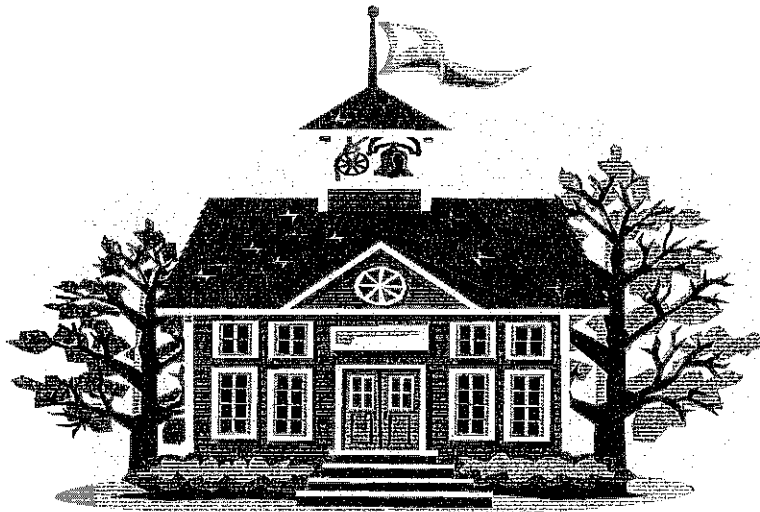


**SCHOOL DISTRICT**

**OF**

**BAY HEAD**



**BAY HEAD BOARD OF EDUCATION  
BAY HEAD, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**BAY HEAD BOARD OF EDUCATION**

**BAY HEAD, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**PREPARED BY**

**BAY HEAD BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**BAY HEAD SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**



# *Bay Head Board of Education*

145 Grove Street • Bay Head • New Jersey • 08742  
Phone: 732-892-4704 Fax: 732-892-4526 www.bayheadschoool.org

Adam L. Angelozzi  
*Superintendent*

Laurie M. Considine  
*Board Secretary*

Christina M. Galvao  
*Business Administrator*

December, 2023

Honorable President and Members  
Board of Education of the Borough of Bay Head  
145 Grove Street  
Bay Head, NJ 08735

Dear Board Members:

The Annual Comprehensive Financial Report of the Bay Head School District (District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations 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.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Bay Head School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Bay Head Board of Education and its single school constitute the District's reporting entity.

1. REPORTING ENTITY (Continued)

The District provides a full range of educational services appropriate to grade levels K through 8, and has a sending-receiving relationship with the Point Pleasant Beach Board of Education for grades 9 through 12. Classes offered are regular, vocational, and special education for disabled youngsters. The District completed the 2023 fiscal year with an average daily enrollment of 122 students, a decrease of 10 students from June 2022. The following details the changes in the student enrollment over the last ten years:

Average Daily Enrollment, K-8

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	122	-7.5%
2021-2022	131.9	3.37%
2020-2021	127.6	6.67%
2019-2020	119.6	-2.2%
2018-2019	122.4	-4.3%
2017-2018	127.9	-2.4%
2016-2017	131.0	-10.7%
2015-2016	146.7	0.4%
2014-2015	146	6.6%
2013-2014	137	-0.7%

2. ECONOMIC CONDITIONS AND OUTLOOK: Less than one mile square, Bay Head is a charming, residential seashore resort community. Enjoyed by many visitors in the summertime, Bay Head has a year-round population of under 1,000 residents. As part of a barrier island, Bay Head is landlocked between Point Pleasant Beach, Point Pleasant Borough, and Mantoloking, and is bordered by the Atlantic Ocean and Barnegat Bay on the east and west. Consequently, its opportunities for business and residential expansion are limited.

3. MAJOR INITIATIVES: Students continue to meet and/or exceed objectives set by the educational administration as reported to the New Jersey Department of Education. The Bay Head Elementary School continues to perform on achievement scores reported for math, science, reading and writing on standardized tests. Programming during the 22-23 school year focused on a continuation of the Board of Education's emphasis on technology in the classrooms and enrichment education through the STEAM program.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure 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; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

6. 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 is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The local tax levy increased year-to-year \$109,957 which was around 3.2%.

The allocation of expenditures reflects the Board's and Superintendent's objective to provide the best education possible at the least cost, a factor in maintaining the Borough of Bay Head's enviable position as one of the state's lowest school taxpaying districts. During 2022 Bay Head taxpayers were assessed one of the lowest general school tax rate for an operating school district in Ocean County.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$962,528 in cash and temporary investments at June 30, 2023.

9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, flood, student and volunteer accident, hazard and theft insurance on property and contents, and fidelity bonds. The Board worked with the New Jersey School Boards Association Insurance Group to review insurance requirements in order to secure the most appropriate coverage at the least possible cost.

10. OTHER INFORMATION:

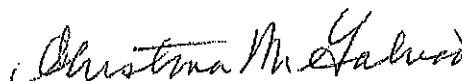
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Bay Head Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the Borough of Bay Head, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,

  
Adam L. Angelozzi  
Superintendent

  
Christina M. Galvao  
School Business Administrator

BAY HEAD BOARD OF EDUCATION

BAY HEAD, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education:</u>	<u>Term Expires:</u>
Shannon Curtis, President	2025
Sandra Antognoli, Vice President	2024
Barry K. Pearce, Board Member	2025
Christine Hesse, Board Member	2023
Eric Pritchard, Board Member	2024

Other Officials:

- Steven Corso, Superintendent
- Christina M. Galvao, School Business Administrator
- Laurie M. Considine, Board Secretary
- Patricia A. Wojcik, Treasurer

BAY HEAD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

**Audit Firm:**

**Robert A. Hulsart and Company**

Certified Public Accountants  
2807 Hurley Pond Road  
Wall, New Jersey 07719

**Attorney:**

Douglas Kovats  
Kenney, Gross, Kovats & Parton  
130 Maple Avenue  
Red Bank, NJ 07701

**Official Depository:**

**Manasquan Savings Bank**

89 Bridget Avenue  
Bay Head, NJ 08742

**BAY HEAD BOARD OF EDUCATION  
ORGANIZATION CHART  
(UNIT CONTROL)**

**BOARD OF EDUCATION**

**SUPERINTENDENT**

School Business Administrator

Board Secretary

Head Custodian

Custodial Staff

Attendance Officer

Treasurer

Principal

School Secretary

Teaching Staff:

K-8

School Nurse

Foreign Language

Physical Education

Resource

Basic Skills

Speech

Media Center

Music

Art

Student Resources

Aides

## **FINANCIAL SECTION**



# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

8.

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.  

---

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

Telecopier:  
(732) 280-8888  
  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Bay Head School District  
County of Ocean  
Bay Head, New Jersey

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bay Head Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

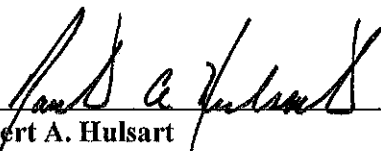
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of the District's 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

A handwritten signature in black ink, appearing to read "Robert A. Hulsart", is written over a horizontal line.

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**BAY HEAD PUBLIC SCHOOL DISTRICT**

**BOROUGH OF BAY HEAD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Bay Head Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. 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 Annual Comprehensive Financial Report's (ACFR) 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 2022-2023 fiscal year are as follows:

- General revenues accounted for \$4,738,445 in revenue or 85% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$812,807 or 15% percent to total revenues of \$5,551,252.
- Total assets of governmental activities were \$5,922,927 primarily made up of Capital assets and Cash.
- The School District had \$4,958,259 in expenses; only \$812,807 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,551,252 were adequate to provide for these programs.
- The General Fund had \$4,825,272 in revenues and \$4,647,762 in expenditures. The General Fund's balance decreased by \$219,372 over 2021-2022, which included a \$46,800 transfer to capital projects.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bay Head Public 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 Bay Head Public School District, the General Fund is the most significant fund, with the Special Revenue Fund also having significance.

## **Using this Annual Comprehensive Financial Report (ACFR) (Continued)**

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 Assets 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 2022-2023 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 activities. 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. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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 Position 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.

	<u>2023</u>	<u>2022</u>
<b>Table 1</b>		
<b>Net Position</b>		
<b><u>Assets</u></b>		
Current and Other Assets	\$ 1,426,144	1,397,590
Capital Assets, Net	<u>6,967,864</u>	<u>6,701,667</u>
Total Assets	<u>\$ 8,394,008</u>	<u>8,099,257</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>\$ 108,096</u>	<u>116,686</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 131,349</u>	<u>345,467</u>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 363,092	353,398
Long-Term Liabilities	<u>2,084,736</u>	<u>2,187,144</u>
Total Liabilities	<u>\$ 2,447,828</u>	<u>2,540,542</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 5,217,864	4,294,523
Restricted	898,622	621,979
Unrestricted	<u>(193,559)</u>	<u>413,432</u>
Total Net Position	<u>\$ 5,922,927</u>	<u>5,329,934</u>



Table 2 shows the changes in net position.

**Table 2**  
**Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 421,912	435,296
Operating Grants and Contributions	390,895	254,583
General Revenues		
Property Taxes	3,762,499	3,590,355
Grants and Entitlements	875,241	826,587
Other	<u>100,705</u>	<u>13,524</u>
Total Revenues	<u>5,551,252</u>	<u>5,120,345</u>
<b><u>Program Expenses</u></b>		
Instruction	1,636,198	1,456,791
Support Services		
Tuition	566,851	580,561
Pupils and Instructional Staff	554,535	465,446
General Administration, School Administration, Business	1,565,599	1,433,768
Operations and Maintenance of Facilities	533,698	511,574
Pupil Transportation	49,274	89,010
Capital Outlay		229,248
Debt Service	<u>52,104</u>	<u>56,919</u>
Total Expenses	<u>4,958,259</u>	<u>4,823,317</u>
Other Financing Sources/Adjustment of Prior Period	_____	_____
Increase/ (Decrease) in Net Position	<u>\$ 592,993</u>	<u>297,028</u>

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 68% percent of revenues for governmental activities for the Bay Head Public School District for fiscal year 2023. The District's total revenues were \$5,551,252 fiscal year ended June 30, 2023 Federal, state, local grants and other local revenues accounted for another 28%.

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.

### **Governmental Activities (Continued)**

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.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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.

### **The School Board' Funds**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Bay Head's 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, 2023, it reported a combined net position balance of \$5,922,927. 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 assets.

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.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

## Capital Assets

At June 30, 2023, the School Board had approximately \$9,007,219 million invested in a broad range of capital assets, including land, buildings, furniture, computers, instructional equipment and other equipment. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

	<b>Governmental <u>Activities</u></b>
Table II	
Capital Assets at June 30, 2023	
Buildings and Sites	\$ 5,497,536
Machinery and Equipment	1,213,779
Land	<u>256,549</u>
Total	<u>\$ 6,967,864</u>

## Debt Administration

At June 30, 2023, the School District had outstanding debt of \$2,309,736 consisting of serial bonds at \$1,525,000 and a pension liability of \$559,736.

## Economic Factors and Next Year's Budget

The Bay Head School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The Borough of Bay Head is primarily a residential community. The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

In conclusion, the Bay Head Public 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 Ms. Christina M. Galvao, Business Administrator of the Bay Head Board of Education, 145 Grove Street, Bay Head, N.J. 08742.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**BAY HEAD SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2023**

	<b><u>Governmental Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 783,587	783,587
Accounts Receivables, Net	333,630	333,630
Restricted Cash	308,927	308,927
Capital Assets Not Being Depreciated	256,549	256,549
Capital Assets Being Depreciated, Net	6,711,315	6,711,315
Total Assets	<u>8,394,008</u>	<u>8,394,008</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>108,096</u>	<u>108,096</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferral	<u>131,349</u>	<u>131,349</u>
<b><u>Liabilities</u></b>		
Deferred Revenue	69,663	69,663
Accounts Payable	36,001	36,001
Accrued Interest	21,580	21,580
Payroll Deductions and Withholdings Payable	10,848	10,848
Long Term Debt:		
Due Within One Year	225,000	225,000
Long-Term	2,084,736	2,084,736
Total Liabilities	<u>2,447,828</u>	<u>2,447,828</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Related Debt	5,217,864	5,217,864
Restricted For:		
Other Purposes	898,622	898,622
Unrestricted	<u>(193,559)</u>	<u>(193,559)</u>
Total Net Position	<u>\$ 5,922,927</u>	<u>5,922,927</u>

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

BAY HEAD SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>					
Governmental Activities:					
Instruction:					
Regular	\$ 1,166,900			(1,166,900)	(1,166,900)
Special Education	309,723		223,763	(85,960)	(85,960)
Other Instruction	159,575			(159,575)	(159,575)
Support Services:					
Tuition	566,851	421,912		(144,939)	(144,939)
Student & Instruction Related Services	554,535		167,132	(387,403)	(387,403)
Other Administration Services	258,564			(258,564)	(258,564)
Plant Operations and Maintenance	533,698			(533,698)	(533,698)
Pupil Transportation	49,274			(49,274)	(49,274)
Unallocated Benefits	1,021,110			(1,021,110)	(1,021,110)
Depreciation	285,925			(285,925)	(285,925)
Interest on Debt	52,104			(52,104)	(52,104)
Total Government Activities	<u>4,958,259</u>	<u>421,912</u>	<u>390,895</u>	<u>(4,145,452)</u>	<u>(4,145,452)</u>
Total Primary Government	<u>4,958,259</u>	<u>421,912</u>	<u>390,895</u>	<u>(4,145,452)</u>	<u>(4,145,452)</u>

**BAY HEAD SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2023**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net				3,532,842	3,532,842
Property Taxes Levied for Debt Service				229,657	229,657
Federal and State Aid Not Restricted				875,241	875,241
Miscellaneous Revenue				100,705	100,705
Total General Revenues				<u>4,738,445</u>	<u>4,738,445</u>
Change in Net Position				592,993	592,993
Net Position - Beginning				<u>5,329,934</u>	<u>5,329,934</u>
Net Position - Ending				<u>\$ 5,922,927</u>	<u>5,922,927</u>

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



**FUND FINANCIAL STATEMENTS – B**

BAY HEAD SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents:				
Restricted	\$ 204,193	85,292	19,442	308,927
Unrestricted	783,587			783,587
Federal and State Receivables	41,798	272,030		313,828
Interfund Receivable	169,334		46,800	216,134
Receivables, Net	<u>19,802</u>			<u>19,802</u>
Total Assets	<u>\$ 1,218,714</u>	<u>357,322</u>	<u>66,242</u>	<u>1,642,278</u>
<b><u>Liabilities and Fund Balance</u></b>				
<b>Liabilities:</b>				
Deferred Revenue	\$ 1,000	68,663		69,663
Accounts Payable	1,968	34,033		36,001
Interfund Payable	46,800	169,334		216,134
Payroll Deductions and Withholdings Payable	<u>10,848</u>			<u>10,848</u>
Total Liabilities	<u>60,616</u>	<u>272,030</u>	<u>-</u>	<u>332,646</u>
<b>Fund Balance:</b>				
<b>Restricted For:</b>				
Designated For Subsequent Years Expenditure BOE	64,659			64,659
Capital Reserve	473,612			473,612
Maintenance Reserve	234,468			234,468
Unemployment Compensation	33,847			33,847
Scholarships		84,173		84,173
Student Activities		1,119		1,119
<b>Committed To:</b>				
Other Purposes	77,235		59,498	136,733
<b>Unassigned:</b>				
General Fund	274,277			274,277
Capital Projects Fund			6,744	6,744
Total Fund Balance	<u>1,158,098</u>	<u>85,292</u>	<u>66,242</u>	<u>1,309,632</u>
Total Liabilities and Fund Balance	<u>\$ 1,218,714</u>	<u>357,322</u>	<u>66,242</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 \$9,007,219 and the accumulated depreciation is \$2,039,355.

6,967,864

Accrued Interest

(21,580)

Deferred outflow of resources - contributions to the pension plan

108,096

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(131,349)

Long Term Liabilities including bonds payable are payable in the current period and therefore are not reported as liabilities in the funds (see note 3)

(2,309,736)

Net Position of governmental activities

\$ 5,922,927

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

**BAY HEAD SCHOOL DISTRICT**

Exhibit B-2  
Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,532,842			229,657	3,762,499
Tuition	421,912				421,912
Interest Earned	51,148				51,148
Miscellaneous	26,660	22,897			49,557
Total Local Sources	<u>4,032,562</u>	<u>22,897</u>	-	<u>229,657</u>	<u>4,285,116</u>
State Sources	792,710			44,437	837,147
Federal Sources		428,989			428,989
Total Revenues	<u>4,825,272</u>	<u>451,886</u>	-	<u>274,094</u>	<u>5,551,252</u>
Expenditures:					
Current:					
Regular Instruction	1,166,900				1,166,900
Special Education Instruction	85,960	223,763			309,723
Other Instruction	159,575				159,575
Support Services and Undistributed Costs:					
Tuition	566,851				566,851
Student and Instruction Related Services	387,403	167,132			554,535
Other Administration Services	258,564				258,564
Plant Operations and Maintenance	533,698				533,698
Pupil Transportation	49,274				49,274
Unallocated Benefits	1,109,822				1,109,822
Capital Outlay	329,715	55,285	161,346		546,346
Debt Service:					
Bond Principal				220,000	220,000
Interest and Other Charges				54,094	54,094
Total Expenditures	<u>4,647,762</u>	<u>446,180</u>	<u>161,346</u>	<u>274,094</u>	<u>5,529,382</u>

**BAY HEAD SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2023**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>177,510</u>	<u>5,706</u>	<u>(161,346)</u>	<u>-</u>	<u>21,870</u>
Other Financing Sources (Uses):					
Transfer from Capital Projects to Capital Reserve	39,496		(39,496)		-
Transfer from Capital Reserve to Capital Projects	(37,592)		37,592		-
Transfer from Capital Reserve to Capital Projects	(46,800)		46,800		-
Transfer from Capital Projects to General Fund	86,758		(86,758)		-
Total Financing Sources (Uses)	<u>41,862</u>	<u>-</u>	<u>(41,862)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>219,372</u>	<u>5,706</u>	<u>(203,208)</u>	<u>-</u>	<u>21,870</u>
Net Change in Fund Balances	<u>219,372</u>	<u>5,706</u>	<u>(203,208)</u>	<u>-</u>	<u>21,870</u>
Fund Balance, July 1	<u>938,726</u>	<u>79,586</u>	<u>269,450</u>		<u>1,287,762</u>
Fund Balance, June 30	<u>\$ 1,158,098</u>	<u>85,292</u>	<u>66,242</u>	<u>-</u>	<u>1,309,632</u>

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

BAY HEAD SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	21,870
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.		
Capital Outlay	552,122	
Depreciation	<u>(285,925)</u>	266,197
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		220,000
Some Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds. That Liability Consists of Pension Liability Payable		(122,592)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(8,590)
Pension related deferrals		214,118
Accrued Interest		<u>1,990</u>
Change in Net Position of Governmental Activities	\$	<u><u>592,993</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**BAY HEAD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1: Summary of Significant Accounting Policies**

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

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Borough of Bay Head. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

**B. Government-Wide Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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

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.

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.



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. 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). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 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.

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)****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.

**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.

**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 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2004-2005 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2005, fiscal year 2005 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. The District has updated the records since 2004-2005 and the service company provides the District with an updated report. 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, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital Assets that are Not being Depreciated:				
Land	\$ 256,549	_____	_____	256,549
Total Capital Assets Not Being Depreciated	<u>256,549</u>	_____	_____	<u>256,549</u>
Depreciable Assets:				
Buildings and Sites	6,651,220	539,880		7,191,100
Equipment	<u>1,547,328</u>	<u>12,242</u>	_____	<u>1,559,570</u>
Totals at Historical Cost	<u>8,198,548</u>	<u>552,122</u>	_____	<u>8,750,670</u>
Less: Accumulated Depreciation:				
Buildings and Sites	(1,485,021)	(208,543)		(1,693,564)
Equipment	<u>(268,409)</u>	<u>(77,382)</u>	_____	<u>(345,791)</u>
Total Accumulated Depreciation	<u>(1,753,430)</u>	<u>(285,925)</u>	_____	<u>(2,039,355)</u>
Net Depreciable Assets	<u>6,445,118</u>	<u>266,197</u>	_____	<u>6,711,315</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,701,667</u>	<u>266,197</u>	_____	<u>6,967,864</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 285,925</u>
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**J. Compensated Absences**

The Board has no policy for payment of accumulated sickness upon retirement.

**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 maintenance reserve (See Note 10).

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**M. Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

*Net Investment in Capital Assets* – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

*Restricted* – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Unrestricted* – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

*Restricted* – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

*Committed* – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

*Assigned* – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****Fund Balance (Continued)**

*Unassigned* – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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%.

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.

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

**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, 2023 cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking, Money Market Accounts	<u>\$ 1,092,514</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the District’s cash and cash equivalents at June 30, 2023 was \$1,092,514 and the bank balance was \$1,242,862. Of the bank balance, \$333,749 was covered by federal depository insurance and \$875,266 as covered by a collateral pool maintained by the banks as required by New Jersey statutes and \$33,847 was uninsured.

**Credit Risk Categories**

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

As of June 30, 2023, the District did not hold any long-term investments.

Insured:	
FDIC	\$ 333,749
GUDPA	875,266
Uninsured:	
NJ Cash Management	<u>33,847</u>
	<u>\$ 1,242,862</u>

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Long-Term</u> <u>Portion</u>	<u>2023-2024</u> <u>Payment</u>
Bonds Payable	\$ 1,970,000		(220,000)	1,750,000	1,525,000	225,000
Pension Liability	<u>437,144</u>	<u>122,592</u>	<u>_____</u>	<u>559,736</u>	<u>559,736</u>	<u>_____</u>
	<u>\$ 2,407,144</u>	<u>122,592</u>	<u>(220,000)</u>	<u>2,309,736</u>	<u>2,084,736</u>	<u>225,000</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, and the interest rates vary from 4.00% to 4.25%.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 225,000	48,919	273,919
2025	235,000	43,134	278,134
2026	240,000	36,450	276,450
2027	250,000	29,100	279,100
2028-2030	<u>800,000</u>	<u>39,163</u>	<u>839,163</u>
	<u>\$ 1,750,000</u>	<u>196,766</u>	<u>1,946,766</u>

**NOTE 4: Pension Plans****Public Employees' Retirement System (PERS)****Plan Description**

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

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



**NOTE 4: Pension Plans (Continued)**

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

**NOTE 4: Pension Plans (Continued)**

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

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

**NOTE 4: Pension Plans (Continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$46,772. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 4,040	3,563
Changes of Assumptions	1,734	83,815
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	23,167	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	32,383	43,971
District Contributions Subsequent to the Measurement Date	<u>46,772</u>	<u>          </u>
Total	<b><u>\$ 108,096</u></b>	<b><u>131,349</u></b>

\$46,772 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending  
June 30,**

2023	\$ (47,610)
2024	(24,256)
2025	(11,829)
2026	25,807
2027	<u>(57)</u>
	<b><u>\$ (57,945)</u></b>

**Additional Information**

Collective balances at December 31, 2022 and 2021 are as follows:

	<b><u>Dec. 31, 2022</u></b>	<b><u>Dec. 31, 2021</u></b>
Collective Deferred Outflows of Resources	\$ 108,096	116,686
Collective Deferred Inflows of Resources	131,349	345,467
Collective Net Pension Liability	559,736	437,144
District's Proportion	0.00368%	0.00365%

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

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<b>2022</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

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

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

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

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

**NOTE 4: Pension Plans (Continued)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2022, 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:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 719,097</u>	<u>559,736</u>	<u>424,114</u>

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for TPAF:

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

**NOTE 4: Pension Plans (Continued)**

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

**Basis of Presentation**

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, State's pension contribution was less than the actuarial determined amount.

**NOTE 4: Pension Plans (Continued)****Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 32.29%	 35.52%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2022</u>	<u>2021</u>
District's Liability	<u>\$ 5,219,847</u>	<u>5,308,347</u>
District's Proportion	.01010%	.01102%



**NOTE 4: Pension Plans (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (268,568)
2024	(386,238)
2025	(338,494)
2026	(152,462)
2027	(166,437)
Thereafter	<u>(170,476)</u>
Total	<u>\$ (1,482,675)</u>

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

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

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

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

**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 (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

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

**Discount Rate**

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

**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, 2022 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>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>6,120,382</u>	<u>5,219,847</u>	<u>4,461,260</u>
	<u>\$ 6,120,382</u>	<u>5,219,847</u>	<u>4,461,260</u>

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

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

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

**NOTE 5: Post-Retirement Benefits (Continued)**

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

**Total OPEB Liability**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total OPEB Liability     \$50,646,462,966

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

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

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

***(a) Health Care Trend Assumptions***

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

**NOTE 5: Post-Retirement Benefits (Continued)*****(b) Discount Rate***

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

Changes in the total OPEB Liability reported by the State of New Jersey:

	<b>Total <u>OPEB Liability</u></b>
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease <u>(2.54%)</u></b>	<b>Discount Rate <u>(3.54%)</u></b>	<b>1% Increase <u>(4.54%)</u></b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$43,166 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
Total	<u>\$ 17,808,023,196</u>	<u>(32,700,239,909)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

**NOTE 6: 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 Annual Comprehensive Financial Report.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due 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 year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2022-2023	\$ 0	1,193	0	33,847
2021-2022	0	67	0	32,654
2020-2021	0	20		32,587

**NOTE 7: Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2023 financial statements.

**NOTE 8: Economic Dependency**

The District receives approximately 23% 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 9: Contingent Liabilities**

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

**NOTE 10: Fund Balance Appropriated**

**General Fund** – Of the \$1,165,619 General Fund fund balance at June 30, 2023, \$194,000 is reserved for maintenance reserve; \$514,080 is capital reserve; \$77,235 is reserve for encumbrances; \$281,798 is undesignated; \$64,659 is designated for subsequent year’s expenditures; and \$33,847 is reserved for unemployment claims.

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

2022-23 Total General Fund Expenditures Per the ACFR	\$ 4,685,354
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(662,611)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 4,022,743</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 80,455</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>31,798</u>
Maximum Unassigned/Undesignated – Unreserved Fund Balance	<u>\$ 281,798</u>

**Section 2**

Total General Fund -- Fund Balance @ 6-30-23	\$ 1,165,619
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Decreased by:

Restricted Fund Balance:	
Other Reserves	(708,080)
Encumbrances	(77,235)
Unemployment Compensation	(33,847)
Assigned Fund Balance:	
Designated for Subsequent Years Expenditures	<u>(64,659)</u>

Total Unassigned Fund Balance	<u>\$ 281,798</u>
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Reserved Fund Balance – Excess Surplus	<u>\$ 0</u>
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**Section 3**

Reserved Fund Balance – Excess Surplus	\$ 0
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Designated for Subsequent Years Expenditures – Excess Surplus	<u>0</u>
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	<u>\$ 0</u>
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**Detail of Allowable Adjustment**

Extraordinary Aid	<u>\$ 31,798</u>
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**Detail of Other Restricted Fund Balance**

Maintenance Reserve	\$ 194,000
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Capital Reserve	<u>514,080</u>
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Total Other Restricted Fund Balance	<u>\$ 708,080</u>
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**NOTE 12: Interfund Receivables and Payables**

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

There were interfunds as of June 30, 2023 as follows:

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 169,334	
General Fund	_____	<u>169,334</u>
	<u>\$ 169,334</u>	<u>169,334</u>

These interfund loan is due to the General Fund awaiting reimbursement from the Special Revenue Fund for pending federal reimbursements. Once received, the interfund will be eliminated, which is expected to be within one year.

**NOTE 13: Subsequent Events**

Subsequent events have been evaluated through December 5, 2023, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**BAY HEAD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 1 of 11

**GENERAL FUND**

**JUNE 30, 2023**

	<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	\$ 3,532,842		3,532,842	3,532,842	-
Tuition From Individuals	350,000		350,000	421,912	71,912
Aftercare			-	6,923	6,923
Interest Earned	20,331		20,331	51,148	30,817
Restricted Miscellaneous				1,193	1,193
Unrestricted Miscellaneous			-	18,544	18,544
Total Local Sources	<u>3,903,173</u>	<u>-</u>	<u>3,903,173</u>	<u>4,032,562</u>	<u>129,389</u>
State Sources:					
Extraordinary Aid	10,000		10,000	41,798	31,798
Special Education Aid	62,984		62,984	62,984	-
Security Aid	4,578		4,578	4,578	-
Transportation Aid	8,849		8,849	8,849	-
Securing our Children's Future Bond Act		11,092	11,092	11,092	-
Lead Testing Reimbursement		1,110	1,110	1,110	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	99,194	99,194
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)				117,172	117,172
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)				446,032	446,032
On-Behalf T.P.A.F Pension Contributions - Long Tern Disability				213	213
Total State Sources	<u>86,411</u>	<u>12,202</u>	<u>98,613</u>	<u>793,022</u>	<u>694,409</u>
Total Revenues	<u>3,989,584</u>	<u>12,202</u>	<u>4,001,786</u>	<u>4,825,584</u>	<u>823,798</u>

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of Teachers	127,624	(35,523)	92,101	89,574	2,527
Grades 1-5 - Salaries of Teachers	501,893	(18,790)	483,103	472,241	10,862
Grades 6-8 - Salaries of Teachers	400,504	(17,886)	382,618	379,304	3,314
Home Instruction - Purchased Educational Services		11,693	11,693	11,693	-
Regular Program - Undistributed Instruction:					
Other Salaries For Instruction	59,765	30,338	90,103	90,103	-
Purchased Technical Services	4,500	1,108	5,608	5,607	1
Other Purchased Services	3,500	11,850	15,350	15,325	25
General Supplies	59,160	9,553	68,713	67,008	1,705
Textbooks	15,000	(11,362)	3,638	3,601	37
Other Objects	22,800	9,644	32,444	32,444	-
Total Regular Programs - Instruction	<u>1,194,746</u>	<u>(9,375)</u>	<u>1,185,371</u>	<u>1,166,900</u>	<u>18,471</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries	62,216	22,627	84,843	84,746	97
General Supplies	500	771	1,271	1,214	57
Total Resource Room/Resource Center	<u>62,716</u>	<u>23,398</u>	<u>86,114</u>	<u>85,960</u>	<u>154</u>
Total Special Education - Instruction	<u>62,716</u>	<u>23,398</u>	<u>86,114</u>	<u>85,960</u>	<u>154</u>

**BAY HEAD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 3 of 11

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	57,325	28,700	86,025	86,025	-
Total Basic Skills/Remedial - Instruction	<u>57,325</u>	<u>28,700</u>	<u>86,025</u>	<u>86,025</u>	<u>-</u>
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	35,010		35,010	29,872	5,138
School Sponsored Athletics - Instruction:					
Salaries	25,000	(1,812)	23,188	23,174	14
Purchased Services	8,000	(2,300)	5,700	5,614	86
Supplies and Materials	3,800		3,800	3,303	497
Total School Sponsored Athletics - Instruction	<u>36,800</u>	<u>(4,112)</u>	<u>32,688</u>	<u>32,091</u>	<u>597</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	10,000	1,587	11,587	11,587	-
Total Instructional Programs	<u>1,396,597</u>	<u>40,198</u>	<u>1,436,795</u>	<u>1,412,435</u>	<u>24,360</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	453,399	2,000	455,399	453,399	2,000
Tuition to Other LEA's Within the State - Special	26,954	(1,270)	25,684	25,683	1
Tuition to County Vocational School-Regular	2,000	1,369	3,369	3,369	-
Tuition to Private Schools for the Disabled Within State	217,701	(114,042)	103,659	84,400	19,259
Total Undistributed Expenditures - Instruction	<u>700,054</u>	<u>(111,943)</u>	<u>588,111</u>	<u>566,851</u>	<u>21,260</u>

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	<u>28,918</u>	<u>81</u>	<u>28,999</u>	<u>28,998</u>	<u>1</u>
Undistributed Expenditures - Health Services:					
Salaries	<u>51,520</u>	<u>(2,369)</u>	<u>49,151</u>	<u>49,151</u>	<u>-</u>
Purchased Professional and Technical Services		<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Supplies and Materials	<u>2,000</u>	<u>2,780</u>	<u>4,780</u>	<u>4,031</u>	<u>749</u>
Total Undistributed Expenditures - Health Services	<u>53,520</u>	<u>2,911</u>	<u>56,431</u>	<u>55,682</u>	<u>749</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Purchased Professional Educational Services	<u>18,000</u>	<u>15,865</u>	<u>33,865</u>	<u>33,865</u>	<u>-</u>
Total Undistributed Expenditures - Other Support Services Students - Related Services	<u>18,000</u>	<u>15,865</u>	<u>33,865</u>	<u>33,865</u>	<u>-</u>
Undistributed Expenditures-Other Support Services-Extra:					
Salaries of Other Professional Staff	<u>19,096</u>	<u>56</u>	<u>19,152</u>	<u>19,152</u>	<u>-</u>
Other Salaries	<u>26,570</u>		<u>26,570</u>	<u>26,569</u>	<u>1</u>
Total Undistributed Expenditures-Other Support Services-Extra	<u>45,666</u>	<u>56</u>	<u>45,722</u>	<u>45,721</u>	<u>1</u>
Undistributed Expenditures - Guidance:					
Salaries	<u>34,305</u>	<u>1,531</u>	<u>35,836</u>	<u>35,836</u>	<u>-</u>
Total Undistributed Expenditures - Guidance	<u>34,305</u>	<u>1,531</u>	<u>35,836</u>	<u>35,836</u>	<u>-</u>

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Support Services -					
Students - Child Study Teams					
Salaries-Secretarial and Clerical	19,133	53	19,186	19,186	-
Purchased Professional Educational Services	17,000	(6,461)	10,539	10,539	-
Total Undistributed Expenditures - Other Support					
Services - Students - Extra Services	<u>36,133</u>	<u>(6,408)</u>	<u>29,725</u>	<u>29,725</u>	<u>-</u>
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	38,192	1,712	39,904	39,657	247
Other Salaries	12,133	54	12,187	12,169	18
Other Purchased Professional and Technical Services	2,500	(2,500)	-	-	-
Total Undistributed Expenditures - Improvement of Instructional	<u>52,825</u>	<u>(734)</u>	<u>52,091</u>	<u>51,826</u>	<u>265</u>
Undistributed Expenditures - Educational Media Services/ School Library:					
Purchased Professional and Technical Services	62,200	11,573	73,773	70,638	3,135
Other Purchased Services	5,600	(706)	4,894	4,851	43
Supplies and Materials	285		285	265	20
Total Undistributed Expenditures - Educational Media					
Services/School Library	<u>68,085</u>	<u>10,867</u>	<u>78,952</u>	<u>75,754</u>	<u>3,198</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	22,915	1,025	23,940	22,982	958
Salaries of Secretarial and Clerical	6,067	17	6,084	6,084	-
Purchased Professional Educational Services	4,000	500	4,500	736	3,764
Other Purchased Services	3,500	(3,306)	194	194	-
Other Services	1,300	(1,000)	300	300	300
Total Undistributed Expenditures - Instr. Staff Training Services	<u>37,782</u>	<u>(2,764)</u>	<u>35,018</u>	<u>29,996</u>	<u>5,022</u>



**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	2,266		2,266	2,266	-
Legal Services	20,000	4,260	24,260	22,260	2,000
Audit Fees	7,000		7,000	6,700	300
Other Purchased Professional Services	49,440	5,075	54,515	45,355	9,160
Communications/Telephone	4,200	38	4,238	4,238	-
Other Purchased Services (400-500 Series)	14,000	3,982	17,982	17,526	456
BOE Meeting/Training Supplies	1,000	(465)	535	535	-
Miscellaneous Expenditures		648	648	647	1
BOE Membership Dues and Fees	2,177		2,177	2,177	-
Total Undistributed Expenditures - Support Services - General Administration	<u>100,083</u>	<u>13,538</u>	<u>113,621</u>	<u>101,704</u>	<u>11,917</u>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	47,104	(2,416)	44,688	44,688	-
Salaries of Secretarial and Clerical Assistants	8,296	(890)	7,406	7,284	122
Total Undistributed Expenditures - Support Services - School Administration	<u>55,400</u>	<u>(3,306)</u>	<u>52,094</u>	<u>51,972</u>	<u>122</u>
Undistributed Expenditures - Central Services:					
Salaries	53,600	2,049	55,649	55,636	13
Purchased Technical Services	8,500	1,078	9,578	9,520	58
Purchased Services (400-500 Series)	30,900		30,900	30,900	-
Total Undistributed Expenditures - Central Services	<u>93,000</u>	<u>3,127</u>	<u>96,127</u>	<u>96,056</u>	<u>71</u>

**BAY HEAD SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 7 of 11**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Admin Info Technology					
Purchased Technical Services	8,650	182	8,832	8,832	-
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	72,080	18,112	90,192	89,673	519
Cleaning, Repair and Maintenance Services	49,000	101,794	150,794	124,149	26,645
General Supplies	11,000	10,056	21,056	20,421	635
Other Objects	1,000	(358)	642	642	-
Total Undistributed Expenditures - Required Maintenance - School Facilities	133,080	129,604	262,684	234,885	27,799
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	11,516	296	11,812	11,717	95
Purchased Professional and Technical Services	8,500	(1,502)	6,998	3,704	3,294
Cleaning, Repair and Maintenance Services	10,200	8,374	18,574	18,539	35
General Supplies	3,250	(2,378)	872	703	169
Total Undistributed Expenditures - Care & Upkeep of Grounds	33,466	4,790	38,256	34,663	3,593
Undistributed Expenditures - Security:					
Salaries	29,915	(1,021)	28,894	28,893	1
Purchased Professional and Technical Services	37,400	(6,235)	31,165	30,424	741
Supplies		2,456	2,456	2,456	-
Total Undistributed Expenditures - Security	67,315	(4,800)	62,515	61,773	742

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Operations and Maintenance of Plant Services:					
Salaries	56,084	568	56,652	56,544	108
Salaries of Non-Instructional Aides	9,961	(2,729)	7,232	7,066	166
Purchased Professional and Technical Services	9,500	3,342	12,842	12,842	-
Other Purchased Professional Services	8,000	6,000	14,000	13,964	36
Insurance	59,500	(7,021)	52,479	52,479	-
Miscellaneous Purchased Services	6,000	(652)	5,348	5,138	210
Supplies	7,000	7,760	14,760	13,860	900
Energy (Natural Gas)	19,000	(900)	18,100	18,063	37
Energy (Electric)	26,000	(3,591)	22,409	22,406	3
Other Objects	200	(185)	15	14	1
Total Undistributed Expenditures - Other Operations and Maintenance of Plant Services	<u>201,245</u>	<u>2,592</u>	<u>203,837</u>	<u>202,377</u>	<u>1,461</u>
Total Undistributed Expenditures - Operations and Maintenance of School Facilities	<u>435,106</u>	<u>132,186</u>	<u>567,292</u>	<u>533,698</u>	<u>33,594</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	6,642		6,642	6,633	9
Salaries for Pupil Transportation - (Between Home & School) Reg.	11,661	34	11,695	11,208	487
Contracted Services (Between Home & School) - Vendors	12,000	5,000	17,000	16,114	886
Contracted Services (Special Education Students) Jointures	<u>62,200</u>	<u>(13,620)</u>	<u>48,580</u>	<u>15,319</u>	<u>33,261</u>
Total Undistributed Expenditures - Student Transportation Services	<u>92,503</u>	<u>(8,586)</u>	<u>83,917</u>	<u>49,274</u>	<u>34,643</u>

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	47,730	2,822	50,552	50,552	-
Other Retirement Contributions - PERS	45,000	1,772	46,772	46,772	-
Other Retirement Contributions - Regular		3,490	3,490	3,470	20
Workers Compensation	25,000	(3,980)	21,020	21,020	-
Health Benefits	314,000	(4,695)	309,305	304,087	5,218
Tuition Reimbursement	5,000	(5,000)	-	-	-
Other Employee Benefits	31,000	(9,667)	21,333	21,310	23
Total Unallocated Benefits	<u>467,730</u>	<u>(15,258)</u>	<u>452,472</u>	<u>447,211</u>	<u>5,261</u>
Reimbursed TPAF Social Security Contributions - (Non-Budgeted)					
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)				99,194	(99,194)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)				117,172	(117,172)
On-Behalf T.P.A.F Pension Contributions - Long Term Disability				446,032	(446,032)
On-Behalf T.P.A.F Pension Contributions - Long Term Disability				213	(213)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>662,611</u>	<u>(662,611)</u>
Total Undistributed Expenditures	<u>2,327,760</u>	<u>31,345</u>	<u>2,359,105</u>	<u>2,905,612</u>	<u>(546,507)</u>
Capital Outlay:					
Equipment-Instructional	10,000	(10,000)	-	-	-
Required Maintenance of School Facilities	10,000	(10,000)	-	-	-
Care and Upkeep of Grounds	-	2,257	2,257	2,257	-
Security	75,000	28,280	103,280	95,253	8,027
Securing Our Children's Future Bond Act		11,092	11,092	11,092	-
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		35,468	35,468	20,976	14,492
Construction Services	200,000	6,336	206,336	198,930	7,406
Debt Service Assessment	1,207		1,207	1,207	-
Total Capital Outlay	<u>296,207</u>	<u>63,433</u>	<u>359,640</u>	<u>329,715</u>	<u>29,925</u>

**BAY HEAD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**JUNE 30, 2023**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Total General Fund Expenditures	<u>4,020,564</u>	<u>134,976</u>	<u>4,155,540</u>	<u>4,647,762</u>	<u>(492,222)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(30,980)</u>	<u>(123,884)</u>	<u>(154,864)</u>	<u>177,822</u>	<u>332,686</u>
Other Financing Sources (Uses):					
Transfer Capital Projects to Capital Reserve			-	39,496	39,496
Transfer Capital Reserve to Capital Projects		(37,592)	(37,592)	(37,592)	-
Transfer Capital Reserve to Capital Projects			-	(46,800)	(46,800)
Transfer Capital Projects to General Fund			-	86,758	86,758
Total Other Financing Sources (Uses)	<u>-</u>	<u>(37,592)</u>	<u>(37,592)</u>	<u>41,862</u>	<u>79,454</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(30,980)</u>	<u>(161,476)</u>	<u>(192,456)</u>	<u>219,684</u>	<u>412,140</u>
Fund Balance July 1	<u>945,935</u>	<u></u>	<u>945,935</u>	<u>945,935</u>	<u></u>
Fund Balance, June 30	<u>\$ 914,955</u>	<u>(161,476)</u>	<u>753,479</u>	<u>1,165,619</u>	<u>412,140</u>

**BAY HEAD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
 Sheet 11 of 11

**GENERAL FUND**

**JUNE 30, 2023**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Recapitulation:					
Restricted Fund Balance:					
Designated for Subsequent Years Expenditures - By the BOE				\$ 64,659	
Maintenance Reserve				194,000	
Capital Reserve				514,080	
Unemployment Compensation				33,847	
Assigned Fund Balances:					
Reserved For Encumbrances				77,235	
Unassigned Fund Balance				<u>281,798</u>	
				1,165,619	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(7,521)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u><u>\$ 1,158,098</u></u>	

BAY HEAD SCHOOL DISTRICT

Exhibit C-2  
Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	9,298	9,298	22,897	(13,599)
Federal Sources:					
Title IIA, Part A		2,729	2,729	2,729	-
Title IV, Part A		467	467	467	-
IDEA Part B, Basic		30,975	30,975	30,975	-
IDEA Part B, Preschool		816	816	816	-
Additional Compensatory Special Education\Related Services		164,248	164,248	164,248	-
Educational Stabilization Fund (ESSER II)		20,670	20,670	20,670	-
Educational Stabilization Fund (ESSER II) Learning Acceleration		81	81	81	-
Educational Stabilization Fund (ESSER II) Mental Health		4,500	4,500	4,500	-
ARP ESSER II		185,850	185,850	185,850	-
ARP Instruction		24,101	24,101	24,101	-
ARP Summer		5,500	5,500	5,500	-
ARP Mental Health		40,522	40,522	40,522	-
Total Federal Sources	-	480,459	480,459	480,459	-
Total Revenues	-	489,757	489,757	503,356	(13,599)
Expenditures:					
Instruction:					
Salaries of Teachers		86,195	86,195	86,195	-
Other Purchased Services		129,360	129,360	129,360	-
Instructional Supplies		8,208	8,208	8,208	-
Total Instruction	-	223,763	223,763	223,763	-

BAY HEAD SCHOOL DISTRICT

Exhibit C-2  
Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Salaries		2,949	2,949	2,949	-
Employee Benefits		34,033	34,033	34,033	-
Purchased Technical Services		44,791	44,791	44,791	-
Other Purchased Services		77,466	77,466	77,466	-
Scholarships Awarded			-	2,077	(2,077)
Student Activities			-	5,816	(5,816)
Total Support Services	<u>-</u>	<u>159,239</u>	<u>159,239</u>	<u>167,132</u>	<u>(7,893)</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		106,755	106,755	106,755	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>106,755</u>	<u>106,755</u>	<u>106,755</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>489,757</u>	<u>489,757</u>	<u>497,650</u>	<u>(7,893)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,706</u>	<u>(5,706)</u>
Fund Balance, July 1				<u>79,586</u>	
Fund Balance, June 30				<u>\$ 85,292</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 84,173	
Student Activities				<u>1,119</u>	
Total Fund Balance				<u>\$ 85,292</u>	



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGET-TO-GAAP-RECONCILIATION**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 4,825,584	503,356
Difference - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(40,210)
Prior Year Delayed Payment	7,209	
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 expenses (GASB 33)	<u>(7,521)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	<u>\$ 4,825,272</u>	<u>463,146</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,647,762	497,650
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.		<u>(40,210)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,647,762</u>	<u>457,440</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

Exhibit L-1

**NET PENSION LIABILITY - PERS**

**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00000%	0.00365%	0.00346%	0.00372%	0.00412%	0.00403%	0.00285%	0.00355%	0.00372%	0.00338%
District's Proportionate Share of the Net Pension Liability	<u>\$ 559,736</u>	<u>437,144</u>	<u>568,415</u>	<u>674,092</u>	<u>811,055</u>	<u>937,726</u>	<u>844,622</u>	<u>797,857</u>	<u>696,573</u>	<u>646,680</u>
District's Covered-Employee Payroll	\$ 217,044	273,348	265,004	244,120	265,848	284,068	253,593	243,181	244,243	245,255
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	38.78%	62.53%	46.62%	36.21%	32.78%	30.29%	30.02%	30.48%	35.06%	37.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 43,215	45,179	36,664	41,311	38,381	25,502	25,502	30,671	25,495	25,053
Contributions in Relation to the Contractually Required Contribution	43,215	45,179	36,664	41,311	38,381	25,502	25,502	30,671	25,495	25,053
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 217,044	273,348	265,004	244,120	265,848	284,068	253,593	243,181	244,243	245,255
Contributions as a Percentage of Covered-Employee Payroll	19.91%	16.53%	13.84%	16.92%	14.44%	8.98%	10.06%	12.61%	10.44%	10.22%

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>5,219,847</u>	<u>5,308,347</u>	<u>6,999,199</u>	<u>6,119,590</u>	<u>6,350,250</u>	<u>5,705,542</u>	<u>7,204,325</u>	<u>5,696,417</u>	<u>5,109,031</u>	<u>4,546,359</u>
<b>Total</b>	<b><u>\$ 5,219,847</u></b>	<b><u>5,308,347</u></b>	<b><u>6,999,199</u></b>	<b><u>6,119,590</u></b>	<b><u>6,350,250</u></b>	<b><u>5,705,542</u></b>	<b><u>7,204,325</u></b>	<b><u>5,696,417</u></b>	<b><u>5,109,031</u></b>	<b><u>4,546,359</u></b>
District's Covered-Employee Payroll	\$ 1,262,782	1,152,974	1,180,072	1,189,387	1,132,714	1,048,826	988,044	889,148	929,694	945,089
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	24.19%	21.72%	16.86%	19.44%	17.84%	18.38%	13.71%	15.61%	18.20%	20.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

**BAY HEAD SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.



**BAY HEAD SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023****Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) - M**

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

Exhibit M-1

**LAST SEVEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<b><u>State's OPEB Liability Attributable to the District</u></b>							
Service Cost	\$ 314,203	376,268	212,373	217,825	259,139	313,094	*
Interest	133,567	178,880	180,727	224,855	240,844	206,652	*
Change in Benefit Terms		(7,340)					*
Benefit Payments	(132,302)	(140,907)	(143,304)	(154,103)	(151,519)	(151,500)	*
Member Contributions	4,244	4,573	4,344	4,568	5,237	5,579	*
Difference between Expected and Actual Experience	(823,255)	(1,754,143)	1,453,613	(1,014,302)	(577,843)		*
Change of Assumptions	<u>(1,352,040)</u>	<u>6,803</u>	<u>1,503,613</u>	<u>74,851</u>	<u>(650,253)</u>	<u>(843,288)</u>	*
Net Change in Total OPEB Liability	<u>(1,855,583)</u>	<u>(1,335,866)</u>	<u>3,211,366</u>	<u>(646,306)</u>	<u>(874,395)</u>	<u>(469,463)</u>	*
Total Attributable OPEB Liability - Beginning	<u>6,895,638</u>	<u>8,231,504</u>	<u>5,020,138</u>	<u>5,666,444</u>	<u>6,540,839</u>	<u>7,010,302</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 5,040,055</u>	<u>6,895,638</u>	<u>8,231,504</u>	<u>5,020,138</u>	<u>5,666,444</u>	<u>6,540,839</u>	<u>7,010,302</u>
District's Covered Payroll	\$ 1,479,826	1,426,322	1,445,076	1,433,507	1,398,563	1,332,894	1,241,637
District's Contribution	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	340.58%	483.46%	569.62%	350.20%	405.16%	490.72%	564.60%

\* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for seven years. Additional years will be presented as they become available.

**BAY HEAD SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2023****Exhibit M-2**Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

BAY HEAD SCHOOL DISTRICT

Exhibit E-1

Sheet 1 of 2

SPECIAL REVENUE FUND

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2023

	<u>Coronavirus Response ESSER II</u>	<u>Accelerated Learning ESSER II</u>	<u>ESSER II Mental Health</u>	<u>ARP ESSER</u>	<u>ARP Accelerated Learning</u>	<u>ARP Summer Enrichment</u>	<u>Additional or Compensatory Special Education Related Services</u>
Revenues:							
Federal Sources	\$ 20,670	81	4,500	185,850	24,101	5,500	164,248
Local Sources							
<b>Total Revenues</b>	<b>\$ 20,670</b>	<b>81</b>	<b>4,500</b>	<b>185,850</b>	<b>24,101</b>	<b>5,500</b>	<b>164,248</b>
Expenditures:							
Instruction:							
Salaries	\$ -			31,983	22,156	5,500	
Tuition							129,360
Instructional Supplies							
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,983</b>	<b>22,156</b>	<b>5,500</b>	<b>129,360</b>
Support Services:							
Salaries			2,949				
Employee Benefits			1,551	16,821	1,695		
Purchased Professional & Technical Services	8,600	81		4,319			
Other Purchased Services	12,070			25,972	250		34,888
Scholarships Awarded							
Student Activities							
<b>Total Support Services</b>	<b>20,670</b>	<b>81</b>	<b>4,500</b>	<b>47,112</b>	<b>1,945</b>	<b>-</b>	<b>34,888</b>
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment				106,755			
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,755</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>20,670</b>	<b>81</b>	<b>4,500</b>	<b>185,850</b>	<b>24,101</b>	<b>5,500</b>	<b>164,248</b>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	-	-	-	-	-	-	-
Fund Balance, July 1							
Fund Balance, June 30	\$ -	-	-	-	-	-	-



**BAY HEAD SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

**JUNE 30, 2023**

	<b>IDEA Preschool</b>	<b>IDEA Part B Basic</b>	<b>Title II A</b>	<b>Title IV</b>	<b>ARP Mental Health</b>	<b>Climate Awareness</b>	<b>Social Justice</b>	<b>Sustainable Jersey</b>	<b>Student Activity /Athletic Funds</b>	<b>Scholarship Funds</b>	<b>Total June 30, 2023</b>
Revenues:											
Federal Sources	816	30,975	2,729	467	40,522						480,459
Local Sources						6,639	1,102	1,557	6,226	7,373	22,897
<b>Total Revenues</b>	<b>816</b>	<b>30,975</b>	<b>2,729</b>	<b>467</b>	<b>40,522</b>	<b>6,639</b>	<b>1,102</b>	<b>1,557</b>	<b>6,226</b>	<b>7,373</b>	<b>503,356</b>
Expenditures:											
Instruction:											
Salaries					26,556						86,195
Tuition											129,360
Instructional Supplies				467		6,639	1,102				8,208
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>26,556</b>	<b>6,639</b>	<b>1,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223,763</b>
Support Services:											
Salaries											2,949
Employee Benefits					13,966						34,033
Purchased Professional & Technical Services	816	30,975									44,791
Other Purchased Services			2,729					1,557			77,466
Scholarships Awarded										2,077	2,077
Student Activities									5,816		5,816
<b>Total Support Services</b>	<b>816</b>	<b>30,975</b>	<b>2,729</b>	<b>-</b>	<b>13,966</b>	<b>-</b>	<b>-</b>	<b>1,557</b>	<b>5,816</b>	<b>2,077</b>	<b>167,132</b>
Facilities Acquisition and Construction Services:											
Non-Instructional Equipment											106,755
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,755</b>
<b>Total Expenditures</b>	<b>816</b>	<b>30,975</b>	<b>2,729</b>	<b>467</b>	<b>40,522</b>	<b>6,639</b>	<b>1,102</b>	<b>1,557</b>	<b>5,816</b>	<b>2,077</b>	<b>497,650</b>
Excess (Deficiency) of Revenues Over (Under)											
Expenditures	-	-	-	-	-	-	-	-	410	5,296	5,706
Fund Balance, July 1									709	78,877	79,586
Fund Balance, June 30	-	-	-	-	-	-	-	-	1,119	84,173	85,292

**CAPITAL PROJECTS FUND – F**

BAY HEAD SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2023

Fund Balance - Beginning	\$ 269,450
Expenditures	(161,346)
	<u>108,104</u>
Other Financing Sources\Uses:	
Transfer from Capital Reserve Change Orders	37,592
Transfer from Capital Projects to Capital Reserve	(39,496)
Transfer from Capital Reserve	46,800
Transfer to General Fund	(86,758)
Total Other Financing Sources\Uses	<u>(41,862)</u>
Excess (Deficiency) of Revenues Over/(Under)	
Expenditures and Other Financing Sources (Uses)	<u>66,242</u>
Fund Balance - Ending	<u>\$ 66,242</u>

**BAY HEAD SCHOOL DISTRICT**

Exhibit F-1a

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****HVAC AND ELECTRICAL UPGRADE - ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods/ Adjustments</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from General - Insurance Recoveries	\$ 145,200		145,200	145,200
ROD Grants	85,947		85,947	85,947
Total Revenues	<u>231,147</u>	<u>-</u>	<u>231,147</u>	<u>231,147</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Other Purchased Professional and Technical Services	10,977		10,977	10,977
Construction Services	150,718	13,430	164,148	220,170
Total Expenditures	<u>161,695</u>	<u>13,430</u>	<u>175,125</u>	<u>231,147</u>
Other Financing Sources (Uses):				
Transfer to General Fund		<u>(56,022)</u>	<u>(56,022)</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 69,452</u>	<u>(69,452)</u>	<u>-</u>	<u>-</u>

**Additional Project Information**

Project Number	0210-020-14-1003-004
Grant Date	2/27/2014
Original Authorized Cost	\$ 242,000
Additional Authorized Cost	
Revised Authorized Cost	242,000
Percentage Completion	100%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	8/30/2016

**BAY HEAD SCHOOL DISTRICT**

Exhibit F-1b

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****GYM AND CLASSROOM CONSTRUCTION - ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Prior Periods/ Adjustments</u></b>	<b><u>Current Year</u></b>	<b><u>Totals</u></b>	<b><u>Revised Authorized Cost</u></b>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from General - Insurance				
Recoveries	\$ 247,930		247,930	247,930
Sale of Bonds	3,300,000		3,300,000	3,300,000
Foundation	470,430		470,430	470,430
Transfer from Capital Outlay	175,000		175,000	175,000
Capital Reserve	272,950		272,950	272,950
Total Revenues	<u>4,466,310</u>	<u>-</u>	<u>4,466,310</u>	<u>4,466,310</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Other Purchased Professional and Technical Services	245,547	11,966	257,513	257,513
Construction Services	3,794,986	117,800	3,912,786	3,912,786
Other Objects	256,515		256,515	296,011
Total Expenditures	<u>4,297,048</u>	<u>129,766</u>	<u>4,426,814</u>	<u>4,466,310</u>
Other Financing Sources (Uses):				
Transfer to General Fund		(39,496)	(39,496)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 169,262</u>	<u>(169,262)</u>	<u>-</u>	<u>-</u>

**Additional Project Information**

Project Number	0210-020-14-2000 & 3000
Grant Date	N/A
Original Authorized Cost	\$ -
Additional Authorized Cost	
Revised Authorized Cost	-
Percentage Completion	96%
Original Target Completion Date	8/30/2016
Revised Target Completion Date	8/30/2016

BAY HEAD SCHOOL DISTRICT

Exhibit F-1c

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISBOILER REPLACEMENT - ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods/ Adjustments</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Local Share	\$ 550,000		550,000	550,000
SDA Grant	345,520		345,520	345,520
Total Revenues	<u>895,520</u>	<u>-</u>	<u>895,520</u>	<u>895,520</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Other Purchased Professional and Technical Services	97,431		97,431	100,000
Construction Services	767,353		767,353	795,520
Total Expenditures	<u>864,784</u>	<u>-</u>	<u>864,784</u>	<u>895,520</u>
Other Financing Sources (Uses):				
Transfer to General Fund		<u>(30,736)</u>	<u>(30,736)</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 30,736</u>	<u>(30,736)</u>	<u>-</u>	<u>-</u>

**Additional Project Information**

Project Number	0210-020-14-1005
Grant Date	10/20/2016
Original Authorized Cost	\$ 895,520
Additional Authorized Cost	
Revised Authorized Cost	895,520
Percentage Completion	100%
Original Target Completion Date	5/31/2017
Revised Target Completion Date	5/31/2017

**BAY HEAD SCHOOL DISTRICT**

Exhibit F-1d

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****VESTIBULE CHANGE ORDERS****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Prior Periods/ Adjustments</u></b>	<b><u>Current Year</u></b>	<b><u>Totals</u></b>	<b><u>Revised Authorized Cost</u></b>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from Capital Reserve	\$ 37,592		37,592	37,592
Total Revenues	<u>37,592</u>	<u>-</u>	<u>37,592</u>	<u>37,592</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services	-	18,151	18,151	37,592
Total Expenditures	<u>-</u>	<u>18,151</u>	<u>18,151</u>	<u>37,592</u>
Other Financing Sources (Uses):				
Transfer to General Fund			-	
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>\$ 37,592</u>	<u>(18,151)</u>	<u>19,441</u>	<u>-</u>

**Additional Project Information**

Project Number	NA
Grant Date	NA
Original Authorized Cost	\$ 37,592
Additional Authorized Cost	
Revised Authorized Cost	37,592
Percentage Completion	52%
Original Target Completion Date	9/1/2023
Revised Target Completion Date	9/1/2023

**PROPRIETARY FUNDS – G**

**N/A**



**FIDUCIARY FUND – H**

N/A

## **LONG-TERM DEBT – I**

**BAY HEAD SCHOOL DISTRICT**

**LONG-TERM DEBT**

**Exhibit I-1**

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2023**

<b><u>Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Issue</u></b>	<b><u>Maturities</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2022</u></b>	<b><u>Retired</u></b>	<b><u>Balance June 30, 2023</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>				
Gym and Elementary School Classrooms	8/1/2015	\$ 3,300,000	8/1/23	\$ 225,000	2.400%	\$ 1,970,000	220,000	1,750,000
			8/1/24	235,000	2.625%			
			8/1/25	240,000	3.000%			
			8/1/26	250,000				
			8/1/27	260,000				
			8/1/28	265,000	3.250%			
			8/1/29	275,000				
					<u>\$ 1,970,000</u>	<u>220,000</u>	<u>1,750,000</u>	

**BAY HEAD SCHOOL DISTRICT**

Exhibit I-3

**LONG-TERM DEBT**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 229,657		229,657	229,657	
State Sources:					
Debt Service Aid Type II	44,437		44,437	44,437	
Total Revenues	<u>274,094</u>	<u>-</u>	<u>274,094</u>	<u>274,094</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	54,094		54,094	54,094	-
Redemption of Principal	220,000		220,000	220,000	-
Total Expenditures	<u>274,094</u>	<u>-</u>	<u>274,094</u>	<u>274,094</u>	<u>-</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)**

Bay Head Board of Education  
 Net Position by Component  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
*Unaudited*

J-1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	(1,133,614)	(1,133,614)	2,186,313	2,979,486	3,548,393	3,777,707	3,926,376	3,726,848	4,294,523	5,217,864
Restricted = Capital Purposes	-	-	-	-	-	-	-	-	-	-
Restricted = Other	3,584,247	3,584,247	1,907,215	1,391,540	1,223,460	996,249	1,004,194	1,246,710	621,979	898,622
Unrestricted	(333,304)	(333,304)	(996,197)	(471,873)	(863,371)	(772,922)	(494,256)	68,191	413,432	(193,559)
<b>Total governmental activities net assets</b>	<b>2,117,329</b>	<b>2,117,329</b>	<b>3,097,331</b>	<b>3,899,153</b>	<b>3,908,482</b>	<b>4,001,034</b>	<b>4,436,314</b>	<b>5,041,749</b>	<b>5,329,934</b>	<b>5,922,927</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	(1,133,614)	(1,133,614)	2,186,313	2,979,486	3,548,393	3,777,707	3,926,376	3,726,848	4,294,523	5,217,864
Restricted	3,584,247	3,584,247	1,907,215	1,391,540	1,223,460	996,249	1,004,194	1,246,710	621,979	898,622
Unrestricted	(333,304)	(333,304)	(996,197)	(471,873)	(863,371)	(772,922)	(494,256)	68,191	413,432	(193,559)
<b>Total district net assets</b>	<b>2,117,329</b>	<b>2,117,329</b>	<b>3,097,331</b>	<b>3,899,153</b>	<b>3,908,482</b>	<b>4,001,034</b>	<b>4,436,314</b>	<b>5,041,749</b>	<b>5,329,934</b>	<b>5,922,927</b>

Bay Head Board of Education  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	939,988	\$ 845,812	968,208	861,712	1,122,638	1,020,425	1,052,345	918,902	1,160,682	1,166,900
Special Education	168,831	63,000	176,673	187,767	124,494	188,219	134,550	139,947	173,144	309,723
Other instruction	102,159	89,894	138,800	111,405	41,124	190,300	183,396	164,897	122,966	159,575
<b>Support Services</b>										
Tuition	501,227	684,922	461,013	542,360	733,578	677,445	794,504	629,408	590,561	586,851
Student & instruction related services	359,736	252,439	283,500	309,817	312,782	304,416	343,838	352,738	465,446	654,535
School Administrative services	58,036	32,043	135,920	55,824	73,573	210,375	226,346	51,748	99,701	
General Administration	99,197	89,979	79,113	160,391	138,320	418,960	395,321	177,538	155,106	258,564
Plant operations and maintenance	333,208	293,024	348,311	351,492	382,787	100,418	90,779	431,382	511,574	533,698
Pupil transportation	162,481	77,028	106,547	111,786	103,284			58,534	89,010	49,274
Other support services		-								
Depreciation net of fixed asset increases	70,335	58,217	147,847	144,400	160,045	174,786	23,763	229,343	107,065	285,925
Capital Outlay	1,207	-	549,681		219,805	1,207	202,432		229,248	
Interest on long-term debt	43,046	69,639	55,298	88,175	74,819	69,194	65,202	61,100	56,919	52,104
Unallocated benefits	616,242	531,039	685,522	697,174	744,973	865,114	864,803	966,855	981,908	1,021,110
<b>Total governmental activities expenses</b>	<b>3,443,691</b>	<b>\$ 3,074,935</b>	<b>4,135,331</b>	<b>3,722,293</b>	<b>4,210,832</b>	<b>4,218,857</b>	<b>4,327,156</b>	<b>4,170,392</b>	<b>4,823,317</b>	<b>4,958,259</b>
<b>Business-type activities</b>										
Food service	-	-	-	\$ -	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
Instruction	345,434	268,272	264,154	\$ 49,726	302,444	308,617	305,485	379,552	435,298	421,912
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
<b>Operating grants and contributions</b>	-	9,977	31,025	-	69,115	75,164		103,402	254,583	390,695
<b>Capital grants and contributions</b>	345,434	-	-	49,726	371,559	384,681	305,485	482,954	689,879	812,807
<b>Total governmental activities program revenues</b>	<b>345,434</b>	<b>278,249</b>	<b>295,179</b>	<b>49,726</b>	<b>371,559</b>	<b>384,681</b>	<b>305,485</b>	<b>482,954</b>	<b>689,879</b>	<b>812,807</b>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Food service	-	-	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
<b>Operating grants and contributions</b>	-	-	-	-	-	-	-	-	-	-
<b>Capital grants and contributions</b>	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district program revenues</b>	<b>345,434</b>	<b>278,249</b>	<b>295,179</b>	<b>\$ 49,726</b>	<b>371,559</b>	<b>384,681</b>	<b>305,485</b>	<b>482,954</b>	<b>689,879</b>	<b>812,807</b>
<b>Net (expense) Revenue</b>										
<b>Governmental activities</b>	<b>\$ 3,098,257</b>	<b>\$ 3,074,935</b>	<b>\$ 3,443,691</b>	<b>\$ 3,025,209</b>	<b>\$ 3,763,772</b>	<b>\$ 3,337,312</b>	<b>\$ 4,021,673</b>	<b>\$ 3,687,438</b>	<b>\$ 4,133,438</b>	<b>\$ 4,145,452</b>
<b>Business-type activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total district-wide net expense</b>	<b>\$ 3,098,257</b>	<b>\$ 3,074,935</b>	<b>\$ 3,443,691</b>	<b>\$ 3,025,209</b>	<b>\$ 3,763,772</b>	<b>\$ 3,337,312</b>	<b>\$ 4,021,673</b>	<b>\$ 3,687,438</b>	<b>\$ 4,133,438</b>	<b>\$ 4,145,452</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities</b>										
Property taxes levied for general purpose, net	2,780,744	2,780,744	2,836,358	\$ 2,715,250	2,950,046	3,009,965	3,070,164	3,258,082	3,367,582	3,532,842
Taxes levied for debt service	202,296	210,491	227,056	183,721	236,821	298,000	186,238	218,899	222,773	229,657
Grants and contributions, Federal & state aid		373,279	438,175	283,943	948,308	844,734	543,502	673,792	828,597	875,241
Investment & Miscellaneous income	29,201	71,395	59,787	28,783	609,769	46,434	47,898	33,321	13,524	100,705
Insurance recoveries			432,746							
Transfers	-	(70,706)			(2,070)					
<b>Total governmental activities</b>	<b>3,012,241</b>	<b>3,365,203</b>	<b>3,894,122</b>	<b>3,206,697</b>	<b>4,743,774</b>	<b>4,139,133</b>	<b>3,827,602</b>	<b>4,182,094</b>	<b>4,430,466</b>	<b>4,738,445</b>
<b>Business-type activities</b>										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Fixed Asset Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide revenue</b>	<b>3,012,241</b>	<b>3,365,203</b>	<b>3,894,122</b>	<b>3,206,697</b>	<b>4,743,774</b>	<b>4,139,133</b>	<b>3,827,602</b>	<b>4,182,094</b>	<b>4,430,466</b>	<b>4,738,445</b>
<b>Change in Net Assets</b>	<b>424,372</b>	<b>987,954</b>	<b>1,099,037</b>	<b>(62,951)</b>	<b>980,002</b>	<b>801,821</b>	<b>(194,071)</b>	<b>605,435</b>	<b>287,028</b>	<b>582,993</b>
<b>Ending Total district</b>	<b>682,805</b>	<b>10,720,474</b>	<b>1,944,647</b>	<b>251,636</b>	<b>3,097,332</b>	<b>3,999,153</b>	<b>3,705,082</b>	<b>5,041,740</b>	<b>5,329,934</b>	<b>5,922,927</b>

Bay Head Board of Education  
Fund Balances, Government Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Fund Balance</b>										
Maintenance reserve	6,309	81,309	156,309	213,959	221,623	221,623	209,367	209,367	169,418	194,000
Reserved for Subsequent Years' Expenditures	32,842	1,690	6,996	12,996	253,869	9,930	14,548	151,895	32,030	64,659
Capital Reserve	506,399	284,869	334,869	334,869	196,869	220,526	197,158	174,679	308,291	514,080
Emergency reserve	24,133	99,133	174,133	174,133	59,133	59,133				
Excess Surplus		23,075	77,934	54,859						
Capital Projects Fund	491,400	3,093,441	379,665	422,884	422,884	422,884	373,282			
Committed to other purposes		47,448	78,196	126,549		54,653	255,707	217,849	88,883	77,235
Unemployment/Lease			477,383					32,587	32,654	33,847
Debt service fund			221,730	51,291	-	7,500	9,839			
Unreserved, reported in:										
General Fund	245,269	251,109	256,379	257,133	259,930	257,377	261,542	282,030	314,659	281,798
Total all other governmental funds	<u>1,306,352</u>	<u>3,882,074</u>	<u>2,163,594</u>	<u>1,648,673</u>	<u>1,414,308</u>	<u>1,253,626</u>	<u>1,321,443</u>	<u>1,068,407</u>	<u>945,935</u>	<u>1,165,619</u>



BAY HEAD SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	3,063,414	3,131,113	3,187,767	3,247,965	3,236,402	3,354,291	3,417,801	3,474,981	3,590,355	3,762,499
Tuition From Individuals	264,154	283,382	302,444	309,817	305,485	329,477	347,456	379,552	435,296	421,912
Miscellaneous	59,787	39,388	80,199	46,434	47,688	33,992	226,823	35,402	21,421	51,148
Contribution			529,570							
State Sources	438,175	355,808	948,308	844,734	467,782	520,771	561,227	573,792	821,762	837,147
Federal Sources	31,025	37,381	69,115	75,164	75,555	72,878	68,729	101,321	251,691	428,989
Total Revenue	3,856,555	3,847,072	5,117,403	4,524,214	4,132,922	4,311,409	4,622,036	4,565,048	5,120,525	5,501,695
<b>General Fund Expenditures</b>										
Instruction:										
Regular	939,988	904,303	968,206	961,712	1,046,983	1,020,425	1,052,345	1,056,389	1,160,682	1,166,900
Special	156,831	125,988	175,573	187,757	177,055	186,219	134,550	139,947	173,144	309,723
Other	102,159	123,186	138,800	111,405	116,679	190,300	133,386	154,897	122,965	159,575
Support Services and Undistributed Costs:										
Tuition	501,227	517,485	461,013	542,360	733,578	677,445	794,504	629,408	580,561	566,851
Student & Instruction Related Services	359,736	302,863	283,500	309,617	335,786	304,416	343,638	352,738	465,446	554,535
School & General Administration	157,233	212,394	215,033	216,215	209,893	210,375	226,346	229,286	254,897	258,564
Operations and Maintenance	333,206	311,376	348,311	351,492	362,787	418,960	395,321	431,382	511,574	533,698
Student Transportation	162,481	106,657	106,547	111,786	103,284	100,416	90,778	58,534	89,010	49,274
Unallocated Employee Benefits	616,242	673,477	659,222	676,993	744,973	834,254	852,021	1,001,734	1,057,512	1,109,822
Capital Outlay	1,807	1,388,083	2,903,816	1,006,819	219,805	320,307	202,432	253,743	660,683	546,346
Debt Service:										
Principal	250,000	275,000	508,598	472,000	185,000	195,000	200,000	205,000	210,000	220,000
Interest and other charges	47,473	36,848	65,194	90,679	74,619	70,819	66,869	62,819	58,669	54,094
Total General Fund Expenditures	3,628,383	4,977,660	6,833,813	5,039,035	4,310,442	4,528,936	4,492,190	4,575,877	5,345,143	5,529,382
Excess (Deficiency) of revenues over (under) expenditures	228,172	(1,130,588)	(1,716,410)	(514,921)	(177,520)	(217,527)	129,846	89,171	(224,798)	21,870
Other Financing sources (uses)										
Other uses										
Transfers In							(62,029)			
Transfers Out			(2,070)				2,339	110,789		
Sandy related sources (uses) net	432,746						(2,339)			
Total Other Financing Sources (uses)	432,746	-	(2,070)	-	-	-	(62,029)	110,789	-	-
Net change in fund balance	660,918	(1,130,588)	(1,718,480)	(514,921)	(177,520)	(217,527)	67,817	199,960	(224,798)	21,870

Source: District Records

BAY HEAD SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Interest					6,695	7,900	6,433	3,593	4,142	51,148
Tuition	264,154	283,382	302,444	309,817	305,485	392,477	347,456	379,552	435,295	421,912
Miscellaneous	59,787	39,388	80,199	46,434	41,003	26,092	220,390	15,738	17,099	26,660
	<u>323,941</u>	<u>322,770</u>	<u>382,643</u>	<u>356,251</u>	<u>350,637</u>	<u>426,469</u>	<u>574,279</u>	<u>398,883</u>	<u>456,536</u>	<u>499,720</u>

Source: District records

Exhibit J-6

## BAY HEAD SCHOOL DISTRICT

## LAST TEN FISCAL YEARS

## UNAUDITED

<u>Year</u>	<u>Net Taxable Value (Cl 6)</u>	<u>Net Valuation for Apportionment (11)</u>	<u>County Equal Ratio R.S.:54:3-17-19</u>
2014	1,587,863,332	1,553,241,240	102.23%
2015	1,586,865,100	1,597,112,490	101.65%
2016	1,572,878,600	1,549,939,495	98.54%
2017	1,588,756,100	1,523,528,055	95.89%
2018	1,600,762,700	1,611,574,738	100.68%
2019	1,606,483,200	1,610,222,322	100.23%
2020	1,618,686,600	1,721,716,411	106.37%
2021	1,625,624,100	1,704,669,171	104.86%
2022	1,642,367,500	1,828,900,431	111.36%
2023	1,659,556,000	2,207,600,185	133.02%

Source: Abstract of Ratables

County Board of Taxation

Exhibit J-7

## BAY HEAD SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

## UNAUDITED

Fiscal Year Ended June 30,	Bay Head School District	Borough of Bay Head	Ocean County	Total
2014	0.197	0.200	0.399	0.796
2015	0.203	0.208	0.422	0.833
2016	0.206	0.207	0.423	0.836
2017	0.204	0.212	0.432	0.848
2018	0.21	0.217	0.408	0.835
2019	0.212	0.226	0.410	0.848
2020	0.215	0.231	0.430	0.876
2021	0.221	0.244	0.413	0.878
2022	0.229	0.250	0.354	0.833
2023	0.233	0.260	0.402	0.895

Source: Ocean County Board of Taxation

Bay Head Board of Education  
 Ten Highest Taxpayers  
 2023

Exhibit J-8

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of District's Net Assessed Value</u>
Bay Head Yacht Club	\$ 12,000,000	.723%
Higgins, James F. Trust	4,500,000	.271%
Hartington J Trust	5,312,500	.320%
Denihan, Barbara T	4,500,000	.271%
Cheryl McMullen	4,500,000	.271%
Cofsky, Lawrence D & Beth	4,500,000	.271%
BHPC-Ocean LLC c/o W & M Smith	4,500,000	.271%
Farris, Jill E	3,657,500	.220%
Smatco Ltd % W.T. Brown	5,800,000	.349%
Hindelong Investment LP	<u>4,630,000</u>	.279%
Total of 10 highest	\$ <u>53,900,000</u>	<u>3.248%</u>
Total Assessed Value	\$ <u>1,659,556,000</u>	

Source: Municipal Finance Officer

Exhibit J-9

BAY HEAD SCHOOL DISTRICT  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Fiscal Year Ended <u>June 30,</u>	School <u>Levy</u>	Taxes Levied for <u>the Calendar Year</u>	Current Tax <u>Collections</u>	Percentage <u>of Levy</u>
2014	3,131,113	12,585,417	12,405,275	98.57%
2015	3,431,946	13,120,024	12,957,080	98.75%
2016	3,187,767	13,083,597	12,878,311	98.43%
2017	3,247,965	13,035,096	12,922,332	99.13%
2018	3,236,402	13,519,185	13,411,602	99.42%
2019	3,417,801	13,723,394	N/A	N/A
2020	3,474,981	13,723,394	13,603,875	99.12%
2021	3,590,355	14,250,780	14,138,438	99.21%
2022	3,590,355	14,375,473	14,218,494	98.90%
2023	3,762,499	14,874,183	14,744,708	99.12%

Source: Municipal Finance Officer  
 Abstract of Ratables

BAY HEAD SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS\*  
UNAUDITED

Fiscal Year Ended <u>June 30</u>	<u>Governmental Activities</u>			<u>Business - Type Activities</u>		
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bonded Debt Anticipation Notes (BANs)	Percentage of Personal Income	<u>Per Capita</u>
2014	\$867,000	NONE	\$15,999	NONE	NO DATA TO REPORT	
2015	\$ 3,892,000	NONE	\$31,475	NONE	NO DATA TO REPORT	
2016	\$ 3,437,800	NONE	\$ 560,779	NONE	NO DATA TO REPORT	
2017	\$ 2,965,000	NONE	\$ 446,000	NONE	NO DATA TO REPORT	
2018	\$ 2,780,000	NONE	\$ 340,000	NONE	NO DATA TO REPORT	
2019	\$ 2,585,000	NONE	\$ 230,000	NONE	NO DATA TO REPORT	
2020	\$ 2,385,000	NONE	\$ 117,000	NONE	NO DATA TO REPORT	
2021	\$ 2,180,000	NONE	\$ -	NONE	NO DATA TO REPORT	
2022	\$ 1,970,000	NONE	\$ -	NONE	NO DATA TO REPORT	
2023	\$ 1,750,000	NONE	\$ -	NONE	NO DATA TO REPORT	

Exhibit J-11

## BAY HEAD SCHOOL DISTRICT

## RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

## UNAUDITED

Fiscal Year Ended <u>June 30</u>	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>	Percentage of Actual Taxable Value # of <u>Property</u>
2013	\$ 1,117,000		\$ 1,117,000	0.071%
2014	\$ 867,000		\$ 867,000	0.055%
2015	\$ 3,892,000		\$ 3,892,000	0.245%
2016	\$ 3,437,800		\$ 3,437,800	0.219%
2017	\$ 2,965,000		\$ 2,965,000	0.185%
2018	\$ 2,780,000		\$ 2,780,000	0.174%
2019	\$ 2,585,000		\$ 2,585,000	0.161%
2020	\$ 2,385,000		\$ 2,385,000	0.147%
2021	\$ 2,180,000		\$ 2,180,000	0.134%
2022	\$ 1,970,000		\$ 1,970,000	0.120%
2023	\$ 1,750,000		\$ 1,750,000	0.105%



Exhibit J-12

BAY HEAD SCHOOL DISTRICT  
Computation of Direct and Overlapping Bonded Debt  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Net Direct Debt of School District as of June 30, 2023	\$ 1,750,000
Net Overlapping Debt of School District: Borough of Bay Head	<u>\$ 1,366,087</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2023	<u>\$ 3,116,087</u>

BAY HEAD SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Exhibit J-13

Legal Debt Margin For Fiscal Year 2023  
Equalized valuation basis

	2023	2,207,600,185
	2022	1,828,900,431
	2021	1,704,669,171
		<u>5,741,169,787</u>
Average equalized valuation of taxable property		<u>\$ 1,913,723,262</u>
Debt limit (3% of average equalization value)		57,411,698
Total Net Debt Applicable to Limit		<u>1,750,000</u>
Legal debt margin		<u>\$ 55,661,698</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debit Limit	46,964,494	46,719,237	47,232,323	46,719,237	46,850,423	47,933,232	52,552,860	52,552,860	52,552,860	57,411,698
Total net debt applicable to limit	<u>3,892,000</u>	<u>3,437,800</u>	<u>3,437,800</u>	<u>2,965,000</u>	<u>2,780,000</u>	<u>2,585,000</u>	<u>2,385,000</u>	<u>2,180,000</u>	<u>1,970,000</u>	<u>1,750,000</u>
Legal debt margin	<u>43,072,494</u>	<u>43,281,437</u>	<u>43,794,523</u>	<u>43,754,237</u>	<u>45,166,757</u>	<u>45,348,232</u>	<u>50,167,860</u>	<u>50,372,860</u>	<u>50,582,860</u>	<u>55,661,698</u>
Total net debt applicable to the limit as a percentage of debt limit	2.35%	7.36%	7.28%	6.35%	5.80%	5.39%	4.54%	4.15%	3.75%	3.05%

Bay Head Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years

J-14

<u>Year</u>	<u>Population</u>	<u>Household</u>	<u>Unemployment Rate</u>	<u>Annual Births</u>
2014				4
2015				6
2016				3
2017	1,023			1
2018				1
2019	968			2
2020	930			1
2021	930			2
2022	930			n/a
2023	930			n/a

Source: Municipal Finance Officer, County of Ocean, U.S. Bureau of the Census,  
Population Division, U.S. Department of Labor, Statistics Division

Exhibit J-15

BAY HEAD SCHOOL DISTRICT  
Principal Employers

Current Year and Ten Years Ago  
UNAUDITED

Data Unavailable

Bay Head Board of Education  
 Full-Time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years

J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Instruction</b>										
Regular	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0
Special Education	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	3.0
Other Special Education										
Vocational										
Other Instruction	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5
Nonnpbublic school programs										
Adult/continuing education programs										
<b>Support Services</b>										
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0
General administration	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other administrative services	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Central Services	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Administrative Information Technology	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Plant operations & maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22.3</b>	<b>22.3</b>	<b>22.3</b>	<b>22.3</b>	<b>22.3</b>	<b>22.8</b>	<b>22.8</b>	<b>22.8</b>	<b>22.8</b>	<b>27.3</b>

Source: District Personnel Records

Bay Head Borough Board of Education  
 Operating Statistics  
 Last Ten Fiscal Years

J-17  
 GASB F-6  
 NJ J-12, 14

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil ( c)	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) b	Average Daily Attendance (ADA) b	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	137	3,299,285	24,082	-4.15%	13.0	1:7	137.1	131.6	-0.94%	95.99%
2015	146	3,277,729	22,450	-6.78%	13.0	1:7	146.4	139.8	6.78%	95.49%
2016	147	3,484,775	23,754	5.81%	13.0	1:7	146.7	140.3	0.20%	95.65%
2017	131	3,621,508	27,645	16.38%	13.0	1:7	131.0	124.4	-10.70%	94.95%
2018	128	3,975,268	31,081	12.43%	13.0	1:7	127.9	121.8	-2.37%	95.20%
2019	122	4,263,117	34,829	12.06%	13.5	1:7	122.4	117.1	-4.30%	95.68%
2020	121	4,022,889	33,636	-3.43%	13.5	1:7	119.6	115.9	-2.29%	95.68%
2021	128	4,204,656	32,952	-2.03%	13.5	1:7	127.6	124.0	6.69%	97.37%
2022	132	4,287,713	32,497	-1.38%	13.5	1:7	131.9	125.1	3.40%	94.83%
2023	122	4,318,047	35,394	8.91%	13.5	1:7	122.0	115.9	-7.53%	95.01%

Sources: District records, School Register Summary

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

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

**BAY HEAD ELEMENTARY SCHOOL**

**BUILDING INFORMATION**

**LAST TEN FISCAL YEARS ENDING JUNE 30**

**UNAUDITED**

<b>District Building</b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
<u>Elementary School and Offices</u>										
Bay Head School Square Feet	19,834	19,834	29,655	29,655	29,655	29,655	29,655	29,655	29,655	29,655
Bay Head School Library Square Feet	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348
FES Capacity (students)	151	151	168	168	168	168	168	168	168	168
Enrollment	137	146	147	131	128	122	120	128	132	122

BAY HEAD SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 UNAUDITED

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

	Library	Bay Head Elementary	Other Facilities	Total School Facilities
2014	637	5673	N/A	6,310
2015	637	5673	N/A	6,310
2016	637	8481	N/A	9,274
2017	637	8481	N/A	9,274
2018	637	8481	N/A	9,274
2018	637	8481	N/A	9,274
2019	637	8481	N/A	9,274
2020	637	8481	N/A	9,274
2021	686	9050	N/A	9,736
2022	686	9050	N/A	9,736
2023	686	9050	N/A	9,736

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



## BAY HEAD SCHOOL DISTRICT

EXHIBIT J-20

## Insurance Schedule

June 30, 2023- Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>I. Commercial Package</b>		
<b>A. Property</b>		
Real and Personal Property	\$10,522,133	\$1,000
Valuable Papers and Records	\$10,000,000	\$1,000
Extra Expense	\$50,000,000	\$1,000
Demolition and Increased Cost of Construction (Building Law & Ordinance)	\$25,000,000	\$1,000
<b>B. Electronic Data Processing</b>	Included In The Real & Personal Property Limit	
<b>C. Equipment Breakdown (Boiler &amp; Machinery)</b>	\$100,000,000	\$25,000
<b>D. Crime: Public Employee Dishonesty With Faithful Performance</b>	\$250,000	\$1,000
<b>E. Comprehensive General Liability (Bodily Injury and Property Damage)</b>	\$31,000,000	N/A
<b>F. Auto Liability</b>	\$31,000,000	N/A
<b>II. Workers' Compensation</b>		
Professional payroll	\$1,837,727	
Non-Professional payroll	\$112,484	
<b>III. Employers Liability, Part II</b>		
Bodily Injury By Accident, Each Accident	\$3,000,000	
Bodily Injury By Disease, Each Employee	\$3,000,000	
Bodily Injury By Disease, Aggregate Limit	\$3,000,000	
<b>IV. School Leaders Errors &amp; Omissions Liability, Coverage A</b>	\$31,000,000	\$ 5,000
<b>V. Public Officials Bonds (Selective Insurance Co.)</b>		
Patricia A. Wojcik, Limit of Coverage	\$150,000	0
Christina M. Galvao, Limit of Coverage	\$171,000	0
Laurie M. Considine, Limit of Coverage	\$171,000	0
<b>VI. Excess Liability</b>	\$25,000,000	\$31,000,000
<b>VII. Pollution Legal Liability</b>	\$ 1,000,000	\$ 10,000

**SINGLE AUDIT SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

102.

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

K-1

Honorable President and Members  
of the Board of Education  
Bay Head School District  
County of Ocean  
Bay Head, 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 Bay Head Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Bay Head Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated December 5, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay Head Board of Education, County of Ocean, 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 Bay Head Board of Education, County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay Head Board of Education, County of Ocean, and 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 Bay Head Board of Education, County of Ocean, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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**

December 5, 2023

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.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND**  
**NEW JERSEY OMB'S CIRCULAR 15-08**

K-2

Honorable President and Members  
of the Board of Education  
Bay Head School District  
County of Ocean  
Bay Head, New Jersey

**Report on Compliance for Each Major Federal & State Program**

**Opinion on Each Major Federal & State Program**

We have audited the Bay Head Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Bay Head Board of Education's major federal and state programs for the year ended June 30, 2023. The Bay Head Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bay Head Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ

OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### **Responsibilities of Management for Compliance**

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

## Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 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**

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/	Federal C.F.D.A.	Federal Fain	Grant or State Project	Award	Grant Period	Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
Passed Through State Department of Education:												
Special Revenue:												
Title IIA	84.367A	S367A220029	N/A	\$ 2,729	07/01/2022 09/30/2023	\$ -		2,729	(2,729)			
Title IV	84.424A	S424A210031	N/A	10,000	07/01/2021 09/30/2022	(4,366)		4,366				
Title IV	84.424A	S424A220031	N/A	467	07/01/2022 09/30/2023			467	(467)			
IDEA Part B Basic	84.027A	H027A220100	N/A	30,945	07/01/2022 09/30/2023				(30,975)	(30,975)		
IDEA Preschool	84.173	H173A220114	N/A	816	07/01/2022 09/30/2023				(816)	(816)		
ACSERS Aid	21.027	SLRFDOEISES	N/A	164,248	07/01/2022 09/30/2023			82,689	(164,248)	(81,559)		
ARP IDEA Part B Basic	84.027X	H027X220100	N/A	5,413	07/01/2021 09/30/2023	(5,413)		5,413				
ARP IDEA Preschool	84.173X	H173X220114	N/A	462	07/01/2021 09/30/2023	(462)		462				
ARP ESSER	84.425U	S425U220027	N/A	226,405	03/13/2020 09/30/2024	(22,038)		73,596	(185,850)	(134,292)		
ARP Learning	84.425U	S425U220027	N/A	50,000	03/13/2020 09/30/2024	(11,727)		33,884	(24,101)	(1,944)		
ARP Mental Health	84.425U	S425U220027	N/A	45,000	03/13/2020 09/30/2024			21,727	(40,522)	(18,795)		
ARP Enrichment	84.425U	S425U220027	N/A	40,000	03/13/2020 09/30/2024	(3,828)		9,328	(5,500)			
CRRSA Mental Health	84.425D	S425D220027	N/A	45,000	03/13/2020 09/30/2024	(19,700)		22,649	(4,500)	(1,551)		
CRRSA Response	84.425D	S425D220027	N/A	100,739	03/13/2020 09/30/2023	(29,625)		48,277	(20,670)	(2,018)		
CRRSA Learning	84.425D	S425D221027	N/A	25,000	03/13/2020 09/30/2023	(12,921)		12,921	(81)	(81)		
<b>Total Federal Financial Assistance</b>						<b>\$ (110,080)</b>	<b>-</b>	<b>318,508</b>	<b>(480,459)</b>	<b>(272,031)</b>	<b>-</b>	<b>-</b>

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.



**BAY HEAD SCHOOL DISTRICT**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Schedule B  
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State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment of Prior Years Balances	Balance at June 30, 2023			MEMO		
			From	To	Deferred Revenue Accts. Receivable	Due To Grantor					(Accounts Receivable)	Deferred Revenue Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
General Fund:																
Extraordinary Aid	23-495-034-5120-044	\$ 41,798	07/01/2022	06/30/2023	\$ -				(41,798)		(41,798)					41,798
Extraordinary Aid	22-495-034-5120-044	74,659	07/01/2021	06/30/2022	(74,659)		74,659									
Special Education Categorical Aid	23-495-034-5120-089	62,984	07/01/2022	06/30/2023			56,785	(62,984)						(6,199)	62,984	
Security Aid	23-495-034-5120-084	4,578	07/01/2022	06/30/2023			4,125	(4,578)						(451)	4,576	
Transportation Aid	23-495-034-5120-014	8,849	07/01/2022	06/30/2023			7,978	(8,849)						(871)	8,849	
Securing Our Children's Future Bond Act	N/A	11,092	07/01/2022	06/30/2023	(8,908)		20,000	(11,092)							11,092	
Lead Testing Reimbursement	23-495-034-5120	1,110	07/01/2022	06/30/2023			1,110	(1,110)							1,110	
Reimbursed TPAF Social Security Contr. (Noabudgeted)	23-495-034-5094-003	99,194	07/01/2022	06/30/2023			99,194	(99,194)							99,194	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	117,172	07/01/2022	06/30/2023			117,172	(117,172)							117,172	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	446,032	07/01/2022	06/30/2023			446,032	(446,032)							446,032	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	213	07/01/2022	06/30/2023			213	(213)							213	
<b>Total General</b>					<u>(83,567)</u>	<u>-</u>	<u>-</u>	<u>827,268</u>	<u>(793,022)</u>	<u>-</u>	<u>(41,798)</u>	<u>-</u>	<u>-</u>	<u>(7,521)</u>	<u>793,020</u>	
Special Revenue Fund:																
SDA Emergent	N/A	3,058	07/01/2022	06/30/2023			3,058					3,058				
Debt Service:																
Debt Service Aid Type II	23-495-034-5120-017	44,437	07/01/2022	06/30/2023			44,437	(44,437)							44,437	
<b>Total State Financial Assistance</b>					<u>\$ (83,567)</u>	<u>-</u>	<u>-</u>	<u>874,763</u>	<u>(837,459)</u>	<u>-</u>	<u>(41,798)</u>	<u>3,058</u>	<u>-</u>	<u>(7,521)</u>	<u>837,457</u>	
Less: State Financial Assistance Not Subject to Major Program Determination:																
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)								117,172								
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)								446,032								
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability								213								
<b>Total State Financial Assistance Subject to Major Program Determination</b>								<u>\$ (274,042)</u>								

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION**

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**BAY HEAD SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2023****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, Bay Head School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in 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 one or more state aid June payments 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>Debt Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 793,022	44,437	837,459
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
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)			
	(312)	_____	(312)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 792,710</u>	<u>44,437</u>	<u>837,147</u>

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

	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>		
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 480,459	480,459
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	<u>(51,470)</u>	<u>(51,470)</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 428,989</u>	<u>428,989</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**

The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2023. 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, 2023.

BAY HEAD SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part I - Summary of Auditor's Results***Financial Statement Section**

(A) Type of auditor's report issued on financial statements

**Description**Unmodified

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

           Yes   x   No2) Significant deficiencies identified that are  
not considered to be material weaknesses?           Yes   x   None Reported

Noncompliance material to basic financial statements noted?

           Yes   x   No**Federal Awards**

NOT APPLICABLE

**State Awards**

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

\$750,000

Auditee qualified as low-risk auditee?

  x   Yes            No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

           Yes   x   No(2) Reportable condition(s) identified that are  
not considered to material weaknesses?           Yes   x   None ReportedAny audit findings disclosed that are required to be reported  
in accordance with N.J. OMB's Circular 15-08?           Yes   x   No

Identification of major programs:

**GMIS Number(s)**23-495-034-5094-00323-495-034-5120-08423-495-034-5120-089**Name of State Program**Reimbursed TPAF Social Security ContributionsSecurity Aid (State Aid - Public Cluster)Special Education Categorical Aid (State Aid - Public Cluster)

**BAY HEAD SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part II - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic 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

Cause: N/A

Recommendation: N/A

Management's Response: N/A

**BAY HEAD SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023*****Part III - Schedule of Federal Awards and State Financial Assistance  
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.

**Current Year Federal Awards**

Not Applicable

**Current Year State Awards**

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**BAY HEAD SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Status of Prior Year Findings**

There were none.