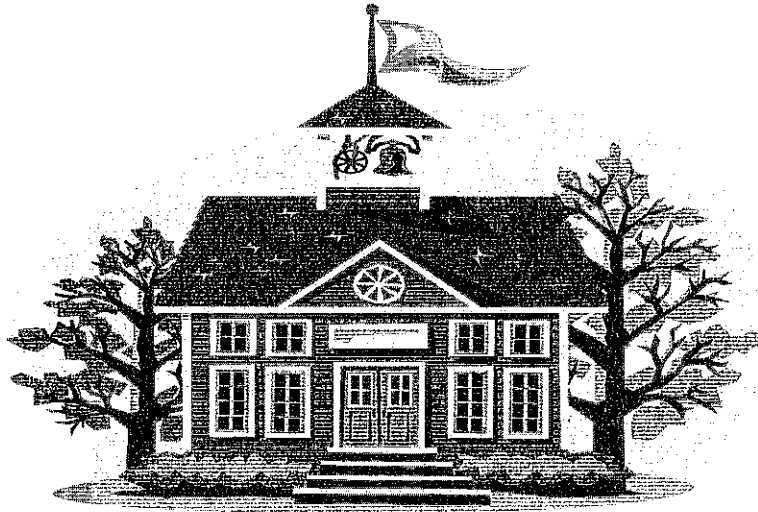


SCHOOL DISTRICT
OF
HENRY HUDSON REGIONAL



HENRY HUDSON REGIONAL BOARD OF EDUCATION
HIGHLANDS, NEW JERSEY

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

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

HENRY HUDSON REGIONAL BOARD OF EDUCATION

HIGHLANDS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

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HENRY HUDSON REGIONAL SCHOOL DISTRICT

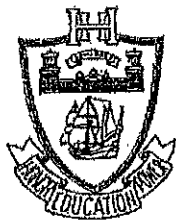
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INTRODUCTORY SECTION



HENRY HUDSON REGIONAL SCHOOL DISTRICT

SERVING THE BOROUGH OF ATLANTIC HIGHLANDS AND HIGHLANDS

One Grand Tour · Highlands, New Jersey 07732-2039

Phone: 732-872-1517

Fax: 732-872-1315

Dr. Tara Beams
Superintendent

Michael Gannon
Board President

Janet Sherlock
Business Administrator/Board Secretary

December 22, 2023

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

Dear Board Members/Citizens:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Henry Hudson Regional School District (District). This report is for the fiscal year ended June 30, 2023. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2022-2023 fiscal year.

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

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

This report has been divided into four sections:

The Introductory Section: includes this transmittal letter, the district's organizational chart, the Roster of Officials and the Consultants and Advisors.

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

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

The Single Audit Section: is in accordance with generally accepted auditing standards; audit requirements as prescribed by the office of Finance, Department of Education, State of New Jersey; and Government Auditing Standards issued by the Comptroller General of the United States. Information related to this

single audit, including the auditor's report in the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Henry Hudson Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The District also acts as fiscal agent for State funds distributed to private schools located within the District boundaries. There are currently no private schools located within the district. The District encompasses the Boroughs of Atlantic Highlands and Highlands. The Board of Education is comprised of five members from Highlands and four members from Atlantic Highlands. They are elected to three-year terms and meet on the third Wednesday of each month for the Regular Board Meeting. During its meetings, the Board determines District goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 7:00 p.m. unless otherwise noted. The name of Henry Hudson Regional comes from the historic Henry Hudson Springs located in Atlantic Highlands. In 1609, Henry Hudson, sea captain of the Half Moon, touched land, and drew water from the spring. Ships continued to use this spring into the 1900's.

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

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

ECONOMIC CONDITION

The District, located in Monmouth County, is comprised of the towns of Atlantic Highlands and Highlands. Both communities are located on the Sandy Hook Bay and provide a high speed ferry to Manhattan. They have a thriving downtown area that was rebuilt after the Super Storm Sandy. The towns have seen a strong interest in real estate sales over the past five years with many houses being raised or renovated by new home owners. The economic outlook for the towns continues to grow year over year.

MAJOR INITIATIVES

Henry Hudson Regional School continues to provide an exceptional educational experience for all students. The breadth of programs from special education to gifted and talented meets each child's unique needs. The 2022-2023 school year demonstrated a continuing emphasis on curriculum alignment to the national curriculum standards.

One unique area of Henry Hudson Regional is that a large portion of the student population plays an instrument in the award-winning school band. The school has also created a talented A Cappella Choir and Jazz Band. The Henry Hudson Regional School Concert Bands, both High School and Middle School placed 1st in their categories.

Henry Hudson Regional School District participates in shared services to keep costs at a minimum. Henry Hudson Regional shares a Superintendent of Schools, Supervisor of Curriculum, Supervisor of Special Services and a Network Administrator with the Atlantic Highlands School District and Highlands School District. They share a School Business Administrator/Board Secretary with the Atlantic Highland School District. Henry Hudson Regional provides bus transportation when needed for Highlands Elementary

School and Atlantic Highlands Elementary. The liability/property insurance is in a group insurance fund through Boynton & Boynton, the health insurance was moved to State Health Benefits in 2021, and workman's compensation insurance is in the Monmouth-Ocean Counties Shared Services Insurance Fund through NJSBAIG. Transportation jointures are obtained through the MOESC (Monmouth-Ocean Educational Services Commission). Henry Hudson Regional School District purchases gasoline for its school bus fleet through the Atlantic Highlands Harbor Commission. School facilities are used extensively for community recreation programs. The school band and choruses participate in parades and concerts for both communities. The school is a designated Red Cross Emergency Shelter.

The district preforms ongoing maintenance for the current facilities and is in the process of replacing the existing HVAC rooftop units over the next two years.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

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

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure with an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. These amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

ACCOUNTING SYSTEM AND REPORTS

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

CASH MANAGEMENT

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

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force on June 30, 2023 is included in the Statistical Section of this report on Schedule J-20.

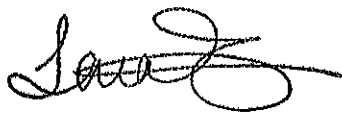
INDEPENDENT AUDIT

The State of New Jersey requires an annual audit by an independent certified public accounting firm. Robert A. Hulsart and Company was selected by the District to perform the audit for the fiscal year ended June 30, 2023. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related Title 2 U.S. Code of Federal Regulations, Part 200 and the State Treasury Circular Letter 15-08 OMB. The Auditor's unqualified opinion rendered on the District's general basic financial statements, and their report on the combining and individual fund statements, is included in the financial section of this Annual Comprehensive Financial Report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

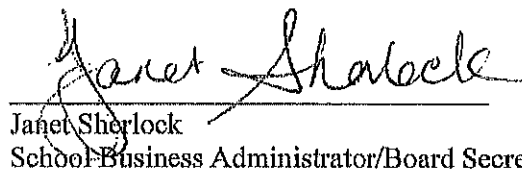
ACKNOWLEDGMENTS

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

Yours truly,



Dr. Tara Beams
Superintendent



Janet Sherlock
School Business Administrator/Board Secretary

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

One Grand Tour, Highlands, NJ 07732

**ROSTER OF OFFICIALS
June 30, 2023**

Members of the Board of Education

Term Expires

Michael Gannon, President	2023
Dr. Tracey Mulvaney, Vice President	2023
Melissa Cavaluzzi	2025
Richard Doust	2025
Claire Kozić	2024
Donald Kruger	2024
Ulrike Stock	2025
Emily Tidswell	2023
Open Seat – member resigned	2024

Other Officials

Title

Dr. Tara Beams	Superintendent
Janet Sherlock	School Business Administrator/Board Secretary
Jonathan Busch, Attorney	Solicitor

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

Consultants and Advisors

Audit Firm

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

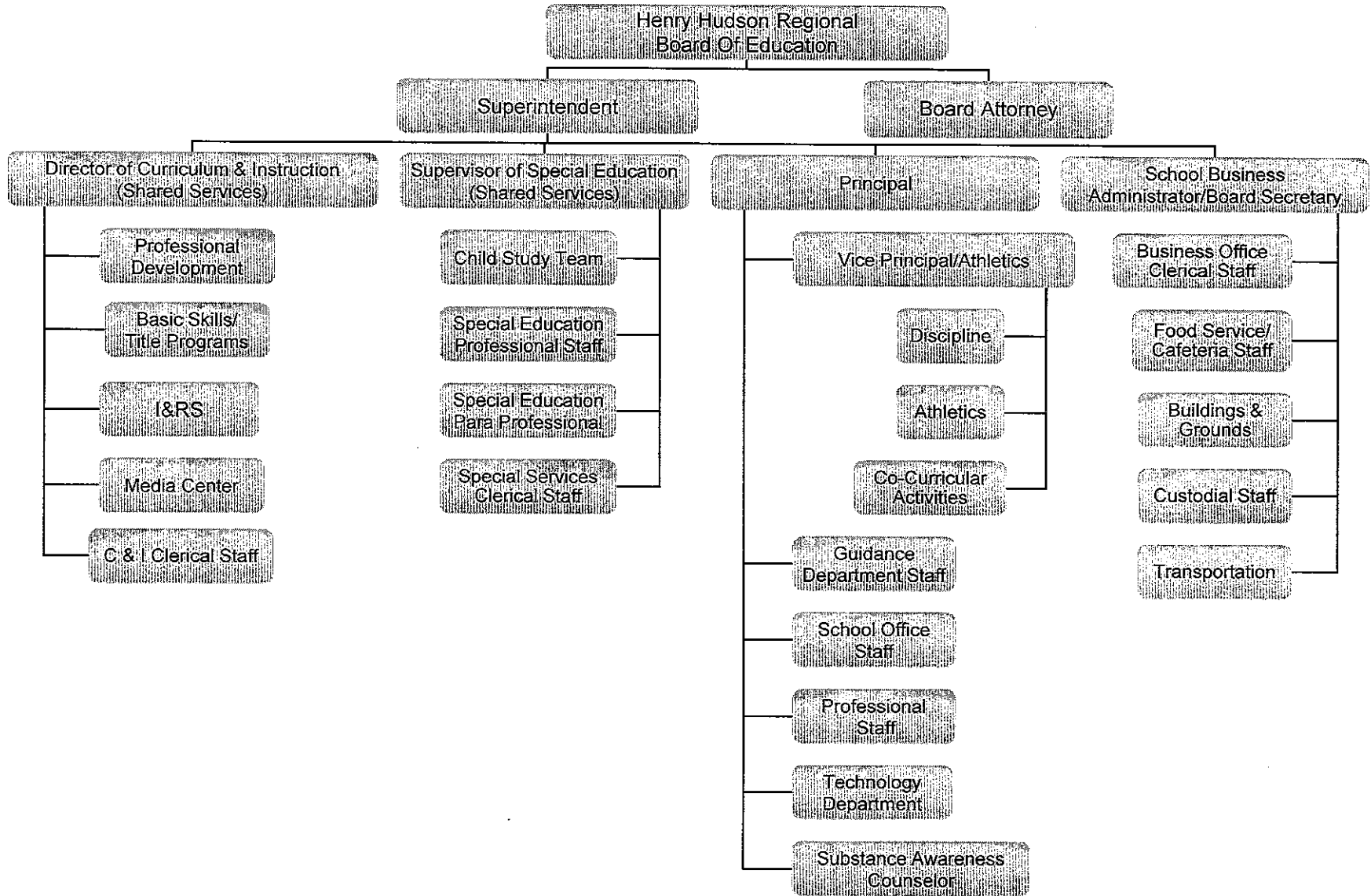
Attorney

Busch Law Group, LLC
450 Main Street
Metuchen, New Jersey 08840

Official Depository

TD Bank
207 Harmony Road
Middletown, New Jersey 07748

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 ORGANIZATIONAL CHART
 2022-2023



FINANCIAL SECTION

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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.

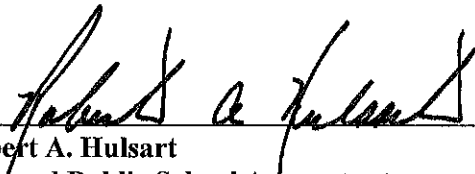
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 22, 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



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

December 22, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED

The discussion and analysis of Henry Hudson Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 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 \$11,418,234 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,024,995 to total revenues of \$12,443,229.
- Net Position of governmental activities decreased by \$264,790.
- The School District had \$12,708,019 in expenses; only \$1,024,995 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,418,234 were adequate to provide for these programs.

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 Henry Hudson Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 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 that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2023 and 2022.

Table 1
Net Position

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and Other Assets	\$ 5,796,751	5,460,226
Capital Assets, Net	<u>10,023,226</u>	<u>10,507,823</u>
Total Assets	<u>\$ 15,819,977</u>	<u>15,968,049</u>
<u>Deferred Outflows of Resources</u>		
Contribution to Pension Plan	<u>\$ 357,269</u>	<u>261,851</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 168,829</u>	<u>493,815</u>
<u>Liabilities</u>		
Other Liabilities	\$ 986,720	764,690
Long-Term Liabilities	<u>4,125,402</u>	<u>3,807,502</u>
Total Liabilities	<u>\$ 5,112,122</u>	<u>4,572,192</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 7,151,226	7,147,823
Restricted	3,335,462	4,563,436
Unrestricted	<u>409,607</u>	<u>(547,366)</u>
Total Net Position	<u>\$ 10,896,295</u>	<u>11,163,893</u>

Table 2 shows the changes in net position for fiscal years ended 2023 and 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 287,832	298,330
Operating Grants and Contributions	937,352	644,360
General Revenues		
Property Taxes	8,584,835	8,480,405
Grants and Entitlements	2,592,275	2,626,056
Other	<u>241,124</u>	<u>2,140,219</u>
Total Revenues	<u>12,643,418</u>	<u>14,189,370</u>
<u>Program Expenses</u>		
Instruction	4,155,324	3,882,419
Support Services		
Pupils and Instructional Staff	1,573,463	1,818,252
General Administration, School Administration, Business	728,213	618,591
Operations and Maintenance of Facilities	918,544	833,044
Pupil Transportation	805,983	813,436
Interest on Debt	96,149	91,182
Unallocated Benefits	2,944,616	2,991,381
Other	1,485,727	618,927
Food Service	<u>202,997</u>	<u>245,647</u>
Total Expenses	<u>12,911,016</u>	<u>11,912,879</u>
Change in Net Position	<u>\$ (267,598)</u>	<u>2,276,491</u>

Business-Type Activities

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

- Food service expenses exceeded revenues by \$2,808.
- Charges for services represent \$132,802 of revenue. This represents amount paid by patrons for daily food services.
- Federal and State reimbursements for lunches, snacks and breakfast were \$67,387.

Governmental Activities

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined net position balance of \$10,896,295. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

Capital Assets

At June 30, 2023, the School Board had approximately \$10,023,226 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2023		
Land	\$ 83,060	
Site Improvements	4,522	
Buildings	9,508,702	
Machinery and Equipment	<u>411,044</u>	<u>15,898</u>
Total	<u>\$ 10,007,328</u>	<u>15,898</u>

Debt Administration

At June 30, 2023, the School District had \$4,125,402 as outstanding debt. Of this amount \$184,061 is for compensated absences, \$2,872,000 for bonds for school construction, and \$1,069,341 as a pension liability.

Economic Factors and Next Year's Budget

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

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

Exhibit A-1

JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 630,208	47,900	678,108
Receivables, Net	512,867	1,534	514,401
Restricted Assets:			
Cash and Cash Equivalents	4,601,855		4,601,855
Inventory		2,387	2,387
Capital Assets Not Depreciated	83,060		83,060
Capital Assets, Net	9,924,268	15,898	9,940,166
Total Assets	<u>15,752,258</u>	<u>67,719</u>	<u>15,819,977</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>357,269</u>		<u>357,269</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>168,829</u>		<u>168,829</u>
<u>Liabilities</u>			
Accrued Interest	13,077		13,077
Accounts Payable	972,843		972,843
Deferred Revenue	800		800
Noncurrent Liabilities:			
Due Within One Year	550,000		550,000
Due Beyond One Year	3,575,402		3,575,402
Total Liabilities	<u>5,112,122</u>	<u>-</u>	<u>5,112,122</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	7,135,328	15,898	7,151,226
Restricted For:			
Other Purposes	3,335,462		3,335,462
Unrestricted	<u>357,786</u>	<u>51,821</u>	<u>409,607</u>
Total Net Position	<u>\$ 10,828,576</u>	<u>67,719</u>	<u>10,896,295</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 2,764,145			(2,764,145)		(2,764,145)
Special Education	707,076		293,823	(413,253)		(413,253)
Other Instruction	684,103			(684,103)		(684,103)
Support Services:						
Tuition	539,614	155,030		(384,584)		(384,584)
Student & Instruction Related Services	1,033,849		192,764	(841,085)		(841,085)
School Administrative Services	264,866			(264,866)		(264,866)
General and Business Administrative Services	463,347			(463,347)		(463,347)
Plant Operations and Maintenance	918,544			(918,544)		(918,544)
Pupil Transportation	805,983			(805,983)		(805,983)
Unallocated Benefits	2,944,616			(2,944,616)		(2,944,616)
Capital Outlay	979,112		383,378	(595,734)		(595,734)
Interest on Long-Term Debt	96,149			(96,149)		(96,149)
Unallocated Depreciation	506,615			(506,615)		(506,615)
Total Government Activities	12,708,019	155,030	869,965	(11,683,024)	-	(11,683,024)
Business-Type Activities:						
Food Service	202,997	132,802	67,387		(2,808)	(2,808)
Total Business-Type Activities	202,997	132,802	67,387	-	(2,808)	(2,808)
Total Primary Government	12,911,016	287,832	937,352	(11,683,024)	(2,808)	(11,685,832)

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit A-2
Sheet 2 of 2**

STATEMENT OF ACTIVITIES

JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	7,998,227		7,998,227
Taxes Levied for Debt Service	586,608		586,608
Federal and State Aid Not Restricted	2,592,275		2,592,275
Miscellaneous Income	241,124		241,124
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>11,418,234</u>	<u>-</u>	<u>11,418,234</u>
Change in Net Position	(264,790)	(2,808)	(267,598)
Net Position - Beginning	<u>11,093,366</u>	<u>70,527</u>	<u>11,163,893</u>
Net Position- Ending	<u>\$ 10,828,576</u>	<u>67,719</u>	<u>10,896,295</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 630,208				630,208
Cash and Cash Equivalents-Restricted	4,485,205	90,838	18,789	7,023	4,601,855
Receivables from Other Governments	142,279	370,588			512,867
Interfund Receivable	66,130				66,130
Total Assets	<u>\$ 5,323,822</u>	<u>461,426</u>	<u>18,789</u>	<u>7,023</u>	<u>5,811,060</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 568,837	303,658	13,364		885,859
Deferred Revenue		800			800
Interfund Payable		66,130			66,130
Payroll Deductions and Withholdings Payable	86,984				86,984
Total Liabilities	<u>655,821</u>	<u>370,588</u>	<u>13,364</u>	<u>-</u>	<u>1,039,773</u>
Fund Balance:					
Restricted for:					
Excess Surplus-Designated for Subsequent Year's Expenditures	1,050,524				1,050,524
Excess Surplus	602,182				602,182
Maintenance Reserve Account	135,983				135,983
Capital Reserve Account	1,436,935				1,436,935
Unemployment Compensation	19,000				19,000
Scholarships		23,819			23,819
Student Activities		67,019			67,019
Assigned To:					
Designated for Subsequent Year's Expenditures-Maintenance Reserve	382,792				382,792
Designated for Subsequent Year's Expenditures-Capital Reserve	567,000				567,000
Designated by the BOE for Subsequent Year's Expenditures	203,805				203,805
Unassigned:					
General Fund	269,780				269,780
Capital Projects Fund			5,425		5,425
Debt Service				7,023	7,023
Total Fund Balances	<u>4,668,001</u>	<u>90,838</u>	<u>5,425</u>	<u>7,023</u>	<u>4,771,287</u>
Total Liabilities and Fund Balance	<u>\$ 5,323,822</u>	<u>461,426</u>	<u>18,789</u>	<u>7,023</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 \$22,264,948 and the accumulated depreciation is \$12,257,620.

10,007,328

Accrued Interest

(13,077)

Deferred outflow of resources - contributions to the pension plan

357,269

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

(168,829)

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

(4,125,402)

Net position of governmental activities

\$ 10,828,576

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 7,998,227			586,608	8,584,835
Tuition	155,030				155,030
Transportation	61,447				61,447
Miscellaneous	166,615	71,679			238,294
Total Local Sources	<u>8,381,319</u>	<u>71,679</u>	-	<u>586,608</u>	<u>9,039,606</u>
State Sources	2,592,275	20,755		-	2,613,030
Federal Sources		777,531			777,531
Total Revenues	<u>10,973,594</u>	<u>869,965</u>	-	<u>586,608</u>	<u>12,430,167</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	2,764,145				2,764,145
Special Education Instruction	413,253	293,823			707,076
Other Instruction	684,103				684,103
Support Services and Undistributed Costs:					
Tuition	539,614				539,614
Student and Instruction Related Services	835,233	198,616			1,033,849
School Administrative Services	264,866				264,866
Other Administrative Services	463,347				463,347
Plant Operations and Maintenance	918,544				918,544
Pupil Transportation	805,983				805,983
Unallocated Benefits	3,069,120				3,069,120
Debt Service:					
Principal				540,000	540,000
Interest and Other Charges				46,608	46,608
Capital Outlay	558,506	383,378	61,000		1,002,884
Total Expenditures	<u>11,316,714</u>	<u>875,817</u>	<u>61,000</u>	<u>586,608</u>	<u>12,840,139</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(343,120)</u>	<u>(5,852)</u>	<u>(61,000)</u>	<u>-</u>	<u>(409,972)</u>
Other Financing Sources and Uses:					
Cancel Interfund Due Capital Projects	34,903		(34,903)		-
Cancel Prior Year Accounts Receivable			(704)		(704)
Cancel Prior Year Accounts Payable	<u>13,766</u>				<u>13,766</u>
Total Other Financing Sources and Uses	<u>48,669</u>	<u>-</u>	<u>(35,607)</u>	<u>-</u>	<u>13,062</u>
Total Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>(294,451)</u>	<u>(5,852)</u>	<u>(96,607)</u>	<u>-</u>	<u>(396,910)</u>
Net Change in Fund Balances	(294,451)	(5,852)	(96,607)	-	(396,910)
Fund Balance - July 1	<u>4,962,452</u>	<u>96,690</u>	<u>102,032</u>	<u>7,023</u>	<u>5,168,197</u>
Fund Balance - June 30	<u>\$ 4,668,001</u>	<u>90,838</u>	<u>5,425</u>	<u>7,023</u>	<u>4,771,287</u>

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

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

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (396,910)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(506,615)
Capital Outlay	23,772
Prior Period Adjustment - Debt	(52,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	540,000
In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used.	18,335
Compensated Absences	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	95,418
Changes in Pension Liability	(314,235)
Pension Related Deferrals	324,986
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	2,459
Change in Net Position of Governmental Activities	<u>\$ (264,790)</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2023

	<u>Enterprise Funds</u>
<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 47,900
Accounts Receivable:	
State	41
Federal	1,139
Miscellaneous	354
Inventory	2,387
Total Current Assets	<u>51,821</u>
Noncurrent Assets:	
Equipment	205,403
Accumulated Depreciation	<u>(189,505)</u>
Total Fixed Assets	<u>15,898</u>
Total Assets	<u>\$ 67,719</u>
<u>Net Position:</u>	
Investment in Capital Assets	\$ 15,898
Unrestricted	<u>51,821</u>
Total Net Position	<u>\$ 67,719</u>

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

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

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2023

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales - Reimbursable Programs	\$ 102,959
Daily Sales - Non-Reimbursable Programs	29,843
Total Operating Revenues	<u>132,802</u>
Operating Expenses:	
Salaries	81,959
Cost of Sales - Reimbursable Programs	45,590
Cost of Sales - Non-Reimbursable Programs	24,549
Supplies and Materials	3,826
Management Fee	10,000
Cleaning	1,527
Insurance	3,893
Depreciation	1,754
Miscellaneous	29,899
Operating Expenses	<u>202,997</u>
Operating Gain/(Loss)	(70,195)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	790
State Breakfast Program	33
Federal Sources:	
National School Lunch Program	17,341
HHFKA Lunch	662
Supply Chain	28,296
Federal Breakfast Program	5,047
Food Distribution Program	15,218
Total Non-Operating Revenues	<u>67,387</u>
Change in Net Position	(2,808)
Net Position, July 1	<u>70,527</u>
Net Position, June 30	<u>\$ 67,719</u>

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

HENRY HUDSON REGIONAL SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2023

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 132,802
Payments to Employees	(81,959)
Payments to Suppliers	(65,813)
Net Cash Provided (Used) by Operating Activities	<u>(14,970)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	823
Federal Sources	51,346
Net Cash Provided by Noncapital Financing Activities	<u>52,169</u>
Net Increase (Decrease) in Cash and Cash Equivalents	37,199
Cash and Cash Equivalents, July 1	<u>10,701</u>
Cash and Cash Equivalents, June 30	<u>\$ 47,900</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (70,195)
Depreciation	1,754
Federal Commodities Consumed	15,218
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Inventory	(905)
Decrease/(Increase) in Accounts Receivable	39,158
Net Cash Provided (Used) by Operating Activities	<u>\$ (14,970)</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

HENRY HUDSON REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Henry Hudson Regional School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The operations of the District include one Regional Middle School/High School, located in the Highlands. The Henry Hudson Regional School District had an approximate enrollment at June 30, 2023 of 301 students.

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

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

B. Government-Wide Financial Statements

The 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.

Proprietary Fund Type

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

Fiduciary Fund Types

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types (Continued)

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

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

F. Encumbrances:

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation**

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

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

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

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets That Are				
Not Being Depreciated:				
Land	\$ 83,060	_____	_____	83,060
Total	<u>83,060</u>	_____	_____	<u>83,060</u>
Depreciable Assets:				
Site Improvements	442,042			442,042
Buildings	18,326,398			18,326,398
Equipment	<u>3,389,676</u>	<u>23,772</u>	_____	<u>3,413,448</u>
Total	<u>22,158,116</u>	<u>23,772</u>	_____	<u>22,181,888</u>
Less: Accumulated				
Depreciation:				
Site Improvements	(435,711)	(1,809)		(437,520)
Buildings	(8,394,567)	(423,129)		(8,817,696)
Equipment	<u>(2,920,727)</u>	<u>(81,677)</u>	_____	<u>(3,002,404)</u>
Total Accumulated				
Depreciation	<u>(11,751,005)</u>	<u>(506,615)</u>	_____	<u>(12,257,620)</u>
Net Depreciable Assets	<u>10,407,111</u>	<u>(482,843)</u>	_____	<u>9,924,268</u>
Governmental Activities				
Capital Assets (Net)	<u>\$ 10,490,171</u>	<u>(482,843)</u>	_____	<u>10,007,328</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation**

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:				
Equipment	\$ 205,403			205,403
Less: Accumulated Depreciation:				
Equipment	<u>(187,751)</u>	<u>(1,754)</u>	_____	<u>(189,505)</u>
Business-Type Capital Assets (Net)	<u>\$ 17,652</u>	<u>(1,754)</u>	_____	<u>15,898</u>

Depreciation expense was charged to governmental functions as follow:

Unallocated	<u>\$ 506,615</u>
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J. Compensated Absences

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

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Continued)

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.

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.

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

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.

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:

	Cash and Cash Equivalents
Checking and Money Market Accounts	\$ 2,904,711
Cash Management Accounts	<u>2,375,252</u>
	<u>\$ 5,279,963</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2023 was \$5,279,963 and the bank balance was \$5,370,851. Of the bank balance, \$250,000 was covered by federal depository insurance, \$2,745,599 was covered by a collateral pool maintained by the banks as required by New Jersey statutes and \$2,375,252 was uninsured.

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

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

<u>Depository Account</u>	<u>Bank Balance June 30, 2023</u>
Insured:	
FDIC	\$ 250,000
GUDPA	2,745,599
Uninsured	<u>2,375,252</u>
	<u>\$ 5,370,851</u>

Custodial Credit Risk – Deposits

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

At June 30, 2023 the District held \$2,375,252 in uninsured deposits.

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 June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Long-Term Portion</u>	<u>2023-24 Payment</u>
Pension Liability	\$ 755,106	314,235		1,069,341	1,069,341	
Compensated Absences Payable	202,396		(18,335)	184,061	184,061	
Bonds Payable	<u>3,412,000</u>		<u>(540,000)</u>	<u>2,872,000</u>	<u>2,322,000</u>	<u>550,000</u>
	<u>\$ 4,369,502</u>	<u>314,235</u>	<u>(558,335)</u>	<u>4,125,402</u>	<u>3,575,402</u>	<u>550,000</u>

A. Bonds Payable

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

Refunding bonds issued January 18, 2012 for \$7,415,000 for additions and renovations to the high school maturing March 1, 2028 with a balance of \$2,872,000 at June 30, 2023 with interest rates from 3.25% to 4%.

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

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023/2024	\$ 550,000	39,232	589,232
2024/2025	555,000	31,718	586,718
2025/2026	585,000	24,137	609,137
2026/2027	590,000	16,146	606,146
2027/2028	<u>592,000</u>	<u>8,087</u>	<u>600,087</u>
	<u>\$ 2,872,000</u>	<u>119,320</u>	<u>2,991,320</u>

NOTE 4: Pension Plans

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

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

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

NOTE 4: Pension Plans (Continued)

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2023, the State of New Jersey contributed \$1,608,767 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$270,595 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/23	\$ 89,355	100%	0
6/30/22	74,648	100%	0
6/30/21	67,733	100%	0

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

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/23	\$ 1,583,584	100%	0
6/30/22	1,608,767	100%	0
6/30/21	1,218,119	100%	0

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.

The following represents the membership tiers for PERS:

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

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 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 \$89,355. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 7,718	6,806
Changes of Assumptions	3,313	160,123
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	44,259	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	212,624	1,900
District Contributions Subsequent to the Measurement Date	<u>89,355</u>	<u> </u>
Total	<u>\$ 357,269</u>	<u>168,829</u>

\$89,355 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	\$ (90,957)
2024	(46,339)
2025	(22,599)
2026	49,302
2027	<u>(108)</u>
	<u>\$ (110,701)</u>

Additional Information

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

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective Deferred Outflows of Resources	\$ 357,269	261,851
Collective Deferred Inflows of Resources	168,829	493,815
Collective Net Pension Liability	1,069,341	755,106
District's Proportion	0.00703%	0.00631%

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:

	2022		
	<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>\$ 1,373,790</u>	<u>1,069,341</u>	<u>810,243</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>\$ 16,110,391</u>	<u>15,044,209</u>
District's Proportion	.03118%	.03123%

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	\$ (828,900)
2024	(1,192,074)
2025	(1,044,720)
2026	(470,554)
2027	(513,686)
Thereafter	<u>(526,154)</u>
Total	<u>\$ (4,576,088)</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:

<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 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%</u> <u>Decrease (6.00%)</u>	<u>At Current</u> <u>Discount</u> <u>Rate (7.00%)</u>	<u>At 1%</u> <u>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>18,889,776</u>	<u>16,110,391</u>	<u>13,769,109</u>
	<u>\$ 18,889,776</u>	<u>16,110,391</u>	<u>13,769,109</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.

NOTE 5: Post-Retirement Benefits (Continued)

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.

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.

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

NOTE 5: Post-Retirement Benefits (Continued)

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%.

(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.

NOTE 5: Post-Retirement Benefits (Continued)

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

	Total OPEB Liability
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:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
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>

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
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>

NOTE 5: Post-Retirement Benefits (Continued)

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 \$464,508 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

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

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences as of June 30, 2023, was \$184,061.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Henry Hudson Regional Board of Education by inclusion of \$150,000 on October 18, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 2,303,835
2022/23 Budgeted Withdrawal	(300,000)
Interest Increase	<u>100 *</u>
Ending Balance, June 30, 2023	<u>\$ 2,003,935</u>

The District has appropriated \$567,000 to offset the 2023-24 budget.

NOTE 8: Inventory

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$ 1,595
Supplies	<u>792</u>
	<u>\$ 2,387</u>

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

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$4,715,672 General Fund fund balance at June 30, 2023, \$1,436,935 has been placed in the capital reserve; \$135,983 is in maintenance reserve; \$382,792 is maintenance reserve designated for subsequent years expenditures; \$567,000 is capital reserve designated for subsequent years expenditures; \$1,050,524 of excess surplus is designated for subsequent year's expenditures; \$602,182 is excess surplus; \$203,805 is designated for subsequent year's expenditures; \$317,451 is undesignated; and \$19,000 is unemployment.

NOTE 10: Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

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

2022-23 Total General Fund Expenditures Per the ACFR	\$ 11,330,471
Decreased by:	
On Behalf TPAF Pension and Social Security	<u>(1,860,779)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 9,469,692</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 189,394</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>67,451</u>
Maximum Unassigned Fund Balance	<u>\$ 317,451</u>

NOTE 11: Equity Balance (Continued)**Section 2**

Total General Fund -- Fund Balance @ 6-30-23	\$ 4,715,672
--	--------------

Decreased by:

Legally Restricted:

Designated for Subsequent Year's Expenditures -- Maintenance Reserve	(382,792)
Designated for Subsequent Year's Expenditures -- Capital Reserve	(567,000)
Designated for Subsequent Year's Expenditures -- Excess Surplus Reserve for Unemployment	(1,050,524)
Other Restricted Reserved Fund Balances	(19,000)
Assigned - Designated for Subsequent Years Expenditures	(1,572,918)
	<u>(203,805)</u>

Total Unassigned Fund Balance	<u>\$ 919,633</u>
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Restricted Fund Balance -- Excess Surplus	<u>\$ 602,182</u>
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Section 3

Excess Surplus Designated for Subsequent Years Expenditures	\$ 1,050,524
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Excess Surplus	<u>602,182</u>
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	<u>\$ 1,652,706</u>
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Detail of Allowable Adjustments

Extraordinary Aid	\$ 50,190
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Non-Public Transportation	<u>17,261</u>
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	<u>\$ 67,451</u>
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Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 135,983
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Capital Reserve	<u>1,436,935</u>
-----------------	------------------

	<u>\$ 1,572,918</u>
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Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2023-2024 budget.

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

NOTE 12: Contingent Liabilities

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

NOTE 13: Economic Dependency

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

NOTE 14: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Reimbursed</u>	<u>Balance</u>
2022-2023	\$ 8,984	277	4,783	19,000
2021-2022	7,866	11	123	14,522
2020-2021	7,036	3	12,878	6,768

NOTE 15: Deferred Compensation

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

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

NOTE 16: 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>
General Fund	\$	66,130
Special Revenue Fund	<u>66,130</u>	<u> </u>
	<u>\$ 66,130</u>	<u>66,130</u>

The interfund loans were for temporary cash deficits that will be repaid in 2023-2024.

NOTE 17: Subsequent Events

Subsequent events have been evaluated through December 22, 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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 1 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,998,227		7,998,227	7,998,227	-
Tuition	125,800		125,800	155,030	29,230
Transportation Fees	61,347		61,347	61,447	100
Interest on Investments	5,000		5,000	109,252	104,252
Miscellaneous			-	48,103	48,103
Other Restricted Miscellaneous Revenues			-	9,260	9,260
Total Local Sources	<u>8,190,374</u>	<u>-</u>	<u>8,190,374</u>	<u>8,381,319</u>	<u>190,945</u>
State Sources:					
Security Aid	60,908		60,908	60,908	-
Adjustment Aid	48,569		48,569	48,569	-
Transportation Aid	183,003		183,003	183,003	-
Special Education Aid	264,676		264,676	264,676	-
Extraordinary Aid	61,433		61,433	111,623	50,190
Non Public Transportation			-	17,261	17,261
Supplemental Stabilization Aid			-	38,338	38,338
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	329,346	329,346
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	1,253,708	1,253,708
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	530	530
TPAF Social Security Contribution (Reimbursed)			-	277,195	277,195
Total State Sources	<u>618,589</u>	<u>-</u>	<u>618,589</u>	<u>2,585,157</u>	<u>1,966,568</u>
Total Revenues	<u>8,808,963</u>	<u>-</u>	<u>8,808,963</u>	<u>10,966,476</u>	<u>2,157,513</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Grades 7-8 - Salaries of Teachers	823,929	(138,131)	685,798	669,309	16,489
Grades 9-12 - Salaries of Teachers	1,564,581	125,879	1,690,460	1,683,191	7,269
Subtotal	<u>2,388,510</u>	<u>(12,252)</u>	<u>2,376,258</u>	<u>2,352,500</u>	<u>23,758</u>
Regular Programs - Home Instruction					
Salaries -Teachers	16,000	720	16,720	16,720	-
Purchased Professional Educational Services	7,000	5,920	12,920	12,011	909
Subtotal	<u>23,000</u>	<u>6,640</u>	<u>29,640</u>	<u>28,731</u>	<u>909</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	77,000	28,726	105,726	105,726	-
Other Purchased Services	2,000	433	2,433	2,413	20
General Supplies	202,922	(32,556)	170,366	124,616	45,750
Textbooks	85,722	4,981	90,703	84,678	6,025
Other Objects	67,489		67,489	65,481	2,008
Subtotal	<u>435,133</u>	<u>1,584</u>	<u>436,717</u>	<u>382,914</u>	<u>53,803</u>
Total Regular Programs - Instruction	<u>2,846,643</u>	<u>(4,028)</u>	<u>2,842,615</u>	<u>2,764,145</u>	<u>78,470</u>
Multiple Disabilities					
Salaries of Teachers	144,344	(9,694)	134,650	134,650	-
Other Salaries for Instruction	60,188	5,194	65,382	62,674	2,708
Total Multiple Disabilities	<u>204,532</u>	<u>(4,500)</u>	<u>200,032</u>	<u>197,324</u>	<u>2,708</u>
Resource Room/Center:					
Salaries of Teachers	318,660	(102,731)	215,929	215,929	-
General Supplies	1,200		1,200		1,200
Total Resource Room/Center	<u>319,860</u>	<u>(102,731)</u>	<u>217,129</u>	<u>215,929</u>	<u>1,200</u>
Total Special Education - Instruction	<u>524,392</u>	<u>(107,231)</u>	<u>417,161</u>	<u>413,253</u>	<u>3,908</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	20,500	74,002	94,502	94,502	-
General Supplies	500	(1)	499		499
Total Basic Skills/Remedial - Instruction	<u>21,000</u>	<u>74,001</u>	<u>95,001</u>	<u>94,502</u>	<u>499</u>
Bilingual Education - Instruction:					
Salaries of Teachers		<u>17,631</u>	<u>17,631</u>	<u>17,631</u>	<u>-</u>
School Sponsored Co-Curricular Activities - Instruction					
Salaries	113,646		113,646	94,949	18,697
Other Objects	<u>17,300</u>		<u>17,300</u>	<u>9,146</u>	<u>8,154</u>
Total School Sponsored Co-Curricular Activities	<u>130,946</u>	<u>-</u>	<u>130,946</u>	<u>104,095</u>	<u>26,851</u>
School Sponsored Athletics - Instruction					
Salaries	306,137	21,445	327,582	303,463	24,119
Supplies and Materials	43,874	(823)	43,051	28,836	14,215
Other Objects	<u>110,195</u>	<u>(9,942)</u>	<u>100,253</u>	<u>77,121</u>	<u>23,132</u>
Total School Sponsored Athletics - Instruction	<u>460,206</u>	<u>10,680</u>	<u>470,886</u>	<u>409,420</u>	<u>61,466</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	<u>25,000</u>		<u>25,000</u>	<u>19,939</u>	<u>5,061</u>
Summer School Instruction:					
Salaries of Teachers		10,278	10,278	10,278	-
Other Salaries for Instruction		9,516	9,516	9,515	1
Support Salaries		<u>18,723</u>	<u>18,723</u>	<u>18,723</u>	<u>-</u>
Total Summer School Instruction	<u>-</u>	<u>38,517</u>	<u>38,517</u>	<u>38,516</u>	<u>1</u>
Total Distributed Expenditures	<u>4,008,187</u>	<u>29,570</u>	<u>4,037,757</u>	<u>3,861,501</u>	<u>176,256</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Undistributed Expenditures:					
Tuition:					
Tuition to Other LEAs in State - Special	26,685		26,685	16,221	10,464
Tuition to County Vocational School:					
Regular	179,527		179,527	166,079	13,448
Special	37,440	(1,000)	36,440	12,484	23,956
Tuition State Facilities	40,270	51,792	92,062	92,062	-
Tuition - Other	9,600	1,000	10,600	9,824	776
Tuition to Private School for Handicapped -					
Within State	281,098	(136,375)	144,723	55,771	88,952
Tuition to Private School for Handicapped -					
Outside State	195,750	12,120	207,870	187,173	20,697
Total Tuition	<u>770,370</u>	<u>(72,463)</u>	<u>697,907</u>	<u>539,614</u>	<u>158,293</u>
Attendance & Social Work:					
Salaries	63,434	818	64,252	64,251	1
Total Attendance & Social Work	<u>63,434</u>	<u>818</u>	<u>64,252</u>	<u>64,251</u>	<u>1</u>
Health Services:					
Salaries	69,306	(5,230)	64,076	56,808	7,268
Purchased Professional/Technical Services	23,550	4,412	27,962	26,485	1,477
Supplies and Materials	4,275	149	4,424	4,392	32
Total Health Services	<u>97,131</u>	<u>(669)</u>	<u>96,462</u>	<u>87,685</u>	<u>8,777</u>
Other Support Services - Students - Related Services:					
Salaries	3,000		3,000	961	2,039
Purchased Professional/Educational Services	23,550	(5,113)	18,437	1,777	16,660
Supplies and Materials	200	(200)	-	-	-
Total Related Services	<u>26,750</u>	<u>(5,313)</u>	<u>21,437</u>	<u>2,738</u>	<u>18,699</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	212,478	(836)	211,642	206,478	5,164
Salaries of Secretarial & Clerical	39,099		39,099	39,061	38
Other Purchased Services	4,000		4,000	1,292	2,708
Supplies and Materials	15,800		15,800	7,358	8,442
Other Objects	15,712	(8,712)	7,000	1,382	5,618
Total Other Support Services - Students - Regular	<u>287,089</u>	<u>(9,548)</u>	<u>277,541</u>	<u>255,571</u>	<u>21,970</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	248,698	(18,221)	230,477	174,984	55,493
Salaries of Secretarial & Clerical	13,030	(13,030)	-	-	-
Purchased Professional Educational Services	42,594	2,402	44,996	44,996	-
Other Purchased Services		18,774	18,774	18,774	-
Supplies and Materials	2,000		2,000	1,500	500
Other Objects	11,125	1,975	13,100	3,497	9,603
Total Other Support Services - Students - Special	<u>317,447</u>	<u>(8,100)</u>	<u>309,347</u>	<u>243,751</u>	<u>65,596</u>
Improvement of Instructional Services:					
Salaries of Secretarial & Clerical	34,119	5,964	40,083	28,365	11,718
Curriculum Writing	13,230	1,000	14,230	12,495	1,735
Purchased Professional Educational Services	45,241	(4,813)	40,428	38,321	2,107
Supplies & Materials	3,000		3,000		3,000
Other Objects	9,050		9,050	5,331	3,719
Total Improvement of Instructional Services	<u>104,640</u>	<u>2,151</u>	<u>106,791</u>	<u>84,512</u>	<u>22,279</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Educational Media/Library:					
Salaries	50,962		50,962	50,701	261
Salaries of Technology Coordinators	86,203	(78,056)	8,147		8,147
Purchased Professional & Tech Services	36,007	134	36,141	36,141	-
Supplies & Materials	12,280	(134)	12,146	3,333	8,813
Other Objects	5,000		5,000	4,953	47
Total Educational Media/Library	<u>190,452</u>	<u>(78,056)</u>	<u>112,396</u>	<u>95,128</u>	<u>17,268</u>
Staff Training:					
Other Objects	13,000	(5,435)	7,565	1,597	5,968
Total Staff Training	<u>13,000</u>	<u>(5,435)</u>	<u>7,565</u>	<u>1,597</u>	<u>5,968</u>
Support Services - General Administration:					
Salaries	86,200	(25,000)	61,200	61,200	-
Legal Services	25,000	35,475	60,475	59,414	1,061
Audit Fees	15,900	800	16,700	16,700	-
Architectural/Engineering Services	2,000	(80)	1,920	1,214	706
Other Purchased Professional Services	5,600	475	6,075	6,075	-
Purchased Technical Services			-		-
Communications/Telephone	22,480	(4,822)	17,658	17,479	179
BOE Other Purchased Services	4,000	(582)	3,418	3,047	371
Insurance	30,725	(1,508)	29,217	29,187	30
Other Purchased Services		23,602	23,602	23,602	-
Supplies & Materials	4,075	2,106	6,181	6,180	1
BOE In House Training Supplies	2,000	(1,217)	783	623	160
Miscellaneous Expenditures	27,220	(15,095)	12,125	11,687	438
BOE Membership Dues and Fees	7,550	(1,705)	5,845	5,844	1
Total Support Services - General Administration	<u>232,750</u>	<u>12,449</u>	<u>245,199</u>	<u>242,252</u>	<u>2,947</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	140,000	62,500	202,500	202,500	-
Salaries of Secretarial & Clerical	50,000		50,000	44,792	5,208
Purchased Professional/Technical Serv.	4,800	11,162	15,962	11,765	4,197
Supplies & Materials	2,500	2,150	4,650	4,389	261
Other Objects	1,500		1,500	1,420	80
Total Support Services - School Administration	<u>198,800</u>	<u>75,812</u>	<u>274,612</u>	<u>264,866</u>	<u>9,746</u>
Required Maintenance - Facilities:					
Cleaning, Repair & Maintenance Services	206,307	(30,083)	176,224	158,220	18,004
General Supplies	18,550	3,874	22,424	22,423	1
Total Allowable Maintenance Facilities	<u>224,857</u>	<u>(26,209)</u>	<u>198,648</u>	<u>180,643</u>	<u>18,005</u>
Other Operations & Maintenance:					
Salaries	60,621	1,951	62,572	60,905	1,667
Purchased Professional/Technical Serv.	324,546	1,676	326,222	322,667	3,555
Cleaning, Repair & Maintenance Services	28,210	(1,146)	27,064	24,300	2,764
Insurance	43,200	250	43,450	43,450	-
Other Purchased Services	16,600	(250)	16,350	15,432	918
Natural Gas	69,000	20,568	89,568	82,573	6,995
Electricity	105,000	(4,716)	100,284	100,284	-
Other Objects	4,000	350	4,350	4,171	179
Total Other Operations & Maintenance	<u>651,177</u>	<u>18,683</u>	<u>669,860</u>	<u>653,782</u>	<u>16,078</u>
Security:					
Salaries		66,797	66,797	66,797	-
Purchased Professional and Tech. Services	39,004	(21,682)	17,322	17,322	-
Total Security	<u>39,004</u>	<u>45,115</u>	<u>84,119</u>	<u>84,119</u>	<u>-</u>
Total Operations & Maintenance	<u>915,038</u>	<u>37,589</u>	<u>952,627</u>	<u>918,544</u>	<u>34,083</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Student Transportation:					
Salaries Between Home & School-Regular	196,532	(24,745)	171,787	171,699	88
Salaries Between Home & School-Special	49,099	(2,044)	47,055	46,498	557
Cleaning, Repair, Maintenance Services	22,000	39,583	61,583	61,583	-
Rental Payments-School Buses	5,000	10,550	15,550	15,550	-
Contracted Services Between Home & School- Vendors	362,552	(6,198)	356,354	353,704	2,650
Insurance	7,650		7,650	7,650	-
Contracted Services Special Ed. Joint Agreement	127,500	(69,285)	58,215	58,215	-
Contracted Services-Aid in Lieu-N.P.	63,000	(316)	62,684	62,684	-
Transportation Supplies	31,000	(4,360)	26,640	26,640	-
Other Objects	2,000		2,000	1,760	240
Total Student Transportation	<u>866,333</u>	<u>(56,815)</u>	<u>809,518</u>	<u>805,983</u>	<u>3,535</u>
Central Services:					
Salaries	180,668	(7,929)	172,739	170,613	2,126
Purchased Professional Services	22,870	222	23,092	23,092	-
Supplies & Materials	2,000	1,031	3,031	3,031	-
Miscellaneous Expenditures	4,000	(1,253)	2,747	2,045	702
Total Central Services	<u>209,538</u>	<u>(7,929)</u>	<u>201,609</u>	<u>198,781</u>	<u>2,828</u>
Administration Information Technology:					
Purchased Technical Services	<u>20,000</u>	<u>2,315</u>	<u>22,315</u>	<u>22,314</u>	<u>1</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	98,654	(5,697)	92,957	89,284	3,673
Other Retirement Contrib. - PERS	78,643	10,712	89,355	89,355	-
Other Retirement Contrib. - DCRP	4,000		4,000	3,514	486
Unemployment Compensation			-	4,783	(4,783)
Workman's Compensation	45,782	7,646	53,428	53,428	-
Health Benefits	1,077,722		1,077,722	967,977	109,745
Tuition Reimbursements	7,000	(3,636)	3,364		3,364
Other Employee Benefits	11,800	(10,000)	1,800		1,800
Total Unallocated Benefits	<u>1,323,601</u>	<u>(975)</u>	<u>1,322,626</u>	<u>1,208,341</u>	<u>114,285</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	329,346	(329,346)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	1,253,708	(1,253,708)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	530	(530)
TPAF Social Security Contribution (Reimbursed)			-	277,195	(277,195)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,860,779</u>	<u>(1,860,779)</u>
Total Undistributed Expenditures	<u>5,636,373</u>	<u>(114,169)</u>	<u>5,522,204</u>	<u>6,896,707</u>	<u>(1,374,503)</u>
Total General Current Expense	<u>9,644,560</u>	<u>(84,599)</u>	<u>9,559,961</u>	<u>10,758,208</u>	<u>(1,198,247)</u>
Capital Outlay:					
Assessment for Debt Service	40,184		40,184	40,184	-
Equipment - Classrooms		9,795	9,795	9,795	-
Land Improvements	300,000	114,622	414,622	414,622	-
Other Objects		95,861	95,861	93,905	1,956
Total Capital Outlay	<u>340,184</u>	<u>220,278</u>	<u>560,462</u>	<u>558,506</u>	<u>1,956</u>
Total Current Expense, and Capital Outlay	<u>9,984,744</u>	<u>135,679</u>	<u>10,120,423</u>	<u>11,316,714</u>	<u>(1,196,291)</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,155,398)	(135,679)	(1,291,077)	(350,238)	940,839
Other Financing Sources and Uses:					
Cancel Interfund Due Capital Projects			-	34,903	34,903
Cancel Prior Year Accounts Payable			-	13,766	13,766
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,669</u>	<u>48,669</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	<u>(1,155,398)</u>	<u>(135,679)</u>	<u>(1,291,077)</u>	<u>(301,569)</u>	<u>989,508</u>
Fund Balance, July 1	5,017,241		5,017,241	5,017,241	
Fund Balance, June 30	<u>\$ 3,861,843</u>	<u>(135,679)</u>	<u>3,726,164</u>	<u>4,715,672</u>	<u>989,508</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

**Exhibit C-1
Sheet 11 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL 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 Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus-Designated for Subsequent Years Expenditures				\$ 1,050,524	
Excess Surplus-Current Year				602,182	
Maintenance Reserve				135,983	
Capital Reserve				1,436,935	
Unemployment Compensation				19,000	
Assigned Fund Balances:					
Designated for Subsequent Year's Expenditures - Capital Reserve				567,000	
Designated for Subsequent Year's Expenditures - Maintenance Reserve				382,792	
Designated for Subsequent Year's Expenditures By The BOE				203,805	
Unassigned Fund Balance				317,451	
				<u>4,715,672</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(47,671)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,668,001</u>	

HENRY HUDSON REGIONAL 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	\$ 71,679	-	71,679	71,679	-
State Sources	20,755	-	20,755	20,755	-
	<u>92,434</u>	<u>-</u>	<u>92,434</u>	<u>92,434</u>	<u>-</u>
Federal Sources:					
Title I, Part A	77,709		77,709	77,709	-
Title IIA, Part A	10,463		10,463	10,463	-
Title IV, Part A	13,840		13,840	13,840	-
IDEA Part B, Basic	106,866		106,866	106,866	-
CRRSA ESSER II	86,319		86,319	86,319	-
CRRSA Accelerated Learning	3,970		3,970	3,970	-
CRRSA Mental Health	25,931		25,931	25,931	-
ARP ESSER	429,413		429,413	429,413	-
ARP Accelerated Learning	3,874		3,874	3,874	-
ARP Summer	9,878		9,878	9,878	-
ARP Mental Health	9,268		9,268	9,268	-
Total Federal Sources	<u>777,531</u>	<u>-</u>	<u>777,531</u>	<u>777,531</u>	<u>-</u>
Total Revenues	<u>869,965</u>	<u>-</u>	<u>869,965</u>	<u>869,965</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	51,260		51,260	51,260	-
Purchased Professional Services	29,389		29,389	29,389	-
Other Purchased Services	98,861		98,861	98,861	-
General Supplies	69,959		69,959	69,959	-
Textbooks	40,354		40,354	40,354	-
Other Objects	4,000		4,000	4,000	-
Total Instruction	<u>293,823</u>	<u>-</u>	<u>293,823</u>	<u>293,823</u>	<u>-</u>

HENRY HUDSON REGIONAL 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 for Instruction	1,286		1,286	1,286	-
Employee Benefits	25,149		25,149	25,149	-
Purchased Technical Services	45,995		45,995	45,995	-
Other Purchased Services	23,715		23,715	23,715	-
General Supplies	24,940		24,940	24,940	-
Scholarships Awarded	9,600		9,600	9,600	-
Student Activities	67,931		67,931	67,931	-
Total Support Services	<u>198,616</u>	<u>-</u>	<u>198,616</u>	<u>198,616</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Construction Services	<u>383,378</u>		<u>383,378</u>	<u>383,378</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>383,378</u>	<u>-</u>	<u>383,378</u>	<u>383,378</u>	<u>-</u>
Total Expenditures	<u>875,817</u>	<u>-</u>	<u>875,817</u>	<u>875,817</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,852)</u>	<u>-</u>	<u>(5,852)</u>	<u>(5,852)</u>	<u>-</u>
Fund Balance, July 1				<u>96,690</u>	
Fund Balance, June 30				<u>\$ 90,838</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ -	
Student Activities					
Total Fund Balance				<u>\$ -</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

HENRY HUDSON REGIONAL SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

BUDGETARY COMPARISON SCHEDULE**NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,966,476	869,965
Difference - budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	54,789	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(47,671)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 10,973,594</u>	<u>869,965</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,316,714	875,817
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 11,316,714</u>	<u>875,817</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

HENRY HUDSON REGIONAL 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	0.00703%	0.00631%	0.00614%	0.00596%	0.00482%	0.00490%	0.00572%	0.00588%	0.00576%	0.00615%
District's Proportionate Share of the Net Pension Liability	<u>\$1,069,341</u>	<u>755,106</u>	<u>1,009,688</u>	<u>1,081,529</u>	<u>1,012,857</u>	<u>1,140,459</u>	<u>1,695,411</u>	<u>1,320,824</u>	<u>1,077,893</u>	<u>1,175,869</u>
District's Covered-Employee Payroll	\$ 528,960	503,091	532,914	370,415	403,550	338,520	329,368	412,409	403,523	376,258
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	49.47%	66.63%	52.78%	34.25%	39.84%	29.68%	19.43%	31.22%	37.44%	32.00%
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%

HENRY HUDSON REGIONAL 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	\$ 74,648	67,733	58,793	48,201	46,094	53,696	53,696	47,461	53,484	50,297
Contributions in Relation to the Contractually Required Contribution	<u>74,648</u>	<u>67,733</u>	<u>58,793</u>	<u>48,201</u>	<u>46,094</u>	<u>53,696</u>	<u>53,696</u>	<u>47,461</u>	<u>53,484</u>	<u>50,297</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 528,960	503,091	532,914	370,415	403,550	338,520	329,368	412,409	403,523	376,258
Contributions as a Percentage of Covered-Employee Payroll	14.11%	13.46%	11.03%	13.01%	11.42%	15.86%	16.30%	11.51%	13.25%	13.37%

HENRY HUDSON REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-3

NET PENSION LIABILITY - TPAF

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>16,110,391</u>	<u>15,044,209</u>	<u>19,965,447</u>	<u>18,241,319</u>	<u>17,374,239</u>	<u>20,404,952</u>	<u>24,058,733</u>	<u>20,599,737</u>	<u>17,883,748</u>	<u>16,891,961</u>
Total	<u>\$ 16,110,391</u>	<u>15,044,209</u>	<u>19,965,447</u>	<u>18,241,319</u>	<u>17,374,239</u>	<u>20,404,952</u>	<u>24,058,733</u>	<u>20,599,737</u>	<u>17,883,748</u>	<u>16,891,961</u>
District's Covered-Employee Payroll	\$ 3,784,912	3,326,356	3,908,107	3,199,335	3,250,678	3,074,111	2,852,963	3,085,019	3,146,098	3,275,811
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	23.49%	22.11%	19.57%	17.54%	18.71%	15.07%	11.86%	14.98%	17.59%	19.39%
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%

HENRY HUDSON REGIONAL 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.

HENRY HUDSON REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

L-5

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**

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit M-1

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

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	\$ -	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>							
Service Cost	\$ 857,316	1,007,262	527,093	490,849	509,534	611,634	*
Interest	468,133	535,510	514,417	638,415	672,962	582,625	*
Change of Benefit Terms		(21,972)					*
Benefit Payments	(463,700)	(421,832)	(411,834)	(441,070)	(433,653)	(428,401)	*
Member Contributions	14,876	13,690	12,483	13,075	14,988	15,775	*
Difference between Expected and Actual Experience	883,386	(4,145,841)	4,324,342	(2,764,627)	(1,180,935)		
Change of Assumptions	(4,738,704)	20,366	4,321,170	214,236	(1,861,053)	(2,322,069)	*
Net Change in Total OPEB Liability	<u>(2,978,693)</u>	<u>(3,012,817)</u>	<u>9,287,671</u>	<u>(1,849,122)</u>	<u>(2,278,157)</u>	<u>(1,540,436)</u>	*
Total Attributable OPEB Liability - Beginning	<u>20,643,354</u>	<u>23,656,171</u>	<u>14,368,500</u>	<u>16,217,622</u>	<u>18,495,779</u>	<u>20,036,215</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 17,664,661</u>	<u>20,643,354</u>	<u>23,656,171</u>	<u>14,368,500</u>	<u>16,217,622</u>	<u>18,495,779</u>	<u>20,036,215</u>
District's Covered Payroll	\$ 4,313,872	3,829,447	4,441,021	3,569,750	3,654,228	3,412,631	3,182,331
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	409.49%	539.07%	532.67%	402.51%	443.80%	541.98%	629.61%

* - 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.

HENRY HUDSON 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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Title I</u>	<u>Title IIA</u>	<u>Basic Flow-Thru</u>	<u>Title IV</u>	<u>ARP Summer</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Accelerated Learning</u>	<u>CRRSA Mental Health</u>	<u>ARP ESSER</u>	<u>ARP Accelerated Learning</u>	<u>SDA Emergent</u>	<u>ARP Mental Health</u>	<u>Climate Awareness</u>	<u>Scholarships</u>	<u>Student Activity</u>	<u>Total 2023</u>
Revenues:																
Federal Sources	\$ 77,709	10,463	106,866	13,840	9,878	86,319	3,970	25,931	429,413	3,874		9,268				777,531
State Sources											14,399		6,356			20,755
Local Sources														14,975	56,704	71,679
Total Revenues	<u>77,709</u>	<u>10,463</u>	<u>106,866</u>	<u>13,840</u>	<u>9,878</u>	<u>86,319</u>	<u>3,970</u>	<u>25,931</u>	<u>429,413</u>	<u>3,874</u>	<u>14,399</u>	<u>9,268</u>	<u>6,356</u>	<u>14,975</u>	<u>56,704</u>	<u>869,965</u>
Expenditures:																
Instruction:																
Salaries of Teachers	47,820			1,980		420	1,040									51,260
Purchased Professional Services						29,389										29,389
Other Purchased Services			98,861													98,861
General Supplies	4,740			11,860	9,878	31,570			1,681	3,874			6,356			69,959
Textbooks									40,354							40,354
Other Objects									4,000							4,000
Total Instruction	<u>52,560</u>	<u>-</u>	<u>98,861</u>	<u>13,840</u>	<u>9,878</u>	<u>61,379</u>	<u>1,040</u>	<u>-</u>	<u>46,035</u>	<u>3,874</u>	<u>-</u>	<u>-</u>	<u>6,356</u>	<u>-</u>	<u>-</u>	<u>293,823</u>
Support Services:																
Salaries																1,286
Employee Benefits	25,149															25,149
Purchased Professional and Technical Services		1,147	8,005				2,930	24,645				9,268				45,995
Other Purchased Services		9,316									14,399					23,715
General Supplies						24,940										24,940
Scholarships Awarded														9,600		9,600
Student Activities															67,931	67,931
Total Support Services	<u>25,149</u>	<u>10,463</u>	<u>8,005</u>	<u>-</u>	<u>-</u>	<u>24,940</u>	<u>2,930</u>	<u>25,931</u>	<u>-</u>	<u>-</u>	<u>14,399</u>	<u>9,268</u>	<u>-</u>	<u>9,600</u>	<u>67,931</u>	<u>198,616</u>
Facilities Acquisition and Construction Services:																
Construction									383,378							383,378
Total Expenditures	<u>77,709</u>	<u>10,463</u>	<u>106,866</u>	<u>13,840</u>	<u>9,878</u>	<u>86,319</u>	<u>3,970</u>	<u>25,931</u>	<u>429,413</u>	<u>3,874</u>	<u>14,399</u>	<u>9,268</u>	<u>6,356</u>	<u>9,600</u>	<u>67,931</u>	<u>875,817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	5,375	(11,227)	(5,852)
Fund Balance, July 1														18,444	78,246	96,690
Fund Balance, June 30	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	23,819	67,019	90,838

CAPITAL PROJECTS FUND – F

HENRY HUDSON REGIONAL SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2023

Expenditures:

Architect - HVAC	\$ 61,000
Total Expenditures	<u>61,000</u>
Other Financing Sources\ (Uses):	
Interfund From General Cancelled	<u>(34,903)</u>
Excess of Revenues Over Expenditures and Other Financing Sources/(Uses)	(95,903)
Fund Balance - Beginning	<u>102,032</u>
Fund Balance - Ending	<u><u>\$ 6,129</u></u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit F-1a

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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Local Share	\$ 118,819		118,819	118,819
Total Revenues	<u>118,819</u>	<u>-</u>	<u>118,819</u>	<u>118,819</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	16,250		16,250	16,250
Construction Services	35,440	61,000	96,440	102,569
Total Expenditures	<u>35,440</u>	<u>61,000</u>	<u>112,690</u>	<u>118,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 83,379</u>	<u>(61,000)</u>	<u>6,129</u>	<u>-</u>
<u>Additional Project Information</u>				
Original Authorized Cost	\$ 118,819			
Percentage Completion	95%			
Original Target Completion Date	6/30/2020			
Revised Target Completion Date	6/30/2023			

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2023

Exhibit I-1

	<u>Date</u>	<u>Original</u>	<u>Annual Maturities</u>		<u>Interest</u>	<u>Balance</u>	<u>Retired</u>	<u>Balance</u>
	<u>of Issue</u>		<u>Issue</u>	<u>Date</u>				
2012 Refunding Issue	1/18/2012	\$ 7,415,000	3/1/2024	550,000	3.125%	<u>\$ 3,412,000</u>	<u>540,000</u>	<u>2,872,000</u>
			3/1/2025	555,000	3.250%			
			3/1/2026	585,000				
			3/1/2027	590,000				
			3/1/2028	592,000				

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

Exhibit I-3

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 Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 586,608		586,608	586,608	
Total Revenues	<u>586,608</u>	<u>-</u>	<u>586,608</u>	<u>586,608</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	46,608	-	46,608	46,608	-
Redemption of Principal	540,000	-	540,000	540,000	
Total Regular Debt Service	<u>586,608</u>	<u>-</u>	<u>586,608</u>	<u>586,608</u>	<u>-</u>
Total Expenditures	<u>586,608</u>	<u>-</u>	<u>586,608</u>	<u>586,608</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1	<u>7,023</u>	<u>-</u>	<u>7,023</u>	<u>7,023</u>	<u>-</u>
Fund Balance June 30	<u>\$ 7,023</u>	<u>-</u>	<u>7,023</u>	<u>7,023</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-1

NET POSITION BY COMPONENT

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 4,727,157	5,683,071	5,597,396	6,299,022	6,596,734	6,909,711	7,033,287	7,042,743	7,130,171	7,135,328
Restricted	2,765,946	2,691,324	3,554,585	3,640,729	3,781,636	3,163,759	2,123,212	2,603,107	4,563,436	3,335,462
Unrestricted	186,714	(1,121,808)	(1,160,686)	(1,232,647)	(1,246,398)	(1,020,702)	(86,585)	(798,510)	(600,241)	357,786
Total Government Activities Net Position	\$ 7,679,817	7,252,587	7,991,295	8,707,104	9,131,972	9,052,768	9,069,914	8,847,340	11,093,366	10,828,576
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 84,566	69,187	53,810	38,438	25,774	30,633	22,833	20,243	17,652	15,898
Unrestricted	15,809	9,699	6,394	2,606	4,787	5,529	3,863	19,819	52,875	51,821
Total Business-Type Activities Net Position	\$ 100,375	78,886	60,204	41,044	30,561	36,162	26,696	40,062	70,527	67,719
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 4,811,723	5,752,258	5,651,206	6,337,460	6,622,508	6,940,344	7,056,120	7,062,986	7,147,823	7,151,226
Restricted	2,765,946	2,691,324	3,554,585	3,640,729	3,781,636	3,163,759	2,123,212	2,603,107	4,563,436	3,335,462
Unrestricted	202,523	(1,112,109)	(1,154,292)	(1,230,041)	(1,241,611)	(1,015,173)	(82,722)	(778,691)	(547,366)	409,607
Total District Net Position	\$ 7,780,192	7,331,473	8,051,499	8,748,148	9,162,533	9,088,930	9,096,610	8,887,402	11,163,893	10,896,295

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-2

CHANGES IN NET POSITION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities	\$ 9,472,901	9,077,164	9,151,146	9,060,042	9,345,892	10,300,202	10,230,650	11,407,589	11,667,232	12,708,019
Business-Type Activities	233,193	207,531	210,652	216,481	203,756	205,749	156,638	143,115	245,647	202,997
Total District Expenses	<u>\$ 9,706,094</u>	<u>9,284,695</u>	<u>9,361,798</u>	<u>9,276,523</u>	<u>9,549,648</u>	<u>10,505,951</u>	<u>10,387,288</u>	<u>11,550,704</u>	<u>11,912,879</u>	<u>12,911,016</u>
Program Revenues:										
Governmental Activities	\$ 260,927	249,153	258,511	187,440	187,008	210,107	249,857	418,017	666,578	1,024,995
Business-Type Activities	201,475	186,042	191,970	197,321	190,954	193,484	147,172	156,481	276,112	200,189
Total Program Revenues	<u>\$ 462,402</u>	<u>435,195</u>	<u>450,481</u>	<u>384,761</u>	<u>377,962</u>	<u>403,591</u>	<u>397,029</u>	<u>574,498</u>	<u>942,690</u>	<u>1,225,184</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,211,974)	(8,828,011)	(8,892,635)	(8,872,602)	(9,158,884)	(10,090,095)	(9,980,793)	(10,989,572)	(11,000,654)	(11,683,024)
Business-Type Activities	(31,718)	(21,489)	(18,682)	(19,160)	(12,802)	(12,265)	(9,466)	13,366	30,465	(2,808)
Total District-wide Net (Expense)/Revenue	<u>\$ (9,243,692)</u>	<u>(8,849,500)</u>	<u>(8,911,317)</u>	<u>(8,891,762)</u>	<u>(9,171,686)</u>	<u>(10,102,360)</u>	<u>(9,990,259)</u>	<u>(10,976,206)</u>	<u>(10,970,189)</u>	<u>(11,685,832)</u>
General Revenues and Other Changes in Net Assets:										
Governmental Activities	\$ 9,369,830	9,809,252	9,631,343	9,588,411	9,583,752	10,010,891	9,997,939	10,691,724	13,246,680	11,418,234
Business-Type Activities	-	-	-	-	2,319	-	-	-	-	-
Total District-wide	<u>\$ 9,369,830</u>	<u>9,809,252</u>	<u>9,631,343</u>	<u>9,588,411</u>	<u>9,586,071</u>	<u>10,010,891</u>	<u>9,997,939</u>	<u>10,691,724</u>	<u>13,246,680</u>	<u>11,418,234</u>
Changes in Net Position:										
Governmental Activities	\$ 157,856	981,241	738,708	715,809	424,868	(79,204)	17,146	(297,848)	2,246,026	(264,790)
Business-Type Activities	(31,718)	(21,489)	(18,682)	(19,160)	(10,483)	(12,265)	(9,466)	13,366	30,465	(2,808)
Total District	<u>\$ 126,138</u>	<u>959,752</u>	<u>720,026</u>	<u>696,649</u>	<u>414,385</u>	<u>(91,469)</u>	<u>7,680</u>	<u>(284,482)</u>	<u>2,276,491</u>	<u>(267,598)</u>

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(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>
General Fund:										
Reserved	\$ 2,765,945	2,647,972	3,462,024	3,573,171	3,781,636	3,163,759	2,713,868	2,532,332	4,563,436	4,398,221
Unreserved	<u>186,714</u>	<u>180,160</u>	<u>181,372</u>	<u>192,035</u>	<u>189,439</u>	<u>230,133</u>	<u>246,948</u>	<u>437,179</u>	<u>399,016</u>	<u>269,780</u>
Total General Fund	<u>\$ 2,952,659</u>	<u>2,828,132</u>	<u>3,643,396</u>	<u>3,765,206</u>	<u>3,971,075</u>	<u>3,393,892</u>	<u>2,960,816</u>	<u>2,969,511</u>	<u>4,962,452</u>	<u>4,668,001</u>
All Other Governmental Funds:										
Reserved										
Unreserved, Reported In:										
Special Revenue Fund	\$ -	-						70,824	96,690	90,838
Capital Projects Fund	-	43,352	92,561	75,756	25,694	152,180	144,335	129,495	102,032	5,425
Debt Service Fund	<u>1</u>	<u>-</u>		<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>	<u>(2)</u>	<u>7,023</u>	<u>7,023</u>
Total All Other Governmental Funds	<u>\$ 1</u>	<u>43,352</u>	<u>92,561</u>	<u>75,755</u>	<u>25,693</u>	<u>152,179</u>	<u>144,333</u>	<u>200,317</u>	<u>205,745</u>	<u>103,286</u>

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

Exhibit J-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$ 7,877,585	7,926,485	7,876,120	7,790,537	7,772,487	7,815,332	7,953,312	8,245,139	8,480,405	8,584,835
Miscellaneous	71,938	76,506	57,443	129,366	35,853	75,673	89,883	231,016	326,907	454,771
State Sources	1,461,976	1,846,072	1,766,488	1,682,533	1,721,347	1,952,711	2,003,816	2,377,028	2,738,478	2,613,030
Federal Sources	196,684	200,268	200,731	181,512	187,008	210,107	194,091	247,622	329,840	777,531
Total Revenues	9,808,183	10,049,331	9,900,782	9,783,948	9,716,695	10,053,823	10,241,102	11,100,805	11,875,630	12,430,167
Expenditures:										
Instruction:										
Regular	2,215,781	2,129,352	2,051,060	2,259,103	2,407,580	2,559,988	2,583,457	2,543,853	2,621,907	2,764,145
Special	736,962	546,572	579,279	721,321	731,377	716,721	716,208	692,373	745,553	707,076
Other	501,881	694,269	480,888	450,733	478,443	546,291	531,813	478,446	514,959	684,103
Support Services:										
Tuition	500,859	481,818	479,790	546,910	490,145	726,233	863,820	774,747	623,038	539,614
Student & Instruction Related Services	971,778	981,655	888,326	901,485	898,906	933,876	976,515	1,118,315	1,195,214	1,033,849
General Administrative Services	356,757	210,297	154,263	149,519	374,214	160,062	340,015	422,691	437,454	463,347
School Administrative Services	87,744	256,456	376,962	387,156	153,674	412,126	224,958	175,829	181,137	264,866
Plant Operations and Maintenance	637,746	652,085	628,276	706,630	645,586	704,879	704,456	823,828	833,044	918,544
Student Transportation Services	772,918	652,604	584,848	573,712	594,909	669,728	575,341	537,563	813,436	805,983
Business and Other Support Services										
Unallocated Employee Benefits	1,913,645	1,704,488	1,669,127	1,916,738	2,057,577	2,360,311	2,459,570	2,819,534	3,125,811	3,069,120
Debt Service:										
Principal	370,000	390,000	410,000	435,000	430,000	450,000	470,000	495,000	515,000	540,000
Interest and Other Charges	241,656	230,557	218,856	206,557	193,506	180,606	162,607	143,806	116,981	46,608
Capital Outlay	153,755	1,209,428	503,706	415,983	159,036	250,874	79,958	94,351	191,355	1,002,884
Total Expenditures	9,461,482	10,139,581	9,025,381	9,670,847	9,614,953	10,671,695	10,688,718	11,120,336	11,914,889	12,840,139
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures	146,701	(90,250)	875,401	113,101	101,742	(617,872)	(447,616)	(19,531)	(39,259)	(409,972)
Other Financing Sources/(Uses):										
Accounts Receivable/Encumbrances Cancelled	22,574	9,074	(10,928)	(17,660)	54,065		14,060	8,936	68,163	13,062
Proceeds from Borrowing										
Transfers In				9,563		167,175			1,969,465	
Transfers Out							(7,366)			
Total Other Financing Sources/(Uses)	22,574	9,074	(10,928)	(8,097)	54,065	167,175	6,694	8,936	2,037,628	13,062
Net Change in Fund Balances	\$ 169,275	(81,176)	864,473	105,004	155,807	(450,697)	(440,922)	(10,595)	1,998,369	(396,910)
Debt Service as a Percentage of										
Noncapital Expenditures	6.57%	6.95%	7.38%	6.93%	6.59%	6.05%	5.96%	5.79%	5.39%	4.96%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

HENRY HUDSON REGIONAL SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

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

<u>Fiscal Year</u> <u>Ending June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Intermediate</u> <u>Sources</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Prior Year</u> <u>Orders</u> <u>Canceled</u>	<u>Miscellaneous</u>	<u>Totals</u>
2023	\$ 109,252	155,030				118,810	383,092
2022	-	161,518				165,389	326,907
2021	2,981	109,150				57,640	169,771
2020	26,487	52,966				7,630	87,083
2019	44,562	18,583				12,528	75,673
2018	28,489					831	29,320
2017						129,366	129,366
2016		47,106				10,337	57,443
2015		47,106				29,400	76,506
2014	4,745	41,106			22,574	26,087	94,512

Source: District records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
(UNAUDITED)

Year Ending	Vacant Land	Residential	Commercial	Industrial	Apartment	Net Valuation Taxable	Total Direct School Tax Rate
<u>Atlantic Highlands</u>							
2014	9,378,400	551,475,500	53,187,400	3,059,500	11,602,900	628,703,700	1.347
2015	7,607,200	554,413,500	54,193,700	3,059,500	11,657,400	630,931,300	1.344
2016	7,640,200	557,003,900	55,382,000	3,059,500	11,657,400	634,743,000	1.397
2017	7,430,700	557,946,000	55,786,300	3,059,500	12,092,900	636,315,400	1.433
2018	11,431,100	775,849,700	84,621,300	4,490,500	19,385,300	895,777,900	1.061
2019	10,942,500	795,189,300	90,101,400	4,490,500	19,449,900	920,173,600	1.083
2020	11,472,700	803,038,600	89,639,000	4,490,500	19,460,000	928,100,800	1.085
2021	12,637,100	810,521,900	90,677,600	3,954,300	19,473,000	939,095,451	1.068
2022	10,465,900	920,772,500	95,950,000	3,979,600	21,944,200	1,054,985,937	0.951
2023	9,928,300	960,867,600	97,086,600	4,000,600	21,983,000	1,093,866,100	0.926
<u>Highlands</u>							
2014	15,190,700	497,195,200	51,194,500	-	6,380,400	569,960,800	1.208
2015	14,285,900	504,097,000	49,673,700	-	7,099,800	575,156,400	1.251
2016	23,143,000	513,280,700	49,608,600	-	7,128,200	593,160,500	1.191
2017	21,600,300	513,634,900	49,334,515	-	9,212,300	593,782,015	1.233
2018	19,855,500	524,510,500	51,176,400	-	10,493,900	606,036,300	1.198
2019	19,210,500	535,152,200	48,602,100	-	9,106,000	612,070,800	1.208
2020	16,915,300	636,790,600	67,885,800	-	10,326,000	731,917,700	1.055
2021	16,973,200	668,064,200	68,177,900	-	11,201,700	764,866,141	1.072
2022	13,982,200	787,882,900	75,380,000	-	12,005,700	889,700,212	0.954
2023	17,157,400	920,850,400	84,406,600	-	13,219,400	1,035,633,800	0.861

Source: Abstract of Ratables

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

(RATE PER \$100 OF ASSESSED VALUE)

(UNAUDITED)

Year Ended	Local School	Regional School	Municipal	County	County Open Space	Total
Atlantic Highlands						
2023	0.529	0.397	0.533	0.239	0.028	1.726
2022	0.535	0.416	0.538	0.251	0.010	1.750
2021	0.591	0.477	0.604	0.283	0.028	1.983
2020	0.587	0.498	0.614	0.289	0.010	1.998
2019	0.584	0.499	0.613	0.258	0.027	1.981
2018	0.580	0.481	0.625	0.250	0.025	1.961
2017	0.787	0.646	0.856	0.350	0.019	2.658
2016	0.759	0.638	0.858	0.348	0.018	2.621
2015	0.726	0.618	0.838	0.355	0.016	2.553
2014	0.712	0.635	0.787	0.010	0.018	2.162
Highlands						
2023	0.429	0.432	0.923	0.217	0.005	2.006
2022	0.482	0.472	0.948	0.246	0.005	2.153
2021	0.549	0.523	1.129	0.275	0.027	2.503
2020	0.562	0.493	1.152	0.250	0.027	2.484
2019	0.659	0.549	1.300	0.286	0.031	2.825
2018	0.621	0.577	1.285	0.314	0.005	2.802
2017	0.617	0.616	1.280	0.283	0.016	2.812
2016	0.562	0.629	1.268	0.292	0.016	2.767
2015	0.561	0.690	1.211	0.317	0.016	2.795
2014	0.519	0.689	1.156	0.329	0.016	2.709
Source: Abstract of Ratables						

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Atlantic Highlands

	2022			2013			
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	
Elk Harbor View	\$ 10,917,000	1	1.16%	Elk Harbor View LLC	6,461,500	1	1.02%
Bayshore Plaza LLC	7,757,200	2	0.83%	Casriel, Carl	4,683,400	2	0.74%
Navesink Cove LCP	5,642,400	3	0.60%	McConnell Realty Co.	2,865,400	3	0.45%
McConnell Realty Co.	4,345,200	4	0.46%	Atlantic Pier Co.	2,472,000	4	0.39%
Krikorian, Dirouhi & Sarkis	4,079,700	5	0.44%	Krikorian, Dirouhi & Sarkis	2,120,200	5	0.34%
Atlantic Pier	3,838,700	6	0.41%	Laurmin Assoc.	1,958,700	6	0.31%
O'Kelley, Charles Brian & Rovere	3,263,000	7	0.35%	Sandy Hook Bay Parking LLC	1,722,200	7	0.27%
Laurmin Assoc.	3,228,700	8	0.34%	Sodon Realty LLC	1,654,100	8	0.26%
13 West Ave LLC	3,071,300	9	0.33%	Hurley, Kevin & Doris	1,471,700	9	0.23%
Thomas Paine House LLC	2,900,000	10	0.31%	Kaell, Frederick & Jean	1,443,500	10	0.23%
Total	\$ 49,043,200		5.23%	\$ 26,852,700			4.24%

Highlands

	2022			2013			
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	
Highlander Development Group	\$ 13,296,900	1	1.49%	Highlands Landing Corp.	3,578,200	1	0.62%
Highlands Landing Corporation	5,995,600	2	0.67%	Sandy Hook Developers LLC	2,940,100	2	0.51%
Sandy Hook Developers, LLC	5,213,500	3	0.58%	Highlander Development Group	2,824,400	3	0.49%
Bahr's Restaurant, Inc.	4,165,400	4	0.47%	Bahrs Restaurant, Inc.	1,952,600	4	0.34%
Highlands Waterfront, LLC	3,099,800	5	0.35%	Shore Landing, LLC	1,869,900	5	0.33%
SJD Design, LLC	3,035,400	6	0.34%	470 Bayside Partners LLC	1,827,500	6	0.32%
DBCDS, LLC	2,875,900	7	0.32%	Baker's Marina on the Bay LLC	1,775,200	7	0.31%
Residential 1	2,650,200	8	0.30%	Dan-Rob Property Assoc. LLC	1,686,600	8	0.29%
Shannon Enterprises, LLC	2,623,800	9	0.29%	Tax Payer #1	1,669,700	9	0.29%
Gateway Realty, Inc.	2,601,900	10	0.29%	Navesink Capital Partners	1,607,700	10	0.28%
Total	\$ 45,558,400		5.10%	\$ 21,731,900			3.78%
N/A	Not Available						
Source: Municipal Tax Assessor							

Exhibit J-9						
HENRY HUDSON REGIONAL SCHOOL DISTRICT						
PROPERTY TAX LEVIES AND COLLECTIONS						
LAST TEN FISCAL YEARS (UNAUDITED)						
Fiscal Year		Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years	
Ended June 30,			Amount	Percentage of Levy		
Atlantic Highlands						
2014		4,961,069	4,961,069	100.00%		-
2015		5,231,439	5,231,439	100.00%		-
2016		5,395,169	5,395,169	100.00%		-
2017		5,394,788	5,394,788	100.00%		-
2018		5,517,737	5,517,737	100.00%		-
2019		5,542,634	5,542,634	100.00%		-
2020		18,261,489	18,261,489	100.00%		-
2021		18,526,547	18,526,547	100.00%		-
2022		18,715,685	18,715,685	100.00%		-
2023		18,675,773	18,675,773	100.00%		-
Highlands						
2014		4,065,837	4,065,837	100.00%		-
2015		3,928,570	3,928,570	100.00%		-
2016		3,968,628	3,968,628	100.00%		-
2017		3,734,294	3,734,294	100.00%		-
2018		3,656,797	3,656,797	100.00%		-
2019		3,496,177	3,496,177	100.00%		-
2020		3,588,956	3,588,956	100.00%		-
2021		3,612,798	3,612,798	100.00%		-
2022		4,194,750	4,194,750	100.00%		-
2023		4,470,750	4,470,750	100.00%		-
Source: District records including the Certificate and Report of School Taxes (A4F form)						

HENRY HUDSON REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2014	6,955,000	-	-	-	-	6,955,000	746.73	
2015	6,565,000	-	-	-	-	6,565,000	704.85	
2016	6,155,000	-	-	-	-	6,155,000	660.83	
2017	5,720,000	-	-	-	-	5,720,000	614.13	
2018	5,290,000	-	-	-	-	5,290,000	567.96	
2019	4,840,000	-	-	-	-	4,840,000	519.65	
2020	4,390,000	-	-	-	-	4,390,000	471.33	
2021	3,875,000	-	-	-	-	3,875,000	416.04	
2022	3,412,000	-	-	-	-	3,412,000	366.33	
2023	2,872,000	-	-	-	-	2,872,000	308.35	
Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.								
a	See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.							
N/A	Not available at the time of audit							

Exhibit J-11					
HENRY HUDSON REGIONAL SCHOOL DISTRICT					
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING					
LAST TEN FISCAL YEARS (UNAUDITED)					
General Bonded Debt Outstanding					
	General		Net	Percentage of	
Fiscal Year	Obligation		General	Actual Taxable	
Ending June 30,	Bonds	Deductions	Bonded Debt	Value ^a of	Per
			Outstanding	Property	Capita ^b
2014	6,955,000	-	6,955,000	0.58%	746.73
2015	6,565,000	-	6,565,000	0.54%	708.81
2016	6,155,000	-	6,155,000	0.50%	655.48
2017	5,720,000	-	5,720,000	0.47%	609.94
2018	5,290,000	-	5,290,000	0.35%	579.28
2019	4,840,000	-	4,840,000	0.32%	532.75
2020	4,390,000	-	4,390,000	0.26%	484.28
2021	3,875,000	-	3,875,000	0.23%	425.45
2022	3,412,000	-	3,412,000	0.18%	376.89
2023	2,872,000	-	2,872,000	0.13%	318.44
Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.					
a	See Exhibit NJ J-6 for property tax data.				
b	Population data can be found in Exhibit NJ J-14.				
N/A	Not available at the time of audit.				

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2022
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Atlantic Highlands			\$ N/A
Highlands			N/A
County of Monmouth			N/A
Subtotal, Overlapping Debt			
Henry Hudson Regional School District Direct Debt			2,872,000
Total Direct and Overlapping Debt			\$ 2,872,000
Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.			

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

(Atlantic Highlands & Highlands Combined)

2022	\$ 1,944,686,149
2021	\$ 1,227,903,500
2020	\$ 1,230,097,415

(A) \$ 4,402,687,064

Average Equalized Valuation of Taxable Property (A/3) \$ 1,467,562,355

Debt Limit (4% of Average Equalization Value) (B) \$ 58,702,494

Total Net Debt Applicable To Limit (C) 4

Legal Debt Margin (B-C) \$ 58,702,490

Fiscal Year

	2014	2015	2016	2017	2018
Debt Limit	\$ 56,533,450	\$ 52,901,195	\$ 53,192,072	\$ 50,997,902	\$ 49,245,282
Total Net Debt Applicable To Limit	6,955,000	6,565,000	6,155,000	5,720,000	5,290,000
Legal Debt Margin	\$ 49,578,450	\$ 46,336,195	\$ 47,037,072	\$ 45,277,902	\$ 43,955,282
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.30%	12.41%	11.57%	11.22%	10.74%
	2019	2020	2021	2022	2023
Debt Limit	\$ 49,245,282	\$ 62,291,889	\$ 64,813,578	\$ 52,797,535	\$ 58,702,494
Total Net Debt Applicable To Limit	5,290,000	4,390,000	3,875,000	3,412,000	2,872,000
Legal Debt Margin	\$ 43,955,282	\$ 57,901,889	\$ 60,938,578	\$ 49,385,535	\$ 55,830,494
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.74%	7.05%	5.98%	6.46%	4.89%

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population	County Per Capita	Unemployment Rate
Atlantic Highlands			
2013	4,354	40,976	5.8%
2014	4,336	42,749	5.1%
2015	4,385	42,021	5.5%
2016	4,393	42,269	5.3%
2017	4,311	42,749	3.6%
2018	4,316	45,626	7.0%
2019	4,322	40,976	2.8%
2020	4,429	57,984	5.8%
2021	4,417	86,091	4.8%
2022	4,399	118,194	3.1%
Highlands			
2013	4,960	40,976	5.8%
2014	4,926	42,749	5.1%
2015	5,005	42,021	5.5%
2016	4,985	42,269	3.7%
2017	4,821	42,749	5.4%
2018	4,769	45,626	5.7%
2019	4,743	40,976	3.5%
2020	4,679	54,987	10.2%
2021	4,636	86,091	6.7%
2022	4,620	118,194	3.6%

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

BOROUGH OF ATLANTIC HIGHLANDS

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

BOROUGH OF HIGHLANDS

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Information not available at time of CAFR preparation

HENRY HUDSON REGIONAL SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction	39.9	37.0	35.6	37.0	38.0	41.0	36.0	37.0	38.0	38.0
Regular	5.0	5.0	5.9	5.9	5.0	5.0	3.3	4.0	3.0	4.8
Student and Instruction Related Services	9.3	10.1	8.5	10.0	9.0	9.0	8.3	8.3	9.3	10.3
General Administration Services	2.7	2.7	1.7	2.1	2.1	2.1	2.1	1.9	1.9	2.3
School Administrative Services	1.8	1.7	1.8	2.1	1.8	1.8	1.8	2.3	2.3	2.7
Business Administrative Services	2.0	2.5	2.0	2.0	2.0	2.0	3.1	3.1	3.1	2.1
Pupil Transportation	3.0	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0
Total	63.7	62.5	59.0	62.6	61.9	64.9	58.6	60.6	61.6	64.2

Source: District Personnel Records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Student Teacher Ratio High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
2014	322	7,857,846	24,403	#DIV/0!	1:8	310.8	294.7	#REF!	94.82%
2015	311	7,726,297	24,843	1.80%	1:8	307.0	291.0	-1.22%	94.78%
2016	305	7,035,138	23,066	-7.15%	1:8	295.4	278.4	-3.78%	94.25%
2017	322	7,580,960	23,543	2.07%	1:9	305.2	287.5	3.30%	94.22%
2018	327	7,917,886	24,214	2.85%	1:9	305.0	286.4	-0.04%	93.88%
2019	332	8,469,865	25,512	5.36%	1:9	318.2	297.3	4.30%	93.44%
2020	326	8,608,121	26,405	3.50%	1:9	326.2	311.5	2.53%	95.49%
2021	303	8,700,637	28,762	8.93%	1:9	301.2	275.9	-7.66%	91.60%
2022	292	8,926,172	30,569	6.28%	1:8	288.1	246.1	-4.35%	85.42%
2023	288	8,892,186	30,876	1.00%	1:8	288.1	246.1	0.0%	85.42%

Source: District records

Note: Enrollment based on annual October District count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

District/Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Regional High School										
Square Feet	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733	94,733
Capacity (Students)	563	563	563	563	563	563	563	563	563	563
Enrollment	322	311	305	322	327	332	326	303	292	288
Source: District Records										

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS

(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

Henry Hudson
Regional
High School

*School Facilities

Project # (s)

Year	Project # (s)	Amount
2013	N/A	72,763
2014	N/A	54,968
2015	N/A	59,004
2016	N/A	97,130
2017	N/A	99,754
2018	N/A	81,175
2019	N/A	111,139
2020	N/A	81,774
2021	N/A	215,436
2022	N/A	217,337
2023	N/A	180,643

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

*

Source: District records

		Exhibit J-20	
HENRY HUDSON REGIONAL SCHOOL DISTRICT			
INSURANCE SCHEDULE			
June 30, 2023 (UNAUDITED)			
		<u>Coverage</u>	<u>Deductible</u>
Property		\$ 33,217,946	\$ 2,500
	Extra		
Comprehensive General Liability	Occurrence	1,000,000	
	Aggregate	2,000,000	
Employee Benefits Liability	Occurrence	1,000,000	1,000
	Aggregate	2,000,000	
Automobile	Liability	1,000,000	250 (Comprehensive)
	Uninsured Motorist	1,000,000	500 (Collision)
Excess Liability		10,000,000	
Board Legal Liability	Occurrence	1,000,000	5,000
	Annual Aggregate	3,000,000	
Workers Compensation	Each Accident	3,000,000	
Performance Bonds:			
Board Secretary/Business Administrator		200,000	
Honesty Blanket Bond		22,500	225
Source: District records			

SINGLE AUDIT SECTION

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.

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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
Henry Hudson Regional School District
County of Monmouth
Highlands, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 22, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of 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 22, 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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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
Henry Hudson Regional School District
County of Monmouth
Highlands, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Henry Hudson 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 Henry Hudson Board of Education's major federal and state programs for the year ended June 30, 2023. The Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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 Henry Hudson 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**

December 22, 2023

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Schedule A
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Federal Grantor/ Pass-Through Grantor/ Project Title	Federal CFDA Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2023				
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture																	
Passed Through State Department of Education:																	
National School Lunch Program	10.555	211NJ304N1099	N/A	\$ 17,341	07/01/2022	06/30/2023	\$ -			16,561	(17,341)		(780)				
National School Lunch Program	10.555	221NJ304N1099	N/A	154,345	07/01/2021	06/30/2022	(29,127)			29,127							
PB Lunch Program	10.555	211NJ304N1099	N/A	662	07/01/2022	06/30/2023				631	(662)		(31)				
School Breakfast Program	10.553	221NJ304N1099	N/A	5,047	07/01/2022	06/30/2023				4,719	(5,047)		(328)				
School Breakfast Program	10.553	221NJ304N1099	N/A	26,603	07/01/2021	06/30/2022	(6,541)			6,541							
Food Distribution Program	10.550	221NJ304N1099	N/A	15,218	07/01/2022	06/30/2023				15,218	(15,218)						
Total U.S. Department of Agriculture							(35,668)	-	-	72,797	(38,268)	-	(1,139)	-	-		
U.S. Department of Education																	
Passed Through State Department of Education:																	
Title I	84.010	S010A220030	NCLB22	65,971	08/31/2021	09/01/2022	(22,439)			22,439							
Title I	84.010	S010A230030	NCLB23	79,717	08/31/2022	09/01/2023				77,709	(77,709)						
Title IIA	84.367	S367A230029	NCLB23	100,463	08/31/2022	09/01/2023				9,902	(10,463)		(561)				
Title IV	84.424	S424A220031	NCLB22	19,942	08/31/2021	09/01/2022	(5,295)			2,859			(2,436)				
Title IV	84.424	S424A230031	NCLB23	17,300	08/31/2022	09/01/2023				13,840	(13,840)						
IDEA Part B Basic	84.027	H027A230100	IDEA23	106,866	08/31/2022	09/01/2023				93,222	(106,866)		(13,644)				
IDEA Part B Basic	84.027	H027A220100	IDEA22	110,055	08/31/2021	09/01/2022	(390)			390							
ARP IDEA Part B Basic	84.027X	H027X210100	NA	14,326	07/01/2021	09/30/2023	(2,862)			2,862							
CRRSA ESSER II	84.425D	S425D210027	NA	213,231	03/13/2020	09/30/2023	(87,974)			154,979	(86,319)		(19,314)				
CRRSA Accelerated Learning	84.425D	S425D210027	NA	25,000	03/13/2020	09/30/2023	(910)			3,580	(3,970)		(1,300)				
CRRSA Mental Health	84.425D	S425D210027	NA	45,000	03/13/2020	09/30/2023	(19,069)			45,000	(25,951)						
ARP ESSER	84.425U	S425U210027	NA	479,223	03/13/2020	09/30/20024	(35,361)			140,873	(429,413)		(323,901)				
ARP Accelerated Learning	84.425U	S425U210027	NA	45,200	03/13/2020	09/30/20024	(4,800)			8,674	(3,874)						
ARP Summer	84.425U	S425U210027	NA	40,000	03/13/2020	09/30/20024				9,878	(9,878)						
ARP Mental Health	84.425U	S425U210027	NA	88,501	03/13/2020	09/30/20024				(9,268)			(9,268)				
Total U.S. Department of Education							(179,100)	-	-	586,207	(777,531)	-	(370,424)	-	-		
Total Federal Financial Assistance							\$ (214,768)	-	-	659,004	(815,799)	-	(371,563)	-	-		

See Accompanying Notes to Schedules of Financial Assistance.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grantor/Program	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Year Balances	Balance at June 30, 2023			MEMO		
			From	To	Deferred Revenue Accounts Receivable	Due To Grantor					Carryover (Walkover) Amount	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:		\$ 264,676	07/01/2022	06/30/2023	\$ -	-	242,032	(264,676)								
Special Education Aid	23-495-034-5120-089						18,270							(22,644)	264,676	
Transportation Aid-Non Public	22-495-034-5120-014	18,270	07/01/2021	06/30/2022												
Transportation Aid-Non Public	23-495-034-5120-014	17,261	07/01/2022	06/30/2023				(17,261)								17,261
Transportation Aid	23-495-034-5120-014	183,003	07/01/2022	06/30/2023			167,343	(183,003)						(15,660)	183,003	
Adjustment Aid	23-495-034-5120-085	48,569	07/01/2022	06/30/2023			44,412	(48,569)						(4,157)	48,569	
Extraordinary Aid	23-495-034-5120-044	111,623	07/01/2022	06/30/2023				(111,623)							111,623	
Extraordinary Aid	22-495-034-5120-044	139,921	07/01/2021	06/30/2022			139,921									
Security Aid	23-495-034-5120-084	60,908	07/01/2022	06/30/2023			55,698	(60,908)						(5,210)	60,908	
Supplemental Stabilization Aid	23-495-034-5120-494	38,338	07/01/2022	06/30/2023			38,338	(38,338)							38,338	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	329,346	07/01/2022	06/30/2023			329,346	(329,346)							329,346	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	1,253,708	07/01/2022	06/30/2023			1,253,708	(1,253,708)							1,253,708	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	530	07/01/2022	06/30/2023			530	(530)							530	
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	23-495-034-5095-003	277,195	07/01/2022	06/30/2023			263,800	(277,195)						(13,395)	277,195	
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	22-495-034-5095-003	270,595	07/01/2021	06/30/2022			13,073									
							(171,264)	-						(47,671)	2,585,157	
Special Revenue Fund:							2,566,471	(2,585,157)						(142,279)	-	-
Leap Grant	N/A	65,000	07/01/2021	06/30/2022			61,965							(202)		
Climate Awareness	N/A	6,600	04/01/2023	06/30/2023			6,356	(6,356)							6,356	
SDA Emergent	N/A	16,647	07/01/2022	06/30/2023			14,399	(14,399)							14,399	
							(62,167)	-						(202)	-	-
State Department of Agriculture:							82,720	(20,755)							20,755	
National School Lunch Program (State Share)	22-100-010-3350-023	3,627	07/01/2021	06/30/2022			670									
National School Breakfast Program (State Share)	23-100-010-3350-023	33	07/01/2022	06/30/2023			30	(33)						(3)	33	
National School Lunch Program (State Share)	23-100-010-3350-023	790	07/01/2022	06/30/2023			751	(790)						(39)	790	
							(670)	-						(42)	-	823
Total State Financial Assistance							\$ (234,101)	-						(142,523)	-	-
Less: State Financial Assistance Not Subject to Major Program Determination:																
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)															329,346	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)															1,253,708	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability															530	
Total State Financial Assistance Subject to Major Program Determination															\$ (1,023,151)	

BOARD OF EDUCATION

K-5

HENRY HUDSON SCHOOL DISTRICT**NOTES TO SCHEDULES OF 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, Henry Hudson School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 2,585,157	20,755	823	2,606,735
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)	<u>7,118</u>	—	—	<u>7,118</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,592,275</u>	<u>20,755</u>	<u>823</u>	<u>2,613,853</u>

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

	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 777,531	38,268	815,799
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 777,531</u>	<u>38,268</u>	<u>815,799</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state 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.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified? Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses? Yes x No

(C) Noncompliance material to general purpose financial statements noted? Yes x No

Federal Awards Section

Internal control over compliance

1) Material weakness(es) identified? Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses? Yes x None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes x No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.425D	CRRSA Coronavirus Response
84.425D	CRRSA Accelerated Learning
84.425D	CRRSA Mental Health
84.425U	ARP ESSER II (American Rescue Plan Cluster)
84.425U	ARP ESSER Instruction (American Rescue Plan Cluster)
84.425U	ARP ESSER Summer (American Rescue Plan Cluster)
84.425U	ARP ESSER Homeless (American Rescue Plan Cluster)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes x No

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

State Awards Section

(J) Dollar threshold used to determine Type A programs: \$750,000

(K) Auditee qualified as low-risk auditee? Yes No

(L) Type of auditor's report on compliance for major programs: Unmodified

(M) Internal control over compliance:

(1) Material Weakness(es) identified? Yes No

(2) Were reportable condition(s) identified that were not considered to material weaknesses? Yes No

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? Yes No

(O) Identification of major programs:

GMIS Number(s)

23-495-034-5120-089
23-495-034-5120-085
23-495-034-5120-084
23-495-034-5095-003

Name of State Program

Special Education Aid (Public Cluster)
Adjustment Aid (Public Cluster)
Security Aid (Public Cluster)
Reimbursed TPAF Social Security Contributions

HENRY HUDSON REGIONAL SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 2 - Schedule of Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

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

FEDERAL AWARDS

N/A

STATE AWARDSFinding: NoneState program information: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ARecommendation: N/AManagement's response: N/A

HENRY HUDSON REGIONAL 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.

Prior Audit Findings:

N/A