>

Debt Administration

At June 30, 2016, the School District had \$7,598,953 as outstanding debt. Of this amount \$123,129 is for compensated absences, \$6,155,000 for bonds for school construction, and \$1,320,824 as a pension liability.

Economic Factors and Next Year's Budget

The Boroughs of Atlantic Highlands and Highlands are primarily residential communities, with few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

In conclusion, the Henry Hudson Regional School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact: Mrs. Janet Sherlock School Business Administrator/Board Secretary at Henry Hudson Regional Board of Education, One Grand Tour, Highlands, NJ 07732.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

HENRY HUDSON REGIONAL SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 562,953	2,283	565,236
Receivables, Net	257,776	3,353	261,129
Inventory		758	758
Restricted Assets:			
Cash and Cash Equivalents	2,979,391		2,979,391
Capital Reserve Account - Cash	475,826		475,826
Capital Assets Not Depreciated	83,060		83,060
Capital Assets, Net	11,669,336	53,810	11,723,146
Total Assets	<u>16,028,342</u>	<u>60,204</u>	<u>16,088,546</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>244,082</u>		<u>244,082</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>73,335</u>		<u>73,335</u>
<u>Liabilities</u>			
Accrued Interest	68,852		68,852
Accounts Payable	539,989		539,989
Noncurrent Liabilities:			
Due Within One Year	435,000		435,000
Due Beyond One Year	7,163,953		7,163,953
Total Liabilities	<u>8,207,794</u>	<u>-</u>	<u>8,207,794</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	5,597,396	53,810	5,651,206
Restricted For:			
Other Purposes	3,462,024		3,462,024
Capital Projects	92,561		92,561
Unrestricted	<u>(1,160,686)</u>	<u>6,394</u>	<u>(1,154,292)</u>
Total Net Position	<u>\$ 7,991,295</u>	<u>60,204</u>	<u>8,051,499</u>

The accompanying notes to financial statements are an integral part of this statement.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$2,069,779			(2,069,779)		(2,069,779)
Special Education	579,279		163,651	(415,628)		(415,628)
Other Special Instruction	40,628			(40,628)		(40,628)
Other Instruction	440,260			(440,260)		(440,260)
Support Services:						
Tuition	479,790	47,106		(432,684)		(432,684)
Student & Instruction Related Services	888,326		47,754	(840,572)		(840,572)
School Administrative Services	154,263			(154,263)		(154,263)
General and Business Administrative Services	376,962			-		-
Plant Operations and Maintenance	628,276			(628,276)		(628,276)
Pupil Transportation	584,848			(584,848)		(584,848)
Unallocated Benefits	1,694,598			(1,694,598)		(1,694,598)
Capital Outlay	484,573			(484,573)		(484,573)
Interest on Long-Term Debt	214,756			(214,756)		(214,756)
Unallocated Depreciation	514,808			(514,808)		(514,808)
Total Government Activities	<u>9,151,146</u>	<u>47,106</u>	<u>211,405</u>	<u>(8,892,635)</u>	<u>-</u>	<u>(8,892,635)</u>
Business-Type Activities:						
Food Service	210,652	135,789	56,181		(18,682)	(18,682)
Total Business-Type Activities	<u>210,652</u>	<u>135,789</u>	<u>56,181</u>	<u>-</u>	<u>(18,682)</u>	<u>(18,682)</u>
Total Primary Government	<u>9,361,798</u>	<u>182,895</u>	<u>267,586</u>	<u>(8,892,635)</u>	<u>(18,682)</u>	<u>(8,911,317)</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2016

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	7,247,264		7,247,264
Taxes Levied for Debt Service	628,856		628,856
Federal and State Aid Not Restricted	1,755,814		1,755,814
Miscellaneous Income	10,337		10,337
Accounts Payable/Receivable Cancelled	(10,928)		(10,928)
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>9,631,343</u>	<u>-</u>	<u>9,631,343</u>
Change in Net Position	738,708	(18,682)	720,026
Net Position - Beginning	<u>7,252,587</u>	<u>78,886</u>	<u>7,331,473</u>
Net Position- Ending	<u>\$ 7,991,295</u>	<u>60,204</u>	<u>8,051,499</u>

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

FUND FINANCIAL STATEMENTS – B

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 545,893	15,857	1,203	562,953
Cash and Cash Equivalents-Restricted	3,455,217			3,455,217
Receivables from Other Governments	46,932	11,884	198,960	257,776
Interfund Receivable			273,000	273,000
Total Assets	<u>\$ 4,048,042</u>	<u>27,741</u>	<u>473,163</u>	<u>4,548,946</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 131,646	25,741	380,602	537,989
Interfund Payable	273,000			273,000
Deferred Revenue	-	2,000		2,000
Total Liabilities	<u>404,646</u>	<u>27,741</u>	<u>380,602</u>	<u>812,989</u>
Fund Balance:				
Restricted for:				
Excess Surplus-Designated for Subsequent Year's Expenditures	1,150,556			1,150,556
Excess Surplus	1,403,835			1,403,835
Maintenance Reserve	425,000			425,000
Capital Reserve Account	475,826			475,826
Assigned To:				
Designated by the BOE for Subsequent Year's Expenditures	6,807			6,807
Unassigned:				
General Fund	181,372			181,372
Capital Projects Fund			92,561	92,561
Total Fund Balances	<u>3,643,396</u>	<u>-</u>	<u>92,561</u>	<u>3,735,957</u>
Total Liabilities and Fund Balance	<u>\$ 4,048,042</u>	<u>27,741</u>	<u>473,163</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$20,478,571 and the accumulated depreciation is \$8,726,175.	11,752,396
Accrued Interest	(68,852)
Deferred outflow of resources - contributions to the pension plan	244,082
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(73,335)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(7,598,953)</u>
Net position of governmental activities	<u>\$ 7,991,295</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 7,247,264			628,856	7,876,120
Tuition	47,106				47,106
Miscellaneous	10,337				10,337
Total Local Sources	<u>7,304,707</u>	-	-	628,856	7,933,563
State Sources	1,573,814	10,674	182,000	-	1,766,488
Federal Sources		200,731			200,731
Total Revenues	<u>8,878,521</u>	<u>211,405</u>	<u>182,000</u>	<u>628,856</u>	<u>9,900,782</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	2,051,060				2,051,060
Special Education Instruction	415,628	163,651			579,279
Other Special Instruction	40,628				40,628
Other Instruction	440,260				440,260
Support Services and Undistributed Costs:					
Tuition	479,790				479,790
Student and Instruction Related Services	840,572	47,754			888,326
School Administrative Services	154,263				154,263
Other Administrative Services	376,962				376,962
Plant Operations and Maintenance	628,276				628,276
Pupil Transportation	584,848				584,848
Unallocated Benefits	1,669,127				1,669,127
Debt Service:					
Principal				410,000	410,000
Interest and Other Charges				218,856	218,856
Capital Outlay	97,915		405,791		503,706
Total Expenditures	<u>7,779,329</u>	<u>211,405</u>	<u>405,791</u>	<u>628,856</u>	<u>9,025,381</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit B-2
Sheet 2 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Other Financing Sources and Uses:					
Transfer Capital Outlay to Capital Projects	(273,000)		273,000		-
Accounts Receivable Cancelled	(11,022)				(11,022)
Accounts Payable Cancelled	94				94
Total Other Financing Sources and Uses	<u>(283,928)</u>	<u>-</u>	<u>273,000</u>	<u>-</u>	<u>(10,928)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>815,264</u>	<u>-</u>	<u>49,209</u>	<u>-</u>	<u>864,473</u>
Net Change in Fund Balances	815,264	-	49,209	-	864,473
Fund Balance - July 1	<u>2,828,132</u>	<u>-</u>	<u>43,352</u>	<u>-</u>	<u>2,871,484</u>
Fund Balance - June 30	<u>\$ 3,643,396</u>	<u>-</u>	<u>92,561</u>	<u>-</u>	<u>3,735,957</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$	864,473
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital Outlays 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 exceeded depreciation in the period.			
Depreciation Expense	(514,808)		
Capital Outlays	<u>19,133</u>		
			(495,675)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			410,000
In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used.			
Compensated Absences			(18,719)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position			162,726
Changes in pension liability			(242,931)
Pension related deferrals			54,734
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.			
			<u>4,100</u>
Change in Net Position of Governmental Activities		\$	<u>738,708</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2016

	<u>Enterprise Funds</u>
<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,283
Accounts Receivable:	
State	41
Federal	2,958
Miscellaneous	354
Inventory	758
Total Current Assets	<u>6,394</u>
Noncurrent Assets:	
Equipment	230,627
Accumulated Depreciation	(176,817)
Total Fixed Assets	<u>53,810</u>
Total Assets	<u>\$ 60,204</u>
<u>Net Position:</u>	
Investment in Capital Assets	\$ 53,810
Unrestricted	<u>6,394</u>
Total Net Position	<u>\$ 60,204</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2016

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales	\$ 135,199
Miscellaneous	590
Total Operating Revenues	<u>135,789</u>
Operating Expenses:	
Salaries	87,903
Cost of Sales	72,916
Supplies and Materials	6,087
Management Fee	9,000
Cleaning	2,228
Insurance	7,027
Repairs	3,884
Depreciation	15,377
Miscellaneous	6,230
Operating Expenses	<u>210,652</u>
Operating Gain/(Loss)	(74,863)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	753
Federal Sources:	
National School Lunch Program	31,639
Federal PB Lunch Program	870
Federal Breakfast Program	14,982
Food Distribution Program	7,937
Total Non-Operating Revenues	<u>56,181</u>
Change in Net Position	(18,682)
Net Position, July 1	<u>78,886</u>
Net Position, June 30	<u>\$ 60,204</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2016

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 135,789
Payments to Employees	(87,903)
Payments to Suppliers	(99,662)
Net Cash Provided (Used) by Operating Activities	<u>(51,776)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	753
Federal Sources	47,491
Net Cash Provided by Noncapital Financing Activities	<u>48,244</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,532)
Cash and Cash Equivalents, July 1	<u>5,815</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,283</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (74,863)
Depreciation	15,377
Federal Commodities Consumed	7,937
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Inventory	1,001
(Decrease)/Increase in Accounts Payable	(2,026)
Decrease/(Increase) in Accounts Receivable	798
Net Cash Provided (Used) by Operating Activities	<u>\$ (51,776)</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

JUNE 30, 2016

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
Assets:		
Cash and Cash Equivalents	\$ 4,175	29,670
Total Assets	<u>\$ 4,175</u>	<u>29,670</u>
Net Position:		
Reserved - Scholarships	\$ 4,175	
Reserved - Unemployment Benefits		29,670
Total Net Position	<u>\$ 4,175</u>	<u>29,670</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit B-8

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
<u>Additions</u>		
Contributions:		
Other	\$ 16,011	6,205
Total Contributions	<u>16,011</u>	<u>6,205</u>
Investment Earnings:		
Interest	144	59
Net Investment Earnings	<u>144</u>	<u>59</u>
Total Additions	<u>16,155</u>	<u>6,264</u>
<u>Deductions</u>		
Unemployment Claims		1,852
Scholarships Awarded	16,685	
Total Deductions	<u>16,685</u>	<u>1,852</u>
Change in Net Position	(530)	4,412
Net Position - Beginning of Year	<u>4,705</u>	<u>25,258</u>
Net Position - End of the Year	<u>\$ 4,175</u>	<u>29,670</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
HENRY HUDSON REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Henry Hudson Regional School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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 Henry Hudson Regional School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The operations of the District include one Regional Middle School/High School, located in the Highlands. The Henry Hudson Regional School District had an approximate enrollment at June 30, 2016 of 290 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial/benefit/burden on the District
- There is a fiscal dependency by the organization on the District

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. 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. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

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 following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

F. 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 reservations of 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 deferred revenues 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.

G. Short-Term Interfund Receivables/Payables:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

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, 2016.

I. Capital Assets and Depreciation

The District’s property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2007 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2006-2007 fiscal year and prior with a historical cost of \$2,000 or more. The District updated the 2007 report annually. Accumulated depreciation prior to fiscal year 2007, fiscal year 2007 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation (Continued)

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets That Are				
Not Being Depreciated:				
Land	\$ 83,060	_____	_____	83,060
Total	<u>83,060</u>	_____	_____	<u>83,060</u>
Depreciable Assets:				
Site Improvements	436,210			436,210
Buildings	17,305,161			17,305,161
Equipment	<u>2,635,007</u>	<u>19,133</u>	_____	<u>2,654,140</u>
Total	<u>20,376,378</u>	<u>19,133</u>	_____	<u>20,395,511</u>
Less: Accumulated				
Depreciation:				
Site Improvements	(403,802)	(5,305)		(409,107)
Buildings	(5,430,332)	(414,969)		(5,845,301)
Equipment	<u>(2,377,233)</u>	<u>(94,534)</u>	_____	<u>(2,471,767)</u>
Total Accumulated				
Depreciation	<u>(8,211,367)</u>	<u>(514,808)</u>	_____	<u>(8,726,175)</u>
Net Depreciable Assets	<u>12,165,011</u>	<u>(495,675)</u>	_____	<u>11,669,336</u>
Governmental Activities				
Capital Assets (Net)	<u>\$ 12,248,071</u>	<u>(495,675)</u>	=====	<u>11,752,396</u>
Business-Type Activities:				
Equipment	\$ 230,627			230,627
Less: Accumulated				
Depreciation:				
Equipment	<u>(161,440)</u>	<u>(15,377)</u>	_____	<u>(176,817)</u>
Business-Type Capital				
Assets (Net)	<u>\$ 69,187</u>	<u>(15,377)</u>	=====	<u>53,810</u>
Depreciation expense was charged to governmental functions as follow:				
Unallocated				<u>\$ 514,808</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District 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.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the 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%.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Deposits**

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, 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:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking and Money Market Accounts	\$ 3,846,157
Cash Management Accounts	<u>328,841</u>
	<u>\$ 4,174,998</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2016 was \$4,174,998 and the bank balance was \$4,259,552. Of the bank balance, \$250,000 was covered by federal depository insurance, \$3,680,711 was covered by a collateral pool maintained by the banks as required by New Jersey statutes and \$328,841 was uninsured.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

<u>Depository Account</u>	<u>Bank Balance June 30, 2016</u>
Insured:	
FDIC	\$ 250,000
GUDPA	3,680,711
Uninsured	328,841

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

At June 30, 2016 the District held \$328,841 in uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Long-Term Portion</u>	<u>2016-17 Payment</u>
Pension Liability	\$ 1,077,893	242,931		1,320,824	1,320,824	
Compensated Absences Payable	104,410	18,719		123,129	123,129	
Bonds Payable	<u>6,565,000</u>	<u> </u>	<u>410,000</u>	<u>6,155,000</u>	<u>5,720,000</u>	<u>435,000</u>
	<u>\$ 7,747,303</u>	<u>261,650</u>	<u>410,000</u>	<u>7,598,953</u>	<u>7,163,953</u>	<u>435,000</u>

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 of general obligation bonds.

Refunding bonds issued January 18, 2012 for \$7,415,000 for additions and renovations to the high school maturing March 1, 2028 with a balance of \$6,155,000 at June 30, 2016 with interest rates from 3% to 4%.

NOTE 3: General Long-Term Debt (Continued)**A. Bonds Payable (Continued)**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2016/2017	\$ 435,000	206,556	641,556
2017/2018	430,000	193,506	623,506
2018/2019	450,000	180,606	630,606
2019/2020	470,000	162,606	632,606
2020/2021	495,000	143,807	638,807
2021/22-2025/26	2,670,000	456,819	3,126,819
2026/2027-2027/28	<u>1,205,000</u>	<u>58,988</u>	<u>1,263,988</u>
	<u>\$ 6,155,000</u>	<u>1,402,888</u>	<u>7,557,888</u>

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher’s Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system’s other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

NOTE 4: Pension Plans (Continued)

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.6% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

NOTE 4: Pension Plans (Continued)

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2016, the State of New Jersey contributed \$536,425 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$207,765 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$ 50,586	100%	0
6/30/15	47,461	100%	0
6/30/14	53,484	100%	0

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$ 536,425	100%	0
6/30/15	455,934	100%	0
6/30/14	373,646	100%	0

NOTE 4: Pension Plans (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$50,586. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 31,510	
Changes of Assumptions	141,846	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		21,236
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	20,140	52,099
District Contributions Subsequent to the Measurement Date	<u>50,586</u>	<u> </u>
Total	<u>\$ 244,082</u>	<u>73,335</u>

\$244,082 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2014 and 2015 are as follows:

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Collective Deferred Outflows of Resources	\$ 244,082	81,356
Collective Deferred Inflows of Resources	73,335	128,069
Collective Net Pension Liability	1,320,824	1,077,893
District's Proportion	.00588%	.00576%

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	2015		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%
	2014		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Intermediate Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on 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. 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 the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2015		
	At Current		
	At 1% Decrease (3.90%)	Discount Rate (4.90%)	At 1% Increase (5.90%)
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	2014		
	At Current		
	At 1% Decrease (4.39%)	Discount Rate (5.39%)	At 1% Increase (6.39%)
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

Teachers Pensions and Annuity Fund (TPAF)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2015 and 2014 are as follows:

	2015	2014
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

NOTE 4: Pension Plans (Continued)**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2015</u>	<u>2014</u>
District's Liability	<u>\$ 20,599,737</u>	<u>17,833,748</u>
District's Proportion	.03240%	.03314%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on 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. 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 the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

NOTE 6: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 right 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.

NOTE 6: Compensated Absences (Continued)

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.

The liability for vested compensated absences as of June 30, 2016, was \$123,129.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Henry Hudson Regional Board of Education by inclusion of \$150,000 on October 18, 2001 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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-14.1(g)*, the balance in the 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	<u>\$ 325,826</u>
Ending Balance, June 30, 2016	<u>\$ 325,826</u>

NOTE 8: Inventory

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 639
Supplies	<u>119</u>
	<u>\$ 758</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$3,719,158 General Fund fund balance at June 30, 2016, \$475,826 has been placed in the capital reserve; \$425,000 is in maintenance reserve; \$1,150,556 of excess surplus is designated for subsequent year's expenditures; \$1,403,835 is excess surplus; \$6,807 is designated for subsequent year's expenditures and \$257,134 is undesignated.

NOTE 10: Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved 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 reserve 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 years' budget.

NOTE 11: Equity Balance**2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures Per the CAFR	\$ 8,052,329
Decreased by:	
On Behalf TPAF Pension and Social Security	<u>(744,190)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 7,308,139</u>
2% of Adjusted 2015-16 General Fund Expenditures	<u>\$ 146,163</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>7,134</u>
Maximum Unassigned Fund Balance	<u>\$ 257,134</u>

Section 2

Total General Fund – Fund Balance @ 6-30-16	\$ 3,719,158
Decreased by:	
Legally Restricted:	
Designated for Subsequent Year's Expenditures – Excess Surplus	(1,150,556)
Other Restricted Reserved Fund Balances	(900,826)
Assigned - Designated for Subsequent Years Expenditures	<u>(6,807)</u>
Total Unassigned Fund Balance	<u>\$ 1,660,969</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 1,403,835</u>

NOTE 11: Equity Balance (Continued)**Section 3**

Excess Surplus Designated for Subsequent Years Expenditures	\$ 1,150,556
Excess Surplus	<u>1,403,835</u>
	<u>\$ 2,554,391</u>

Detail of Allowable Adjustments

Non-Public Transportation	<u>\$ 7,134</u>
---------------------------	-----------------

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 425,000
Capital Reserve	<u>475,826</u>
	<u>\$ 900,826</u>

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2016-2017 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

NOTE 12: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 13: Economic Dependency

The District 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 District's programs and activities.

NOTE 14: 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.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 14: Risk Management (Continued)

New Jersey Unemployment Compensation Insurance – The District elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Reimbursed</u>	<u>Balance</u>
2015-2016	\$ 6,205	59	1,852	29,670
2014-2015	6,582	16	8,403	25,258
2013-2014	6,553	20	16,082	27,063

NOTE 15: 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, permits 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:

Franklin Tempelton Trust	Siracusa Benefits
American Century Investment	AXA Equitable
Met Life Resources (Citistreet)	Mass Mutual

NOTE 16: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2016. The adoption of FASB ASC 105 did not impact the District’s financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District’s financial statements. The District evaluated all events or transactions that occurred after June 30, 2016 through November 28, 2016.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 1 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,247,264		7,247,264	7,247,264	-
Tuition	39,320		39,320	47,106	7,786
Interest on Investments			-	4,627	4,627
Miscellaneous	49,125		49,125	5,710	(43,415)
Total Local Sources	<u>7,335,709</u>	<u>-</u>	<u>7,335,709</u>	<u>7,304,707</u>	<u>(31,002)</u>
State Sources:					
Security Aid	60,908		60,908	60,908	-
Adjustment Aid	313,845		313,845	313,845	-
Transportation Aid	176,780		176,780	176,780	-
Special Education Aid	240,247		240,247	240,247	-
PARCC Readiness Aid	3,030		3,030	3,030	-
Pupil Growth Aid	3,030		3,030	3,030	-
Extraordinary Aid	30,000		30,000	24,830	(5,170)
Non Public Transportation			-	7,134	7,134
TPAF Pension Contribution			-	536,425	536,425
TPAF Social Security Contribution			-	207,765	207,765
Total State Sources	<u>827,840</u>	<u>-</u>	<u>827,840</u>	<u>1,573,994</u>	<u>746,154</u>
Total Revenues	<u>8,163,549</u>	<u>-</u>	<u>8,163,549</u>	<u>8,878,701</u>	<u>715,152</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	444,650	101,668	546,318	526,679	19,639
Grades 9-12 - Salaries of Teachers	1,487,318	(101,141)	1,386,177	1,332,067	54,110
Subtotal	<u>1,931,968</u>	<u>527</u>	<u>1,932,495</u>	<u>1,858,746</u>	<u>73,749</u>
Regular Programs - Home Instruction					
Salaries -Teachers	16,500	472	16,972	16,972	-
Purchased Professional Educational Services	10,000	(1,090)	8,910	5,580	3,330
Subtotal	<u>26,500</u>	<u>(618)</u>	<u>25,882</u>	<u>22,552</u>	<u>3,330</u>
Regular Programs - Undistributed Instruction:					
Other Purchased Services	2,500		2,500	2,339	161
General Supplies	236,370	(2,950)	233,420	107,870	125,550
Textbooks	85,300		85,300	19,246	66,054
Other Objects	51,635		51,635	40,307	11,328
Subtotal	<u>375,805</u>	<u>(2,950)</u>	<u>372,855</u>	<u>169,762</u>	<u>203,093</u>
Total Regular Programs - Instruction	<u>2,334,273</u>	<u>(3,041)</u>	<u>2,331,232</u>	<u>2,051,060</u>	<u>280,172</u>
Special Education Instruction:					
Behavioral Disabilities:					
General Supplies	550		550		550
Total Behavioral Disabilities	<u>550</u>	<u>-</u>	<u>550</u>	<u>-</u>	<u>550</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities					
Salaries of Teachers	279,727	(48,342)	231,385	152,989	78,396
Other Salaries for Instruction	66,098	(2,141)	63,957	58,827	5,130
General Supplies	1,000		1,000	172	828
Total Multiple Disabilities	<u>346,825</u>	<u>(50,483)</u>	<u>296,342</u>	<u>211,988</u>	<u>84,354</u>
Resource Room/Center:					
Salaries of Teachers	167,480	45,342	212,822	203,640	9,182
General Supplies	1,500		1,500		1,500
Other Objects	1,000		1,000		1,000
Total Resource Room/Center	<u>169,980</u>	<u>45,342</u>	<u>215,322</u>	<u>203,640</u>	<u>11,682</u>
Total Special Education - Instruction	<u>517,355</u>	<u>(5,141)</u>	<u>512,214</u>	<u>415,628</u>	<u>96,586</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	95,792	6,062	101,854	40,546	61,308
General Supplies	3,000	(2,462)	538	82	456
Total Basic Skills/Remedial - Instruction	<u>98,792</u>	<u>3,600</u>	<u>102,392</u>	<u>40,628</u>	<u>61,764</u>
School Sponsored Co-Curricular Activities - Instruction					
Salaries	309,675	25,274	334,949	318,685	16,264
Supplies and Materials	19,727	1,750	21,477	21,419	58
Other Objects	88,713	13,772	102,485	100,156	2,329
Total School Sponsored Co-Curricular Activities	<u>418,115</u>	<u>40,796</u>	<u>458,911</u>	<u>440,260</u>	<u>18,651</u>
Total Distributed Expenditures	<u>3,368,535</u>	<u>36,214</u>	<u>3,404,749</u>	<u>2,947,576</u>	<u>457,173</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs in State - Regular	23,591	(1)	23,590	19,989	3,601
Tuition to Other LEAs in State - Special	122,973		122,973	25,650	97,323
Tuition to County Vocational School:					
Regular	163,750	(5,300)	158,450	147,292	11,158
Special	31,800	5,300	37,100	33,390	3,710
Tuition to Private School for Handicapped - Within State	511,148	1	511,149	253,469	257,680
Total Instruction	<u>853,262</u>	<u>-</u>	<u>853,262</u>	<u>479,790</u>	<u>373,472</u>
Attendance & Social Work:					
Salaries	10,000		10,000	1,850	8,150
Purchased Professional/Technical Services	1,800		1,800	1,304	496
Total Attendance & Social Work	<u>11,800</u>	<u>-</u>	<u>11,800</u>	<u>3,154</u>	<u>8,646</u>
Health Services:					
Salaries	54,106		54,106	53,566	540
Purchased Professional/Technical Services	16,100		16,100	11,392	4,708
Supplies and Materials	5,700		5,700	5,676	24
Other Objects	1,425		1,425	1,425	-
Total Health Services	<u>77,331</u>	<u>-</u>	<u>77,331</u>	<u>72,059</u>	<u>5,272</u>
Other Support Services - Students - Related Services:					
Salaries	6,000		6,000	1,147	4,853
Purchased Professional/Educational Services	30,000		30,000	16,129	13,871
Supplies and Materials	2,450	(91)	2,359	1,680	679
Total Related Services	<u>38,450</u>	<u>(91)</u>	<u>38,359</u>	<u>18,956</u>	<u>19,403</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	162,718	3,442	166,160	162,134	4,026
Salaries of Secretarial & Clerical	30,900	780	31,680	31,679	1
Other Purchased Services	27,056	(4,222)	22,834	163	22,671
Supplies and Materials	8,500		8,500	5,320	3,180
Other Objects	16,525		16,525	11,937	4,588
Total Other Support Services - Students - Regular	<u>245,699</u>	<u>-</u>	<u>245,699</u>	<u>211,233</u>	<u>34,466</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	230,886	257	231,143	231,142	1
Salaries of Secretarial & Clerical	15,215	(1,515)	13,700	11,599	2,101
Miscellaneous Purchased Services	39,166	6,476	45,642	41,392	4,250
Supplies and Materials	4,100	(218)	3,882	2,898	984
Other Objects	21,800	(5,000)	16,800	10,435	6,365
Total Other Support Services - Students - Special	<u>311,167</u>	<u>-</u>	<u>311,167</u>	<u>297,466</u>	<u>13,701</u>
Improvement of Instructional Services:					
Salaries of Secretarial & Clerical	25,165	2,457	27,622	27,622	-
Purchased Professional Educational Services	38,617	(2,457)	36,160	32,056	4,104
Supplies & Materials	1,500	(406)	1,094	750	344
Other Objects	6,430	2,906	9,336	9,336	-
Total Improvement of Instructional Services	<u>71,712</u>	<u>2,500</u>	<u>74,212</u>	<u>69,764</u>	<u>4,448</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Educational Media/Library:					
Salaries	57,157	(15,498)	41,659	26,005	15,654
Salaries of Technology Coordinators	86,860	1,448	88,308	88,307	1
Purchased Professional & Tech Services	26,780	2,480	29,260	29,260	-
Supplies & Materials	13,630	(2,480)	11,150	7,548	3,602
Other Objects	1,100		1,100	215	885
Total Educational Media/Library	<u>185,527</u>	<u>(14,050)</u>	<u>171,477</u>	<u>151,335</u>	<u>20,142</u>
Staff Training:					
Other Objects	<u>46,000</u>	<u>(10,965)</u>	<u>35,035</u>	<u>16,605</u>	<u>18,430</u>
Total Staff Training	<u>46,000</u>	<u>(10,965)</u>	<u>35,035</u>	<u>16,605</u>	<u>18,430</u>
Support Services - General Administration:					
Salaries	80,597	6,842	87,439	86,819	620
Legal Services	24,000	8,861	32,861	32,648	213
Audit Fees	16,000	(480)	15,520	14,900	620
Architectural/Engineering Services	2,000	(2,000)	-	-	-
Other Purchased Professional Services	4,040	775	4,815	4,815	-
Communications/Telephone	30,340	(1,665)	28,675	28,051	624
BOE Other Purchased Services	4,000		4,000	3,906	94
Other Purchased Services	14,670		14,670	14,415	255
Supplies & Materials	6,770	2,429	9,199	8,643	556
BOE In House Training Supplies	2,300	(1,212)	1,088	991	97
Miscellaneous Expenditures	17,260	(4,080)	13,180	9,778	3,402
BOE Membership Dues and Fees	2,052	2,938	4,990	4,990	-
Total Support Services - General Administration	<u>204,029</u>	<u>12,408</u>	<u>216,437</u>	<u>209,956</u>	<u>6,481</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	97,335	8,086	105,421	105,420	1
Salaries of Secretarial & Clerical	32,813	7,333	40,146	40,146	-
Supplies & Materials	6,700	472	7,172	7,172	-
Other Objects	3,500	(1,972)	1,528	1,525	3
Total Support Services - School Administration	<u>140,348</u>	<u>13,919</u>	<u>154,267</u>	<u>154,263</u>	<u>4</u>
Required Maintenance - Facilities:					
Cleaning, Repair & Maintenance Services	112,200	(15,070)	97,130	82,848	14,282
General Supplies	3,550		3,550		3,550
Total Allowable Maintenance Facilities	<u>115,750</u>	<u>(15,070)</u>	<u>100,680</u>	<u>82,848</u>	<u>17,832</u>
Other Operations & Maintenance:					
Salaries	40,716	5,719	46,435	40,699	5,736
Purchased Professional/Technical Serv.	242,829	3,003	245,832	235,509	10,323
Cleaning, Repair & Maintenance Services	88,445	(25,722)	62,723	53,816	8,907
Insurance	36,870		36,870	36,289	581
Other Purchased Services	16,010		16,010	12,222	3,788
General Supplies	15,000		15,000	9,025	5,975
Natural Gas	68,928		68,928	43,758	25,170
Electricity	114,000		114,000	100,246	13,754
Other Objects	3,700		3,700	1,502	2,198
Total Other Operations & Maintenance	<u>626,498</u>	<u>(17,000)</u>	<u>609,498</u>	<u>533,066</u>	<u>76,432</u>
Security:					
Purchased Professional and Tech. Services	14,200		14,200	12,362	1,838
Total Security	<u>14,200</u>	<u>-</u>	<u>14,200</u>	<u>12,362</u>	<u>1,838</u>
Total Operations & Maintenance	<u>756,448</u>	<u>(32,070)</u>	<u>724,378</u>	<u>628,276</u>	<u>96,102</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation:					
Salaries Between Home & School-Regular	134,815	18,573	153,388	79,357	74,031
Salaries Between Home & School-Special	39,154	(18,573)	20,581	14,247	6,334
Cleaning, Repair, Maintenance Services	15,000		15,000	12,484	2,516
Rental Payments-School Buses	5,000		5,000	2,116	2,884
Contracted Services Between Home & School- Vendors	258,666	(599)	258,067	241,880	16,187
Contracted Services Other - Vendors	8,153		8,153	2,676	5,477
Contracted Services Special Ed. Joint Agreement	311,017	(53,461)	257,556	158,158	99,398
Contracted Services-Aid in Lieu-N.P.	69,513	2,416	71,929	50,193	21,736
Miscellaneous	5,613		5,613	5,613	-
Transportation Supplies	37,000		37,000	17,033	19,967
Other Objects	2,000		2,000	1,091	909
Total Student Transportation	<u>885,931</u>	<u>(51,644)</u>	<u>834,287</u>	<u>584,848</u>	<u>249,439</u>
Central Services:					
Salaries	144,816	(138)	144,678	144,676	2
Purchased Professional Services	300	585	885	505	380
Purchased Technical Services	17,400	146	17,546	17,546	-
Supplies & Materials	2,000	(380)	1,620	864	756
Miscellaneous Expenditures	3,500	1,045	4,545	3,415	1,130
Total Central Services	<u>168,016</u>	<u>1,258</u>	<u>169,274</u>	<u>167,006</u>	<u>2,268</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	85,000		85,000	76,620	8,380
Other Retirement Contrib. - PERS	57,000	(1,020)	55,980	50,586	5,394
Other Retirement Contrib. - ERIP	4,000	1,372	5,372	4,258	1,114
Workman's Compensation	62,125	(352)	61,773	50,993	10,780
Health Benefits	957,725		957,725	741,880	215,845
Tuition Reimbursements	15,000		15,000		15,000
Other Employee Benefits	41,500		41,500	600	40,900
Total Unallocated Benefits	<u>1,222,350</u>	<u>-</u>	<u>1,222,350</u>	<u>924,937</u>	<u>297,413</u>
TPAF Pension Contribution (On Behalf)			-	536,425	(536,425)
TPAF Social Security Contribution (Reimbursed)			-	207,765	(207,765)
Total Undistributed Expenditures	<u>5,218,070</u>	<u>(78,735)</u>	<u>5,139,335</u>	<u>4,733,838</u>	<u>405,497</u>
Total General Current Expense	<u>8,586,605</u>	<u>(42,521)</u>	<u>8,544,084</u>	<u>7,681,414</u>	<u>862,670</u>
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Instruction	81,550	(23,819)	57,731	57,731	-
Assessment for Debt Service	40,184		40,184	40,184	-
Construction & Land Improvements	28,800	(28,800)	-		-
Land and Improvements	273,000	(273,000)	-		-
Total Capital Outlay	<u>423,534</u>	<u>(325,619)</u>	<u>97,915</u>	<u>97,915</u>	<u>-</u>
Total Current Expense, and Capital Outlay	<u>9,010,139</u>	<u>(368,140)</u>	<u>8,641,999</u>	<u>7,779,329</u>	<u>862,670</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 10

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(846,590)	368,140	(478,450)	1,099,372	1,577,822
Other Financing Sources and Uses:					
Transfer Capital Outlay to Capital Projects				(273,000)	(273,000)
Accounts Payable Canceled				94	94
Accounts Receivable Canceled				(11,022)	(11,022)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(283,928)</u>	<u>(283,928)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(846,590)	368,140	(478,450)	815,444	1,293,894
Fund Balance July 1	<u>2,903,714</u>		<u>2,903,714</u>	<u>2,903,714</u>	
Fund Balance June 30	<u>\$ 2,057,124</u>	<u>368,140</u>	<u>2,425,264</u>	<u>3,719,158</u>	<u>1,293,894</u>
Recapitulation:					
Restricted fund Balance:					
Excess Surplus-Designated for Subsequent Years Expenditures				\$ 1,150,556	
Excess Surplus-Current Year				1,403,835	
Maintenance Reserve				425,000	
Capital Reserve				475,826	
Assigned Fund Balances:					
Designated for Subsequent Year's Expenditures By The BOE				6,807	
Unassigned Fund Balance				<u>257,134</u>	
				3,719,158	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(75,762)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,643,396</u>	

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 31,452	(11,108)	20,344	10,674	9,670
Local Sources		2,000	2,000		2,000
Federal Sources	<u>154,052</u>	<u>61,175</u>	<u>215,227</u>	<u>200,731</u>	<u>14,496</u>
Total Revenues	<u>\$ 185,504</u>	<u>52,067</u>	<u>237,571</u>	<u>211,405</u>	<u>26,166</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 56,406	12,448	68,854	60,071	8,783
Other Purchased Services	73,629	19,662	93,291	93,291	
General Supplies	7,850	5,090	12,940	9,320	3,620
Textbooks	<u>1,728</u>	<u>(72)</u>	<u>1,656</u>	<u>969</u>	<u>687</u>
Total Instruction	<u>139,613</u>	<u>37,128</u>	<u>176,741</u>	<u>163,651</u>	<u>13,090</u>
Support Services:					
Other Salaries for Instruction		4,788	4,788	318	4,470
Personal Services - Employee Benefits	7,144	7,249	14,393	13,983	410
Purchased Professional and Technical Services	21,663	(535)	21,128	17,235	3,893
Other Purchased Services	7,763	4,255	12,018	11,232	786
Other Objects		5,724	5,724	4,207	1,517
Supplies and Materials	<u>9,321</u>	<u>(6,542)</u>	<u>2,779</u>	<u>779</u>	<u>2,000</u>
Total Support Services	<u>45,891</u>	<u>14,939</u>	<u>60,830</u>	<u>47,754</u>	<u>13,076</u>
Total Expenditures	<u>\$ 185,504</u>	<u>52,067</u>	<u>237,571</u>	<u>211,405</u>	<u>26,166</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

HENRY HUDSON REGIONAL SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,878,701	211,405
Difference - budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	75,582	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(75,762)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 8,878,521</u>	<u>211,405</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,779,329	211,405
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.		
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 7,779,329</u>	<u>211,405</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

HENRY HUDSON REGIONAL SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,320,824	1,077,893	1,175,869
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,320,824</u>	<u>1,077,893</u>	<u>1,175,869</u>
District's Covered-Employee Payroll	\$ 412,409	403,523	376,258
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	31.22%	37.44%	32.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

HENRY HUDSON REGIONAL SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 47,461	53,484	50,297
Contributions in Relation to the Contractually Required Contribution	<u>47,461</u>	<u>53,484</u>	<u>50,297</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 412,409	403,523	376,258
Contributions as a Percentage of Covered-Employee Payroll	11.51%	13.25%	13.37%

HENRY HUDSON REGIONAL SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>20,599,737</u>	<u>17,883,748</u>	<u>16,891,961</u>
Total	<u>\$20,599,737</u>	<u>17,883,748</u>	<u>16,891,961</u>
District's Covered-Employee Payroll	\$ 3,085,019	3,146,098	3,275,811
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	14.98%	17.59%	19.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	I.D.E.A.			Compensatory Education	Supplementary Instruction	Annual Examination and Classification	Corrective Speech	Non-Public Technology	Non-Public Nursing Services	Non-Public Textbooks	Total 2016
	Title I	Basic Flow-Thru	Title II A								
Revenues:											
State Sources	\$ -			3,384	1,485	683	836	744	2,573	969	10,674
Federal Sources	77,677	108,540	14,514								200,731
Total Revenues	<u>\$ 77,677</u>	<u>108,540</u>	<u>14,514</u>	<u>3,384</u>	<u>1,485</u>	<u>683</u>	<u>836</u>	<u>744</u>	<u>2,573</u>	<u>969</u>	<u>211,405</u>
Expenditures:											
Instruction:											
Salaries of Teachers	\$ 55,168			3,384		683	836				60,071
Other Purchased Services	125	93,166									93,291
General Supplies	8,576							744			9,320
Textbooks										969	969
Total Instruction	<u>63,869</u>	<u>93,166</u>	<u>-</u>	<u>3,384</u>	<u>-</u>	<u>683</u>	<u>836</u>	<u>744</u>	<u>-</u>	<u>969</u>	<u>163,651</u>
Support Services:											
Other Salaries for Instruction		318									318
Employee Benefits	13,808		175								13,983
Purchased Professional and Technical Services		10,070	3,107		1,485				2,573		17,235
Other Purchased Services			11,232								11,232
Supplies and Materials		779									779
Other Objects		4,207									4,207
Total Support Services	<u>13,808</u>	<u>15,374</u>	<u>14,514</u>	<u>-</u>	<u>1,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,573</u>	<u>-</u>	<u>47,754</u>
Total Expenditures	<u>\$ 77,677</u>	<u>108,540</u>	<u>14,514</u>	<u>3,384</u>	<u>1,485</u>	<u>683</u>	<u>836</u>	<u>744</u>	<u>2,573</u>	<u>969</u>	<u>211,405</u>

CAPITAL PROJECTS FUND – F

HENRY HUDSON REGIONAL SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2016Revenues and Other Financing Sources

Transfer From Capital Reserve	\$ 273,000
State Grant	182,000
Total Revenues and Other Financing Sources	<u>455,000</u>

Expenditures

Purchased Professional Services	31,451
Construction	374,340
Total Expenditures	<u>405,791</u>

Excess of Revenues and Other Financing Sources Over Expenditures	49,209
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Fund Balance - Beginning	<u>43,352</u>
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Fund Balance - Ending	<u><u>\$ 92,561</u></u>
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HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISNEW ROOF PROJECTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Grant	\$ 394,000		394,000	394,000
Local Share	591,000		591,000	591,000
Total Revenues	<u>985,000</u>	<u>-</u>	<u>985,000</u>	<u>985,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	68,000		68,000	68,000
Construction Services	873,648	951	874,599	917,000
Total Expenditures	<u>941,648</u>	<u>951</u>	<u>942,599</u>	<u>985,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 43,352</u>	<u>(951)</u>	<u>42,401</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	#2120-050-14-1003-G04			
Grant Date	1/6/2014			
Original Authorized Cost	\$985,000			
Percentage Completion	95%			
Original Target Completion Date	6/30/2015			
Revised Target Completion Date	9/30/2016			

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISPARTIAL ROOF REPLACEMENT-SECTION AFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Grant	\$ -	182,000	182,000	182,000
Local Share	-	273,000	273,000	273,000
Total Revenues	<u>-</u>	<u>455,000</u>	<u>455,000</u>	<u>455,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	-	30,500	30,500	30,500
Construction Services	-	374,340	374,340	424,500
Total Expenditures	<u>-</u>	<u>404,840</u>	<u>404,840</u>	<u>455,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>50,160</u>	<u>50,160</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	#2120-050-14-1002			
Grant Date	9/11/2015			
Original Authorized Cost	\$455,000			
Percentage Completion	90%			
Original Target Completion Date	9/30/2016			
Revised Target Completion Date	9/30/2016			

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – II

HENRY HUDSON REGIONAL SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	<u>Agency</u>		<u>Scholarship Fund</u>	<u>Unemployment</u>	
	<u>Student</u>	<u>Agency</u>	<u>Non-Expendable</u>	<u>Compensation</u>	
	<u>Activity</u>	<u>Account</u>	<u>Trust Fund</u>	<u>Expendable</u>	<u>Total</u>
				<u>Trust Fund</u>	
Assets:					
Cash and Cash Equivalents	\$ 60,950	59,750	4,175	29,670	154,545
Total Assets	<u>\$ 60,950</u>	<u>59,750</u>	<u>4,175</u>	<u>29,670</u>	<u>154,545</u>
Liabilities:					
Due to Student Groups	\$ 60,950				60,950
Payroll Withholdings & Deductions		59,750			59,750
Total Liabilities	<u>\$ 60,950</u>	<u>59,750</u>			<u>120,700</u>
Net Position:					
Reserved - Scholarships			4,175		4,175
Reserved - Unemployment Benefits				29,670	29,670
Total Net Position			<u>4,175</u>	<u>29,670</u>	<u>33,845</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit H-2

EXPENDABLE TRUST FUNDCOMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions			
Local Source:			
Contributions	\$ 16,011	6,205	22,216
Interest on Investments	144	59	203
Total Additions	<u>16,155</u>	<u>6,264</u>	<u>22,419</u>
Deductions			
Scholarship Payments	16,685		16,685
Unemployment Claims		1,852	1,852
Total Deductions	<u>16,685</u>	<u>1,852</u>	<u>18,537</u>
Change in Net Position	(530)	4,412	3,882
Net Position, July 1	<u>4,705</u>	<u>25,258</u>	<u>29,963</u>
Net Position, June 30	<u>\$ 4,175</u>	<u>29,670</u>	<u>33,845</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Activities Account	\$ 29,663	96,741	65,454	60,950

HENRY HUDSON REGIONAL SCHOOL DISTRICTPAYROLL AGENCY

Exhibit H-4

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIESFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 46,248	2,067,860	2,054,358	59,750
<u>Liabilities</u>				
Payroll Deductions, Withholdings and Amount Due Employees	\$ 46,248	2,067,860	2,054,358	59,750

LONG-TERM DEBT – I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2016

Exhibit I-1

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding Issue	1/18/2012	\$ 7,415,000	3/1/2017	\$ 435,000	3.000%	<u>\$ 6,565,000</u>	<u>410,000</u>	<u>6,155,000</u>
			3/1/2018	430,000				
			3/1/2019	450,000				
			3/1/2020	470,000	4.000%			
			3/1/2021	495,000				
			3/1/2022	515,000				
			3/1/2023	510,000	3.250%			
			3/1/2024	525,000				
			3/1/2025	540,000				
			3/1/2026	580,000	3.000%			
			3/1/2027	595,000				
			3/1/2028	610,000				

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 628,857		628,857	628,856	(1)
Total Revenues	<u>628,857</u>	<u>-</u>	<u>628,857</u>	<u>628,856</u>	<u>(1)</u>
Expenditures:					
Regular Debt Service:					
Interest	218,857	-	218,857	218,856	1
Redemption of Principal	410,000		410,000	410,000	
Total Regular Debt Service	<u>628,857</u>	<u>-</u>	<u>628,857</u>	<u>628,856</u>	<u>1</u>
Total Expenditures	<u>628,857</u>	<u>-</u>	<u>628,857</u>	<u>628,856</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1		-			-
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

HENRY HUDSON REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Government Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 6,219,123	5,719,963	5,397,716	5,154,140	4,862,476	3,264,022	3,325,911	4,727,157	5,683,071	5,597,396
Restricted	1,091,349	921,095	1,597,140	1,482,371	1,761,250	2,434,604	2,604,010	2,765,946	2,691,324	3,554,585
Unrestricted	<u>(243,511)</u>	<u>293,794</u>	<u>(22,258)</u>	<u>(1,745,953)</u>	<u>(1,898,444)</u>	<u>(20,348)</u>	<u>(50,070)</u>	<u>186,714</u>	<u>(1,121,808)</u>	<u>(1,160,686)</u>
Total Government Activities Net Position	<u>7,066,961</u>	<u>6,934,852</u>	<u>6,972,598</u>	<u>4,890,558</u>	<u>4,725,282</u>	<u>5,678,278</u>	<u>5,879,851</u>	<u>7,679,817</u>	<u>7,252,587</u>	<u>7,991,295</u>
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt					130,693	115,315	99,935	84,566	69,187	53,810
Unrestricted	<u>34,302</u>	<u>30,322</u>	<u>39,827</u>	<u>48,535</u>	<u>48,932</u>	<u>45,274</u>	<u>32,158</u>	<u>15,809</u>	<u>9,699</u>	<u>6,394</u>
Total Business-Type Activities Net Position	<u>34,302</u>	<u>30,322</u>	<u>39,827</u>	<u>48,535</u>	<u>179,625</u>	<u>160,589</u>	<u>132,093</u>	<u>100,375</u>	<u>78,886</u>	<u>60,204</u>
District-wide:										
Invested in Capital Assets, Net of Related Debt	6,219,123	5,719,963	5,397,716	5,154,140	4,993,169	3,379,337	3,425,846	4,811,723	5,752,258	5,651,206
Restricted	1,091,349	921,095	1,597,140	1,482,371	1,761,250	2,434,604	2,604,010	2,765,946	2,691,324	3,554,585
Unrestricted	<u>(209,209)</u>	<u>324,116</u>	<u>17,569</u>	<u>(1,697,418)</u>	<u>(1,849,512)</u>	<u>24,926</u>	<u>(17,912)</u>	<u>202,523</u>	<u>(1,112,109)</u>	<u>(1,154,292)</u>
Total District Net Position	<u>\$ 7,101,263</u>	<u>6,965,174</u>	<u>7,012,425</u>	<u>4,939,093</u>	<u>4,904,907</u>	<u>5,838,867</u>	<u>6,011,944</u>	<u>7,780,192</u>	<u>7,331,473</u>	<u>8,051,499</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses:										
Governmental Activities	\$ 8,954,970	9,873,580	9,615,473	10,116,505	9,445,123	9,240,612	9,438,861	\$ 9,472,901	\$ 9,077,164	\$ 9,151,146
Business-Type Activities	<u>251,959</u>	<u>251,552</u>	<u>244,769</u>	<u>239,153</u>	<u>249,061</u>	<u>225,083</u>	<u>233,314</u>	<u>233,193</u>	<u>207,531</u>	<u>210,652</u>
Total District Expenses	<u>9,206,929</u>	<u>10,125,132</u>	<u>9,860,242</u>	<u>10,355,658</u>	<u>9,694,184</u>	<u>9,465,695</u>	<u>9,672,175</u>	<u>9,706,094</u>	<u>9,284,695</u>	<u>9,361,798</u>
Program Revenues:										
Governmental Activities	647,873	645,980	286,743	417,758	256,067	308,310	309,870	260,927	249,153	258,511
Business-Type Activities	<u>249,859</u>	<u>238,432</u>	<u>245,443</u>	<u>240,031</u>	<u>234,089</u>	<u>206,047</u>	<u>204,818</u>	<u>201,475</u>	<u>186,042</u>	<u>191,970</u>
Total Program Revenues	<u>897,732</u>	<u>884,412</u>	<u>532,186</u>	<u>657,789</u>	<u>490,156</u>	<u>514,357</u>	<u>514,688</u>	<u>462,402</u>	<u>435,195</u>	<u>450,481</u>
Net (Expense)/Revenue:										
Governmental Activities	(8,307,097)	(9,227,600)	(9,328,730)	(9,698,747)	(9,189,056)	(8,932,302)	(9,128,991)	(9,211,974)	(8,828,011)	(8,892,635)
Business-Type Activities	<u>(2,100)</u>	<u>(13,120)</u>	<u>674</u>	<u>878</u>	<u>(14,972)</u>	<u>(19,036)</u>	<u>(28,496)</u>	<u>(31,718)</u>	<u>(21,489)</u>	<u>(18,682)</u>
Total District-wide Net (Expense)/Revenue	<u>(8,309,197)</u>	<u>(9,240,720)</u>	<u>(9,328,056)</u>	<u>(9,697,869)</u>	<u>(9,204,028)</u>	<u>(8,951,338)</u>	<u>(9,157,487)</u>	<u>(9,243,692)</u>	<u>(8,849,500)</u>	<u>(8,911,317)</u>
General Revenues and Other Changes in Net Assets:										
Governmental Activities	8,995,195	9,095,491	9,366,476	9,349,112	9,323,174	9,527,609	9,532,531	9,369,830	9,809,252	9,631,343
Business-Type Activities	<u>6,951</u>	<u>9,140</u>	<u>8,831</u>	<u>7,830</u>				-	-	-
Total District-wide	<u>9,002,146</u>	<u>9,104,631</u>	<u>9,375,307</u>	<u>9,356,942</u>	<u>9,323,174</u>	<u>9,527,609</u>	<u>9,532,531</u>	<u>9,369,830</u>	<u>9,809,252</u>	<u>9,631,343</u>
Changes in Net Position:										
Governmental Activities	688,098	(132,109)	37,746	(349,635)	134,118	595,307	403,540	157,856	981,241	738,708
Business-Type Activities	<u>4,851</u>	<u>(3,980)</u>	<u>9,505</u>	<u>8,708</u>	<u>(14,972)</u>	<u>(19,036)</u>	<u>(28,496)</u>	<u>(31,718)</u>	<u>(21,489)</u>	<u>(18,682)</u>
Total District	<u>\$ 692,949</u>	<u>(136,089)</u>	<u>47,251</u>	<u>(340,927)</u>	<u>119,146</u>	<u>576,271</u>	<u>375,044</u>	<u>126,138</u>	<u>959,752</u>	<u>720,026</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund:										
Reserved	\$ 1,237,322	1,329,816	1,760,683	1,646,015	1,761,250	2,357,361	2,564,009	2,765,945	2,647,972	\$ 3,462,024
Unreserved	<u>236,736</u>	<u>232,650</u>	<u>150,060</u>	<u>142,643</u>	<u>249,069</u>	<u>175,605</u>	<u>179,375</u>	<u>186,714</u>	<u>180,160</u>	<u>181,372</u>
Total General Fund	<u>1,474,058</u>	<u>1,562,466</u>	<u>1,910,743</u>	<u>1,788,658</u>	<u>2,010,319</u>	<u>2,532,966</u>	<u>2,743,384</u>	<u>2,952,659</u>	<u>2,828,132</u>	<u>3,643,396</u>
All Other Governmental Funds:										
Reserved										
Unreserved, Reported In:										
Special Revenue Fund	(18,096)	(19,104)						-	-	
Capital Projects Fund	101,635							-	43,352	92,561
Debt Service Fund	<u>56,717</u>	<u>22,525</u>	<u>7,361</u>	<u>1</u>	<u>1</u>	<u>77,243</u>	<u>40,001</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 140,256</u>	<u>3,421</u>	<u>7,361</u>	<u>1</u>	<u>1</u>	<u>77,243</u>	<u>40,001</u>	<u>1</u>	<u>43,352</u>	<u>92,561</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 7,275,250	7,399,103	7,709,224	7,985,531	8,008,592	7,995,185	7,895,181	7,877,585	7,926,485	7,876,120
Transportation Fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous	168,294	139,827	104,476	73,111	88,047	75,768	136,834	71,938	76,506	57,443
State Sources	1,968,553	2,002,915	1,622,227	1,298,029	1,360,209	1,446,289	1,587,132	1,461,976	1,846,072	1,766,488
Federal Sources	230,971	199,626	217,292	340,703	199,651	257,611	205,611	196,684	200,268	200,731
Total Revenues	9,643,068	9,741,471	9,653,219	9,697,374	9,656,499	9,774,853	9,824,758	9,608,183	10,049,331	9,900,782
Expenditures:										
Instruction:										
Regular	1,935,793	2,043,890	2,127,849	2,447,173	2,686,969	2,236,170	2,195,873	2,215,781	2,129,352	2,051,060
Special	527,261	459,556	575,281	504,193	795,788	673,182	691,669	736,962	546,572	579,279
Other	433,760	456,207	474,199	480,047	442,365	498,263	514,129	501,881	694,269	480,888
Support Services:										
Tuition	509,191	441,629	410,728	492,368	576,839	445,364	486,386	500,859	481,818	479,790
Health Services	79,434	82,322	95,578	99,246	-	-	-	-	-	-
Student & Instruction Related Services	920,156	875,781	909,693	867,072	1,252,459	955,052	931,582	971,778	981,655	888,326
Educational Media Services	91,870	108,284	126,245	215,642	-	-	-	-	-	-
Instructional Staff Training	4,005	4,303	20,490	18,082	-	-	-	-	-	-
General Administrative Services	305,328	368,792	333,240	338,610	300,519	219,621	221,596	356,757	210,297	154,263
School Administrative Services	43,031	56,650	58,928	60,083	224,028	237,229	215,445	87,744	256,456	376,962
Plant Operations and Maintenance	715,566	738,647	746,558	674,034	709,314	650,921	642,209	637,746	652,085	628,276
Student Transportation Services	823,568	868,444	787,885	892,939	882,558	706,738	780,952	772,918	652,604	564,848
Business and Other Support Services	199,712	209,752	217,096	240,000	-	39,036	-	-	-	-
Unallocated Employee Benefits	1,956,654	1,944,744	1,714,819	1,876,789	737,902	1,823,285	1,986,696	1,913,645	1,704,488	1,669,127
Debt Service:										
Principal	275,000	275,000	300,000	300,000	325,000	395,000	370,000	370,000	390,000	410,000
Interest and Other Charges	425,100	413,756	402,413	390,037	377,663	217,014	256,494	241,656	230,557	218,856
Capital Outlay	271,346	442,141	-	-	46,177	139,134	298,964	153,755	1,209,428	503,706
Total Expenditures	9,516,775	9,789,898	9,301,002	9,896,315	9,357,581	9,236,029	9,591,995	9,461,482	10,139,581	9,025,381
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	126,293	(48,427)	352,217	(198,941)	298,918	538,824	232,763	146,701	(90,250)	875,401
Other Financing Sources/(Uses):										
Accounts Receivable/Encumbrances Cancelled	-	-	-	69,496	(77,258)	-	2,879	22,574	9,074	(10,928)
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
Transfers In	15,164	7,360	-	-	-	61,066	14,764	-	-	-
Transfers Out	(15,164)	(7,360)	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	69,496	(77,258)	61,066	17,643	22,574	9,074	(10,928)
Net Change in Fund Balances	\$ 126,293	(48,427)	352,217	(129,445)	221,660	599,890	250,406	169,275	(81,176)	864,473
Debt Service as a Percentage of Noncapital Expenditures	7.57%	7.37%	7.55%	6.97%	7.55%	6.73%	6.74%	6.57%	6.95%	7.38%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Intermediate</u> <u>Sources</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Prior Year</u> <u>Orders</u> <u>Canceled</u>	<u>Miscellaneous</u>	<u>Totals</u>
2016	\$	47,106				10,337	57,443
2015	0	47,106			-	29,400	76,506
2014	4,745	41,106			22,574	26,087	94,512
2013	6,493	35,388			17,643	46,610	106,134
2012	0	-	-	-	-	-	5,948
2011	6,529	-	27,196	24,141	-	24,233	88,047
2010	8,961	12,008	20,415	-	-	4,273	45,657
2009	22,780	-	18,829	-	-	33,414	75,023
2008	76,808	-	23,063	83	-	6,179	106,133
2007	100,179	-	17,648	-	-	5,203	123,030

Source: District records

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
 (UNAUDITED)

<u>Year Ending</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate</u>
<u>Atlantic Highlands</u>							
2016	7,640,200	557,003,900	55,382,000	3,059,500	11,657,400	634,743,000	1.397
2015	7,607,200	554,413,500	54,193,700	3,059,500	11,657,400	630,931,300	1.344
2014	9,378,400	551,475,500	53,187,400	3,059,500	11,602,900	628,703,700	1.347
2013	9,933,500	551,738,800	54,430,000	3,059,500	11,602,900	632,086,285	1.315
2012	9,514,900	563,254,400	54,608,700	3,059,500	11,602,900	632,040,400	1.316
2011	10,314,300	551,253,300	54,865,000	3,059,500	11,662,900	632,771,827	1.333
2010	9,920,700	552,850,800	56,896,470	3,077,000	11,662,900	634,407,870	1.302
2009	9,150,600	552,278,800	57,549,350	3,077,000	11,662,900	633,718,650	1.269
2008	9,634,800	552,573,700	56,800,100	3,077,000	11,662,900	633,748,500	1.246
2007	8,673,500	551,795,300	55,898,300	3,077,000	11,617,900	631,062,000	1.200
<u>Highlands</u>							
2016	23,143,000	513,280,700	49,608,600	-	7,128,200	593,160,500	1.191
2015	14,285,900	504,097,000	49,673,700	-	7,099,800	575,156,400	1.251
2014	15,190,700	497,195,200	51,194,500	-	6,380,400	569,960,800	1.208
2013	10,641,100	502,960,100	54,962,600	-	6,417,800	575,346,016	1.221
2012	8,219,700	530,670,500	59,937,900	-	7,191,200	606,348,709	1.185
2011	8,537,000	531,161,900	60,490,500	-	7,191,200	542,150,500	1.178
2010	6,305,700	486,247,200	45,943,500	-	5,451,300	543,947,700	1.347
2009	6,137,100	486,093,700	45,560,300	-	5,451,300	543,242,400	1.358
2008	5,921,900	484,785,900	46,916,700	-	4,782,300	542,406,800	1.350
2007	6,532,800	477,469,900	47,140,200	-	4,760,900	535,903,800	1.317

Source: Abstract of Ratables

HENRY HUDSON REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(UNAUDITED)

Year Ended	Local School	Regional School	Municipal	County	County Open Space	Total
<u>Atlantic Highlands</u>						
2016	0.759	0.638	0.858	0.348	0.018	2.621
2015	0.726	0.618	0.838	0.355	0.016	2.553
2014	0.712	0.635	0.787	0.010	0.018	2.162
2013	0.712	0.603	0.750	0.343	0.018	2.426
2012	0.719	0.597	0.697	0.351	0.019	2.383
2011	0.720	0.613	0.683	0.343	0.019	2.378
2010	0.711	0.591	0.657	0.341	0.020	2.320
2009	0.687	0.582	0.622	0.350	0.021	2.262
2008	0.677	0.569	0.607	0.339	0.021	2.213
2007	0.654	0.546	0.582	0.358	0.010	2.150
<u>Highlands</u>						
2016	0.562	0.629	1.268	0.292	0.016	2.767
2015	0.561	0.690	1.211	0.317	0.016	2.795
2014	0.519	0.689	1.156	0.329	0.016	2.709
2013	0.514	0.707	1.047	0.305	0.016	2.589
2012	0.506	0.679	1.031	0.312	0.017	2.545
2011	0.500	0.678	0.921	0.319	0.018	2.436
2010	0.562	0.785	1.068	0.381	0.022	2.818
2009	0.569	0.789	1.052	0.344	0.230	2.984
2008	0.594	0.756	0.974	0.357	0.022	2.703
2007	0.581	0.736	0.912	0.351	0.021	2.601

Source: Abstract of Ratables

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Atlantic Highlands

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
ELK Harbor View	\$ 6,461,500	1	1.02%	N/A	1	0%
Carl Casriel	5,004,600	2	0.79%	N/A	2	0%
McConnell Realty Co.	3,157,900	3	0.50%	N/A	3	0%
Krikorian, Dirouhi & Sarkis	2,628,300	4	0.41%	N/A	4	0%
Atlantic Pier Co.	2,472,000	5	0.39%	N/A	5	0%
Thomas Paine House, LLC	1,971,500	6	0.31%	N/A	6	0%
Laurmin Association	1,958,700	7	0.31%	N/A	7	0%
Sandy Hook Bay Parking, LLC	1,888,400	8	0.30%	N/A	8	0%
Verizon, NJ	1,737,370	9	0.27%	N/A	9	0%
NJNG	1,702,700	10	0.27%	N/A	10	0%
Total	\$ 28,982,970		4.57%	\$ N/A		0%

Highlands

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Pulte Homes of NJ	\$ 9,798,800	1	1.65%	\$ N/A	1	0%
Highlands Landing Corporation	3,578,200	2	0.60%	N/A	2	0%
BBCDS, LLC	2,481,100	3	0.42%	N/A	3	0%
Highlander Development Group,	2,243,200	4	0.38%	N/A	4	0%
Bahr's Resturant, Inc	1,952,600	5	0.33%	N/A	5	0%
Shore Landing, LLC	1,871,100	6	0.32%	N/A	6	0%
Bakers Marina on the Bay, LLC	1,775,200	7	0.30%	N/A	7	0%
Dan-Rob Property Assoc., LLC	1,686,600	8	0.28%	N/A	8	0%
Taxpayer #1	1,543,000	9	0.26%	N/A	9	0%
Darling Realty, LLC	1,435,300	10	0.24%	N/A	10	0%
Total	\$ 28,365,100		4.78%	\$ N/A		0%

N/A Not Available

Source: Municipal Tax Assessor

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
<u>Atlantic Highlands</u>				
2007	3,931,695	3,931,695	100.00%	-
2008	4,134,800	4,134,800	100.00%	-
2009	4,299,030	4,299,030	100.00%	-
2010	4,362,542	4,362,542	100.00%	-
2011	4,507,622	4,507,622	100.00%	-
2012	4,359,498	4,359,498	100.00%	-
2013	4,741,404	4,741,404	100.00%	-
2014	4,961,069	4,961,069	100.00%	-
2015	5,231,439	5,231,439	100.00%	-
2016	5,395,169	5,395,169	100.00%	-
<u>Highlands</u>				
2007	3,310,637	3,310,637	100.00%	-
2008	3,288,277	3,288,277	100.00%	-
2009	2,998,874	2,998,874	100.00%	-
2010	2,417,459	2,417,459	100.00%	-
2011	2,343,807	2,343,807	100.00%	-
2012	4,119,919	4,119,919	100.00%	-
2013	4,113,842	4,113,842	100.00%	-
2014	4,065,837	4,065,837	100.00%	-
2015	3,968,628	3,968,628	100.00%	-
2016	3,734,294	3,734,294	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

HENRY HUDSON REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2007	9,400,000	-	-	-	-	9,400,000	947.29
2008	9,125,000	-	-	-	-	9,125,000	924.14
2009	8,825,000	-	-	-	-	8,825,000	896.39
2010	8,525,000	-	-	-	-	8,525,000	865.92
2011	8,200,000	-	-	-	-	8,200,000	863.25
2012	7,695,000	-	-	-	-	7,695,000	819.05
2013	7,325,000	-	-	-	-	7,325,000	784.35
2014	6,955,000	-	-	-	-	6,955,000	744.73
2015	6,565,000	-	-	-	-	6,565,000	702.97
2016	6,155,000	-	-	-	-	6,155,000	655.48

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Not available at the time of audit

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2007	9,400,000	-	31,213,156	1.49%	947.29
2008	9,125,000	-	9,125,000	1.44%	924.14
2009	8,825,000	-	8,825,000	1.39%	896.39
2010	8,525,000	-	8,525,000	1.34%	865.92
2011	8,200,000	-	8,200,000	1.30%	863.25
2012	7,695,000	-	7,695,000	0.64%	821.85
2013	7,325,000	-	7,325,000	0.59%	786.45
2014	6,955,000	-	6,955,000	0.59%	746.73
2015	6,565,000	-	6,565,000	0.56%	708.81
2016	6,155,000	-	6,155,000	0.52%	655.48

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

N/A Not available at the time of audit.

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2016
 (UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Atlantic Highlands			\$ N/A
Highlands			N/A
County of Monmouth			<u>N/A</u>
Subtotal, Overlapping Debt			
Henry Hudson Regional School District Direct Debt			<u>6,155,000</u>
Total Direct and Overlapping Debt			<u>\$ 6,155,000</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis

(Atlantic Highlands & Highlands Combined)	2015	\$ 1,227,903,500
	2014	\$ 1,368,414,105
	2013	\$ 1,393,087,786
	(A)	<u>\$ 3,989,405,391</u>
Average Equalized Valuation of Taxable Property	(A/3)	\$ 1,329,801,797
Debt Limit (4% of Average Equalization Value)	(B)	\$ 53,192,072
Total Net Debt Applicable To Limit	(C)	<u>6,155,000</u>
Legal Debt Margin	(B-C)	<u>\$ 47,037,072</u>

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 67,480,891	\$ 57,482,369	\$ 58,649,499	\$ 64,607,430	\$ 64,607,430
Total Net Debt Applicable To Limit	<u>9,125,000</u>	<u>8,825,000</u>	<u>8,525,000</u>	<u>8,200,000</u>	<u>7,762,405</u>
Legal Debt Margin	<u>\$ 58,355,891</u>	<u>\$ 48,657,369</u>	<u>\$ 50,124,499</u>	<u>\$ 56,407,430</u>	<u>\$ 56,845,025</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.52%	15.35%	14.54%	12.69%	12.01%
	<u>2013</u>	<u>2014</u>	<u>2015</u>		
Debt Limit	\$ 56,533,450	\$ 52,901,195	\$ 53,192,072		
Total Net Debt Applicable To Limit	<u>6,955,000</u>	<u>6,565,000</u>	<u>6,155,000</u>		
Legal Debt Margin	<u>\$ 49,578,450</u>	<u>\$ 46,336,195</u>	<u>\$ 47,037,072</u>		
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.30%	12.41%	11.57%		

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Year</u>	<u>Population</u>	<u>County Per Capita</u>	<u>Unemployment Rate</u>
Atlantic Highlands			
2006	4,625	48,072	5.8%
2007	4,614	52,499	5.9%
2008	4,613	55,826	5.3%
2009	4,602	57,353	6.9%
2010	4,594	54,771	11.1%
2011	4,494	41,785	11.3%
2012	4,385	39,350	8.5%
2013	4,354	40,976	5.8%
2014	4,336	42,749	5.1%
2015	4,385	42,021	5.5%
Highlands			
2006	4,998	48,072	5.8%
2007	4,987	52,499	5.9%
2008	5,310	55,826	5.4%
2009	5,272	57,353	6.9%
2010	5,251	54,771	11.2%
2011	5,005	41,785	11.4%
2012	4,978	39,350	8.5%
2013	4,960	40,976	5.8%
2014	4,926	42,749	5.1%
2015	5,005	42,021	5.5%

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

BOROUGH OF ATLANTIC HIGHLANDS

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	<u> </u>		<u> </u>	<u> </u>		<u> </u>

BOROUGH OF HIGHLANDS

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	<u> </u>		<u> </u>	<u> </u>		<u> </u>

Information not available at time of CAFR preparation

HENRY HUDSON REGIONAL SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction	36	35	35	36	38.3	40.2	41.6	39.9	37.0	35.6
Regular	8	8	8	8	8.0	5.0	6.0	5.0	5.0	5.9
Student and Instruction Related Services	25	23	23	22	16.2	11.1	10.0	9.3	10.1	8.5
General Administration Services	3	3	3	3	2.5	2.7	2.7	2.7	2.7	1.7
School Administrative Services	1	1	1	2	1.0	1.8	1.8	1.8	1.7	1.8
Business Administrative Services	3	3	3	4	2.5	2.0	1.0	2.0	2.5	2.0
Pupil Transportation	5	3	4	4	3.0	3.0	3.0	3.0	3.5	3.5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>81</u>	<u>76</u>	<u>77</u>	<u>79</u>	<u>71.5</u>	<u>65.8</u>	<u>66.1</u>	<u>63.7</u>	<u>62.5</u>	<u>59.0</u>

Source: District Personnel Records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Student Teacher Ratio High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)</u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2007	467	8,545,329	18,298	2.79%	1:10	461.0	427.8	-3.48%	92.80%
2008	439	8,659,001	19,724	7.79%	1:9	443.0	414.4	-3.90%	93.54%
2009	438	8,598,589	19,631	-0.47%	1:9	434.2	408.8	-1.99%	94.15%
2010	434	9,206,278	21,213	8.05%	1:9	428.2	403.7	-1.38%	94.28%
2011	402	8,608,741	21,415	0.95%	1:9	392.6	372.9	-8.31%	94.98%
2012	378	7,684,279	20,329	-5.07%	1:9	351.4	333.2	-10.49%	94.82%
2013	363	7,672,841	21,137	3.98%	1:9	349.3	329.7	-0.60%	94.39%
2014	322	7,857,846	24,403	15.45%	1:8	310.8	294.7	-11.02%	94.82%
2015	311	7,726,297	24,843	1.80%	1:8	307.0	291.0	-1.22%	94.78%
2016	305	7,035,138	23,066	-7.15%	1:8	295.4	278.4	-3.78%	94.25%

Source: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>District/Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Regional High School										
Square Feet	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733
Capacity (Students)	563	563	563	563	563	563	563	563	563	563
Enrollment	467	439	434	428	402	378	363	322	311	305

Source: District Records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS
(UNAUDITED)

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

	<u>*School Facilities Project # (s)</u>	<u>Henry Hudson Regional High School</u>
2007	N/A	102,681
2008	N/A	126,996
2009	N/A	187,685
2010	N/A	108,097
2011	N/A	98,850
2012	N/A	104,171
2013	N/A	72,763
2014	N/A	54,968
2015	N/A	59,004
2016	N/A	97,130

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

Source: District records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2016
(UNAUDITED)

		<u>Coverage</u>	<u>Deductible</u>
Property		\$ 26,162,300	\$ 2,500
	Extra	500,000	
Comprehensive General Liability	Occurrence	1,000,000	
	Aggregate	2,000,000	
Employee Benefits Liability	Occurrence	1,000,000	
	Aggregate	2,000,000	
Automobile	Liability	1,000,000	250 (Comprehensive)
	Uninsured Motorist	1,000,000	500 (Collision)
	Hired & Non-Owned	1,000,000	
Excess Liability		10,000,000	
Board Legal Liability	Occurrence	1,000,000	5,000
	Annual Aggregate	1,000,000	
Workers Compensation	Professional	3,729,850	
	Nonprofessional	118,812	
Performance Bonds:			
Board Secretary/Business Administrator		200,000	
Honesty Blanket Bond		22,500	225

Source: District records

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S 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

Honorable President and Members
 of the Board of Education
 Henry Hudson Regional School District
 County of Monmouth
 Highlands, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

November 28, 2016

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
 PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
 BY THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE
 FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
 of the Board of Education
 Henry Hudson Regional School District
 County of Monmouth
 Highlands, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2016. The Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Henry Hudson Regional School District, County of Monmouth, State of New Jersey's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a 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 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 was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

November 28, 2016

HENRY HUDSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-3

Federal Grantor/ Pass-Through Grantor/ Project Title	Federal CFDA Number	Federal Fam Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2016	
					From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture														
Passed Through State Department of Education														
National School Lunch Program	10-555	1616NJ304N1099	N/A	\$ 34,174	7/1/2014	6/30/2015	\$ (2,665)	-	2,665	(31,639)	-	(1,747)	-	-
National School Lunch Program	10-555	1616NJ304N1099	N/A	31,639	7/1/2015	6/30/2016	(69)	-	29,892	(870)	-	(48)	-	-
IFPKA Lunch Program	10-555	1616NJ304N1099	N/A	898	7/1/2014	6/30/2015	(1,063)	-	69	(870)	-	(1,163)	-	-
PB Lunch Program	10-555	1616NJ304N1099	N/A	870	7/1/2015	6/30/2016	(1,063)	-	822	(14,982)	-	(7,937)	-	-
School Breakfast Program	10-553	1616NJ304N1099	N/A	12,317	7/1/2014	6/30/2015	-	-	1,063	(14,982)	-	(7,937)	-	-
School Breakfast Program	10-553	1616NJ304N1099	N/A	14,982	7/1/2015	6/30/2016	-	-	13,819	(7,937)	-	(2,958)	-	-
Food Distribution Program	10-550	1616NJ304N1099	N/A	7,937	7/1/2015	6/30/2016	(3,737)	-	56,207	(55,438)	-	-	-	-
Total U.S. Department of Agriculture														
U.S. Department of Education														
Passed Through State Department of Education														
Title I	84-010	S010A150030	NCLB16	80,059	7/1/2015	6/30/2016	(3,475)	-	75,463	(77,677)	-	(2,214)	-	-
Title I	84-010	S010A150030	NCLB15	51,427	7/1/2014	6/30/2015	-	-	3,475	(14,514)	-	-	-	-
Title IA	84-367	S367A150029	NCLB16	21,763	7/1/2015	6/30/2016	(6,840)	-	14,514	(107,784)	-	-	-	-
Title IA	84-367	S367A150029	NCLB15	22,402	7/1/2014	6/30/2015	-	-	6,840	(756)	-	-	-	-
IDEA Part B Basic	84-027	H027A150100	IDEA16	109,778	7/1/2015	6/30/2016	(27,788)	-	107,784	(200,731)	-	-	-	-
IDEA Part B Basic	84-027	H027A150100	IDEA15	107,408	7/1/2014	6/30/2015	(38,103)	-	236,620	(256,159)	-	(5,172)	-	-
Total Federal Financial Assistance														

See Accompanying Notes to Schedules of Financial Assistance

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grantor/Program	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2016			MEMO		
			From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
Special Education Aid	16-495-034-5120-089	\$ 240,247	7/1/2015	6/30/2016	\$ -		240,247	(240,247)					(22,730)	240,247	
Transportation Aid-Non Public	16-495-034-5120-014	7,134	7/1/2015	6/30/2016				(7,134)		(7,134)				7,134	
Transportation Aid-Non Public	15-495-034-5120-014	5,742	7/1/2014	6/30/2015	(5,742)		5,742								
Transportation Aid	16-495-034-5120-014	176,780	7/1/2015	6/30/2016			176,780	(176,780)					(16,668)	176,780	
Adjustment Aid	16-495-034-5120-085	313,845	7/1/2015	6/30/2016			313,845	(313,845)					(29,547)	313,845	
Extraordinary Aid	15-495-034-5120-044	29,804	7/1/2014	6/30/2015	(29,804)		29,804								
Extraordinary Aid	16-495-034-5120-044	24,830	7/1/2015	6/30/2016				(24,830)		(24,830)				24,830	
Security Aid	16-495-034-5120-084	60,908	7/1/2015	6/30/2016			60,908	(60,908)					(6,061)	60,908	
PARCC Readiness Aid	16-495-034-5120-098	3,030	7/1/2015	6/30/2016			3,030	(3,030)					(378)	3,030	
Per Pupil Growth Aid	16-495-034-5120-097	3,030	7/1/2015	6/30/2016			3,030	(3,030)					(378)	3,030	
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	15-495-034-5095-002	144,077	7/1/2014	6/30/2015	(11,022)		11,022								
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	16-495-034-5095-002	207,765	7/1/2015	6/30/2016			197,608	(207,765)		(10,157)				207,765	
					(46,568)	-	1,042,016	(1,037,569)	-	(42,121)	-	-	(75,762)	1,037,569	
State Department of Agriculture:															
National School Lunch Program (State Share)	16-100-010-3350-023	753	7/1/2015	6/30/2016			712	(753)		(41)				753	
National School Lunch Program (State Share)	15-100-010-3350-023	768	7/1/2014	6/30/2015	(59)		59								
					(59)	-	771	(753)	-	(41)	-	-		753	
Capital Projects:															
ROD Grant - New Roof Replacement	2120-050-14-1003	394,000	7/1/2013	6/30/2014	(98,640)		81,680			(16,960)					
ROD Grant - Roof Replacement Project	2120-050-14-1002	182,000	7/1/2015	6/30/2016				(182,000)		(182,000)				182,000	
					(98,640)	-	81,680	(182,000)	-	(198,960)	-	-	-	182,000	
Special Revenue															
Nonpublic Aid:															
Textbook Aid	16-495-034-5120-064	1,656	7/1/2015	6/30/2016			1,656	(969)						687	969
Textbook Aid	15-495-034-5120-064	1,728	7/1/2014	6/30/2015	283				(283)						
Nursing Services	15-100-034-5120-070	2,751	7/1/2014	6/30/2015	58				(58)						
Nursing Services	16-100-034-5120-070	2,610	7/1/2015	6/30/2016			2,610	(2,573)						37	2,573
Technology	15-100-034-5120-373	928	7/1/2014	6/30/2015	2				(2)						
Technology	16-100-034-5120-373	754	7/1/2015	6/30/2016			754	(744)						10	744
Home Instruction	15-100-034-5120-067	257	7/1/2014	6/30/2015	(257)		257								
Compensatory Education	15-100-034-5120-067	15,229	7/1/2014	6/30/2015	7,167				(7,167)						
Compensatory Education	16-100-034-5120-067	10,152	7/1/2015	6/30/2016			10,152	(3,384)						6,768	3,384
Examination and Classification Initial	15-100-034-5120-066	3,780	7/1/2014	6/30/2015	2,520				(2,520)						
Examination and Classification Annual	15-100-034-5120-066	1,444	7/1/2014	6/30/2015	722				(722)						
Examination and Classification Annual	16-100-034-5120-066	1,366	7/1/2015	6/30/2016			1,366	(683)						683	683
Corrective Speech	16-100-034-5120-066	836	7/1/2015	6/30/2016			836	(836)							836
Supplemental Instruction	16-100-034-5120-066	2,970	7/1/2015	6/30/2016			2,970	(1,485)						1,485	1,485
Supplemental Instruction	15-100-034-5120-066	4,708	7/1/2014	6/30/2015					(2,354)						
					12,849	-	20,601	(10,674)	(13,106)	-	-	9,670	-	10,674	
Total State Financial Assistance					\$ (132,418)	-	1,145,068	(1,230,996)	(13,106)	(241,122)	-	9,670	(75,762)	1,230,996	

See Accompanying Notes to Schedules of Financial Assistance

BOARD OF EDUCATION

K-5

HENRY HUDSON SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2016****NOTE 1: General**

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

NOTE 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and than recorded in the special revenue fund which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose 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 state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,037,569	10,674	182,000	753	1,230,996
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized					
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	536,425				536,425
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	(180)				(180)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,573,814</u>	<u>10,674</u>	<u>182,000</u>	<u>753</u>	<u>1,767,241</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	200,731	55,428	256,159
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>200,731</u>	<u>55,428</u>	<u>256,159</u>

NOTE 4: 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 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2016.

HENRY HUDSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-6

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses?

_____ Yes x No

(C) Noncompliance material to general purpose financial statements noted?

_____ Yes x No

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part 1 - Summary of Auditor's Results (Continued)

Federal Awards Section

N/A

State Awards Section

- (J) Dollar threshold used to determine Type A programs: \$750,000
- (K) Auditee qualified as low-risk auditee? _____ Yes No
- (L) Type of auditor's report on compliance for major programs: _____ Unmodified
- (M) Internal control over compliance:
 - (1) Material Weakness(es) identified? _____ Yes No
 - (2) Were reportable condition(s) identified that were not considered to material weaknesses? _____ Yes No
- (N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? _____ Yes No
- (O) Identification of major programs:

GMIS Number(s)

16-495-034-5120-089
 16-495-034-5120-085
 16-495-034-5120-084
 16-495-034-5120-014
 16-495-034-5120-097
 16-495-034-5120-098

Name of State Program

Special Education Aid (Public Cluster)
 Adjustment Aid (Public Cluster)
 Security Aid (Public Cluster)
 Transportation Aid (Public Cluster)
 Per Pupil Growth Aid (Public Cluster)
 PARCC Readiness Aid (Public Cluster)

HENRY HUDSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-6

Part 2 - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-6

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

FEDERAL AWARDS

N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICTSUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

Prior Audit Findings:

N/A