

**SCHOOL DISTRICT OF THE
BOROUGH OF HO-HO-KUS
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**SCHOOL DISTRICT
OF THE
BOROUGH OF HO-HO-KUS**

**Ho-Ho-Kus Board of Education
Ho-Ho-Kus, New Jersey**

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023**

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Borough of Ho-Ho-Kus School District

Ho-Ho-Kus, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

**Borough of Ho-Ho-Kus School District
Finance Department**

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Not Applicable

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Not Applicable

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INTRODUCTORY SECTION



Ho-Ho-Kus Board of Education

70 Lloyd Road ♦♦♦ Ho-Ho-Kus, New Jersey 07423
201-652-4555 ♦♦♦♦ <http://www.hohokus.org>

November 15, 2023

Honorable President and
Members of the Board of Education
Ho-Ho-Kus School District
County of Bergen, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Ho-Ho-Kus School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Ho-Ho-Kus School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial positions and cash flows, where applicable, thereof, for the year, then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement management's discussion and analysis and should be read in conjunction with it), the district's organizational chart, a roster of officials, and consultants and advisors. The financial section includes the independent auditor's report, management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial trends, revenue and debt capacity, demographic, and economic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, *"Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid."* Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts, and grants, along with findings and questioned costs, if any, are included in the Single Audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Ho-Ho-Kus School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Ho-Ho-Kus Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through Eight. These include regular education and special education for special needs students. In addition, there were 265 Ho-Ho-Kus students who attended Northern Highlands Regional High School in Allendale. The student enrollment data, listed in the table below, does not include the high school students. The District's enrollment for the 2022-2023 fiscal year was 557 students or a decrease of 22 students from the prior year. The following table details the changes in the Pre-K through 8th-grade student enrollment of the District over the last ten years.

Student Enrollment

Fiscal Year	Student Enrollment	Percent Change
2022-2023	557	
2021-2022	579	-1.03%
2020-21	585	-1.85%
2019-20	596	1.02%
2018-19	590	-1.17%
2017-18	597	-2.29%
2016-17	611	-0.97%
2015-16	617	-3.59%
2014-15	640	-3.03%
2013-14	660	0.61%
2012-13	656	1.39%
2011-12	647	0.94%

ECONOMIC CONDITION AND OUTLOOK

The Ho-Ho-Kus School District's tax base is expected to remain stable due to its above-average wealth levels and continued development. The tax levy has incrementally increased in recent years due to flat state aid funding in prior years along with unfunded state mandates. The District is required to meet federal and state student learning standards and special education requirements. The District anticipates maintaining its stable financial position given ongoing expenditure management, moderate but consistent increases, and forward-looking financial planning.

MAJOR INITIATIVES

Ho-Ho-Kus Public School continues to run a comprehensive Pre-K through Grade 8 program. Our students perform above state and national averages on state tests and participate in a wide range of co-curricular activities in athletics and the arts. The Board of Education, in collaboration with the school and larger community, developed a comprehensive strategic plan for the District. Members from both the school and broader-based community worked in committees to develop goals and action plans for the school District that meet the needs identified by all stakeholders. These areas were: Student Success; Culture and Climate; Relationships and Partnerships; and Facilities. The goals are:

- Student Success (Achievement and Technology): Develop creative, confident, and empowered students ready to actively lead in a global society.
- Culture and Climate (Including Wellness): Enhance a safe and secure educational environment to create well-balanced, empowered global citizens.
- Relationships/Partnerships: Build local and global relationships and partnerships that support students in reaching their maximum potential.
- Facilities: Create a state-of-the-art, safe, and personal environment that will enhance the learning and culture of our students.

District and school initiatives include the following:

- Use data to inform instruction and practice
- Implement NJPBSIS, positive behavior supports, in Ho-Ho-Kus School
- Create a new mission statement
- Create a new 5 year strategic plan
- Expand on our Diversity, Equity, and Inclusion initiative by critically examining policies and procedures, curricular goals/objectives, and resources used in the classroom

A major development for the school has been the one-to-one Chromebook initiative for students in Grades K-8. All kindergarten through eighth-grade students receive a Chromebook that is used daily in classes and also can be taken home in grades 3-8. Targeted professional development has been implemented for teachers to assist in integrating the use of these devices. Teachers utilize many facets of Google Classroom and other platforms to support and expand student learning. A Balanced Literacy approach remains the cornerstone of Language Arts Literacy instruction. Coaching and ongoing professional development are provided to teachers throughout the year. This year the kindergarten piloted Foundations, a Wilson based program. We are providing professional development on how the Science of Reading aligns (or does not) with our current curriculum and revisions that need to be made. We do have comprehensive classroom libraries, but we would like to ensure that each classroom has decodable texts for early or struggling readers. We have a group of teachers exploring which decodable texts best fit our needs. We have been honing our multisensory instruction for the past few years; we will provide professional development on best practices for MSI.

Mathematics professional development has been provided for exploring ways to assess students' knowledge through complex problem-solving methods. One of the areas of focus for these sessions was on effective assessment design. Students in Grade 6 and 7 social studies classes are outfitted with interactive textbooks (techbooks). Instruction is greatly enhanced by this ready access to multimedia supports to social studies content. Grade 8 students complete a comprehensive civics project each year which combines research and service. Assessment of children in the primary grades and interventions for Basic Skills instruction are addressed through the RTI program. Enhanced assessment strategies are utilized to form appropriate groups for more intensive skill development as well as enrichment opportunities. Careful consideration and attention to the continuum of offerings provided to students identified with special needs have also been a focus throughout the year.

Professional development has been provided in the area of supporting students' social and emotional learning. Through in-house professional development, curriculum articulation, and unit revisions, teachers and administrators have embedded the NJ SEL Competencies and Sub-Competencies into our existing curriculum. The district has a strong character education program that is woven throughout the students' time within the school. We have also focused on diversity, equity, and inclusion. We formed a committee of teachers, CST members, and administrators to find ways to develop inclusive learning environments, explore our own implicit biases, and revise the existing curriculum to highlight the contributions of multiple groups and perspectives. Parts of our professional learning days have been devoted to promoting positive student behavior with consistent routines and expectations. This year we provided professional development on supporting our students who identify with the LGBTQ+ community. The statistics on depression, bullying, and suicide within this group are alarming. Our teachers needed practical suggestions on how to best support these students. Parts of our professional days were devoted to workshops and open discussions to meet this initiative.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of this municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance, and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable when available. Property taxes, interest, and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Wielkotz & Company, LLC. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGMENTS

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

Respectfully submitted,

Dr. Diane G. Mardy

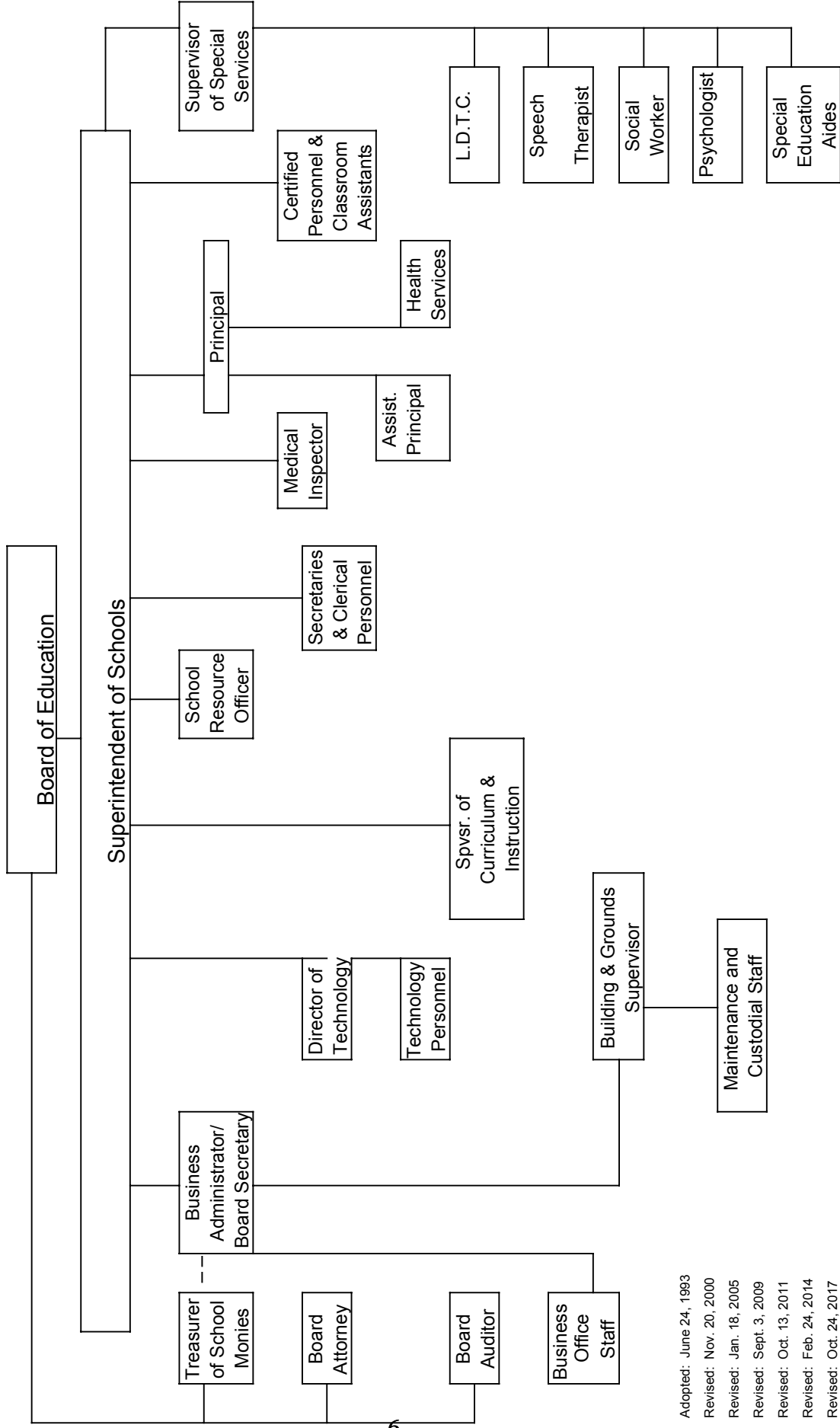
Dr. Diane G. Mardy
Superintendent of Schools

Mrs. Cheryl Jiosi

Mrs. Cheryl Jiosi
Business Administrator /Board Secretary

HO-HO-KUS BOARD OF EDUCATION

Organizational Chart



Adopted: June 24, 1993
 Revised: Nov. 20, 2000
 Revised: Jan. 18, 2005
 Revised: Sept. 3, 2009
 Revised: Oct. 13, 2011
 Revised: Feb. 24, 2014
 Revised: Oct. 24, 2017
 Revised: Sept. 1, 2020

BOROUGH OF HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Mary Ellen Nye, President	2024
Amy Langevin, Vice President	2025
Margaret Liljegren, Member	2023
Anthony Karoleski, Member	2023
Renee Muco, Member	2024

Other Officials

Dr. Diane G. Mardy, Superintendent

Cheryl Jiosi, Business Administrator/Board Secretary

**BOROUGH OF HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Wielkotz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Board Attorney

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

Risk Manager

Eastern Insurers, Inc.
445 Godwin Avenue
Midland Park, NJ 07432

Official Depository

Capital One Bank
9 East Ridgewood Avenue
Ridgewood, NJ 07450

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Kari Ferguson, CPA, RMA, CMFO, PSA
Robert C. McNinch, CPA, CFE, PSA
Kevin Reeves, CPA, PSA

401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
Phone: (973)-835-7900
Fax: (973)-835-7900
Email: office@w-cpa.com
www.w-cpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Ho-Ho-Kus School District
County of Bergen, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Ho-Ho-Kus School District, in the County of Bergen, 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 District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Ho-Ho-Kus Board of Education, in the County of Bergen, State of New Jersey, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ho-Ho-Kus Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Borough of Ho-Ho-Kus Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement 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 Ho-Ho-Kus Board of Education'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ho-Ho-Kus Board of Education'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Honorable President and
Members of the Board of Education
Page 4

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ho-Ho-Kus Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of the Borough of Ho-Ho-Kus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ho-Ho-Kus Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As management of the Ho-Ho-Kus Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Ho-Ho-Kus Board of Education for the fiscal year ended June 30, 2023.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$10,601,136.34, which represents a 122.05% increase from 2022. Net position of governmental activities increased \$10,600,2748.34 while net position of business-type activity increased by \$858.00. These variances are primarily the result of an increase in Donation for community center, miscellaneous revenues and a decrease in employee benefits and other budget expenditures in 2022-23 and increased operating revenues of the business-type activities.
- General revenues accounted for \$29,517,971.91 in revenue or 97.50 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$755,962.53 or 2.50 percent of total revenues of \$30,273,934.44.
- The School District had \$19,666,810.78 in expenses related to governmental activities; only \$749,117.21 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$29,517,971.91 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Ho-Ho-Kus Board of Education’s basic financial statements. The Ho-Ho-Kus Board of Education’s basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Ho-Ho-Kus Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Ho-Ho-Kus Board of Education's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ho-Ho-Kus Board of Education is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Ho-Ho-Kus Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Ho-Ho-Kus Board of Education include instruction, support services and special schools. The business-type activities of the Ho-Ho-Kus Board of Education include the food service program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ho-Ho-Kus Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Ho-Ho-Kus Board of Education can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Ho-Ho-Kus Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund which are all considered to be major funds.

The Ho-Ho-Kus Board of Education adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Ho-Ho-Kus Board of Education maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Ho-Ho-Kus Board of Education uses enterprise funds to account for its special milk program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Ho-Ho-Kus Board of Education's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District does not have any fiduciary funds.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our 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. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. 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 in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$19,287,017.76 at June 30, 2023 and \$8,685,881.42 at June 30, 2022 after restatement. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$13,432,349.38	\$3,900,114.29	(\$3,372.41)	(\$3,372.41)	\$13,428,976.97	\$3,896,741.88
Capital Assets	<u>12,281,533.88</u>	<u>12,208,276.00</u>	<u>6,587.17</u>	<u>6,587.17</u>	<u>12,288,121.05</u>	<u>12,214,863.17</u>
Total Assets	<u>25,713,883.26</u>	<u>16,108,390.29</u>	<u>3,214.76</u>	<u>3,214.76</u>	<u>25,717,098.02</u>	<u>16,111,605.05</u>
Deferred Outflows	<u>982,574.00</u>	<u>615,432.00</u>	_____	_____	<u>982,574.00</u>	<u>615,432.00</u>
Other Liabilities	479,315.64	521,465.54	_____	_____	479,315.64	521,465.54
Long Term Liabilities	<u>6,293,470.62</u>	<u>6,151,532.09</u>	_____	_____	<u>6,293,470.62</u>	<u>6,151,532.09</u>
Total Liabilities	<u>6,772,786.26</u>	<u>6,672,997.63</u>	_____	_____	<u>6,772,786.26</u>	<u>6,672,997.63</u>
Deferred Inflows	<u>640,726.00</u>	<u>1,368,158.00</u>	_____	_____	<u>640,726.00</u>	<u>1,368,158.00</u>
Net Position						
Invested in Capital Assets	8,180,073.26	7,524,091.91	5,383.05	6,587.17	8,185,456.31	7,530,679.08
Restricted	12,183,726.01	2,379,413.82	_____	_____	12,183,726.01	2,379,413.82
Unrestricted	<u>(1,080,854.27)</u>	<u>(1,220,839.07)</u>	<u>(1,310.29)</u>	<u>(3,372.41)</u>	<u>(1,082,164.56)</u>	<u>(1,224,211.48)</u>
Total Net Position	<u>\$19,282,945.00</u>	<u>\$8,682,666.66</u>	<u>\$4,072.76</u>	<u>\$3,214.76</u>	<u>\$19,287,017.76</u>	<u>\$8,685,881.42</u>

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net positions for fiscal year 2023 compared to 2022.

**Table 2
Changes in Net Positions
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	\$138,860.74	\$86,447.94	\$4,551.40	\$4,680.00	\$143,412.14	\$91,127.94
Operating Grants and						
Contributions	610,256.47	601,159.20	2,293.92	1,829.30	612,550.39	602,988.50
General Revenues:						
Taxes:						
Property taxes	15,691,661.00	15,419,201.00			15,691,661.00	15,419,201.00
Federal and State Aid not						
Restricted	3,541,860.20	3,230,521.22			3,541,860.20	3,230,521.22
Tuition	75,635.00	42,900.00			75,635.00	42,900.00
Donation	10,000,000.00				10,000,000.00	0.00
Extraordinary Item		(75,000.00)			0.00	(75,000.00)
Miscellaneous Income	<u>208,815.71</u>	<u>46,113.06</u>	<u> </u>	<u> </u>	<u>208,815.71</u>	<u>46,113.06</u>
Total Revenues and Transfers	<u>\$30,267,089.12</u>	<u>\$19,351,342.42</u>	<u>\$6,845.32</u>	<u>\$6,509.30</u>	<u>\$30,273,934.44</u>	<u>\$19,357,851.72</u>

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	\$4,719,554.94	\$4,392,622.51	\$	\$	\$4,719,554.94	\$4,392,622.51
Special	962,539.82	1,020,778.27			962,539.82	1,020,778.27
Other Special Instruction	240,543.01	260,594.81			240,543.01	260,594.81
Support Services:						
Tuition	5,689,063.82	5,284,333.38			5,689,063.82	5,284,333.38
Student & Instruction						
Related Services	2,316,864.51	2,185,166.41			2,316,864.51	2,185,166.41
School Administrative						
Services	382,587.74	362,782.72			382,587.74	362,782.72
General Administrative						
Services	405,220.92	381,587.52			405,220.92	381,587.52
Central Services and						
Info. Tech.	457,480.79	398,247.54			457,480.79	398,247.54
Plant Operations and						
Maintenance	1,110,114.83	1,086,999.88			1,110,114.83	1,086,999.88
Pupil Transportation	698,011.44	428,010.02			698,011.44	428,010.02
Unallocated Benefits	2,078,499.92	1,953,562.01			2,078,499.92	1,953,562.01
Unallocated depreciation	410,857.00	358,510.00			410,857.00	358,510.00
Capital Outlay - Non						
Depreciable	130,847.04	29,836.56			130,847.04	29,836.56
Other Debt Service		(16,151.40)			0.00	(16,151.40)
Interest on Long-Term Debt	64,625.00	69,625.79			64,625.00	69,625.79
Food Service			<u>5,987.32</u>	<u>4,058.44</u>	<u>5,987.32</u>	<u>4,058.44</u>
Total Expenses and Transfers	<u>19,666,810.78</u>	<u>18,196,506.02</u>	<u>5,987.32</u>	<u>4,058.44</u>	<u>19,672,798.10</u>	<u>18,200,564.46</u>
Increase or (Decrease) in						
Net Position	<u>\$10,600,278.34</u>	<u>\$1,154,836.40</u>	<u>\$858.00</u>	<u>\$2,450.86</u>	<u>\$10,601,136.34</u>	<u>\$1,157,287.26</u>

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$19,672,798.10. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$15,691,661.00 because some of the cost was paid by those who benefitted from the programs \$143,412.14, by other governments and organizations who subsidized certain programs with grants and contributions \$612,550.39, and by miscellaneous sources \$13,826,310.91.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. The general fund was increased \$102,988.33 required maintenance, and the special revenue fund was increased by \$652,662.21 for increases in federal grants.

General Fund

The general fund actual revenues including other financing sources were \$19,857,294.06. That amount is \$3,603,596.06 above the final amended budget of \$16,253,698.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,960,755.20 for TPAF pension and social security reimbursements and \$642,840.86 for excesses in other anticipated revenues and financing sources.

The actual expenditures of the general fund were \$19,816,045.88 including transfers which is \$2,851,411.55 above the final amended budget of \$16,964,634.33. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$2,960,755.20 for TPAF pension and social security reimbursements and non-budgeted capital leases of \$101,010.04 and \$210,343.69 of unexpended budgeted funds.

General fund had total revenues of \$19,857,294.06, and total expenditures, including transfers out of \$19,816,045.88 with an ending fund balance of \$3,622,544.52 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$687,633.21. That amount is \$101,408.00 less than the final amended budget of \$789,041.21.

The actual expenditures of the special revenue fund were \$691,263.41, which is \$97,777.80 less than the final amended budget of \$789,041.21.

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$20,362,922.12 invested in sites, construction in progress, buildings and equipment. Of this amount, \$8,076,005.19 in depreciation has been taken over the years. We currently have a net book value of \$12,286,916.93. There were \$531,352.88 in additions during the year for construction in progress. Table 3 shows fiscal year 2023 balances compared to 2022.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$39,001.00	\$39,002.00	\$	\$	\$39,001.00	\$39,002.00
Construction in Progress	531,352.88				531,352.88	0.00
Buildings and Improvements	11,320,930.00	11,112,935.00			11,320,930.00	11,112,935.00
Furniture, Equipment and Vehicles	390,250.00	233,325.00	5,383.05	6,587.17	239,912.17	239,912.17
	<u>\$12,281,533.88</u>	<u>\$11,385,262.00</u>	<u>\$5,383.05</u>	<u>\$6,587.17</u>	<u>\$12,286,916.93</u>	<u>\$11,391,849.17</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Long Term Debt Administration

At June 30, 2023, the District had \$6,293,470.62 of long term debt. Of this amount, \$144,615.00 is for compensated absences; \$3,990,000 of serial bonds for school construction and refunding bonds; \$2,047,395.00 is for net pension liability; and \$111,460.62 is for financed purchases.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2023</u>	<u>2022</u>
2016 Refunding Bonds	1,160,000.00	1,340,000.00
2021 Refunding Bonds	<u>2,830,000.00</u>	<u>3,290,000.00</u>
Total	<u>\$3,990,000.00</u>	<u>\$4,630,000.00</u>

**HO-HO-KUS BOARD OF EDUCATION
HO-HO-KUS, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 the School Business Administrator, Ho-Ho-Kus Board of Education, 70 Lloyd Road, Ho-Ho-Kus, NJ 07423.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	10,948,653.09	6,045.34	10,954,698.43
Receivables, net	576,442.40	353.97	576,796.37
Internal Balances	7,709.60	(7,709.60)	-
Restricted Assets:			
Cash and Cash Equivalents	1,899,544.29		1,899,544.29
Capital Assets :			
Land and Construction in Progress	570,353.88		570,353.88
Other Capital Assets, net	11,711,180.00	5,383.05	11,716,563.05
Total Assets	<u>25,713,883.26</u>	<u>4,072.76</u>	<u>25,717,956.02</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	982,574.00		982,574.00
Total Deferred Outflows of Resources	<u>982,574.00</u>	<u>-</u>	<u>982,574.00</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	232,282.00	-	232,282.00
Payroll Deductions & Withholdings Payable	21,441.04		21,441.04
Unearned Revenue	225,592.60	-	225,592.60
Noncurrent Liabilities:			
Due within one year	695,010.27		695,010.27
Due beyond one year	5,598,460.35		5,598,460.35
Total Liabilities	<u>6,772,786.26</u>	<u>-</u>	<u>6,772,786.26</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	640,726.00		640,726.00
NET POSITION			
Invested in Capital Assets	8,180,073.26	5,383.05	8,185,456.31
Restricted for:			
Debt Service	15,637.48		15,637.48
Capital Projects	10,760,879.85		10,760,879.85
Other Purposes	1,407,208.68		1,407,208.68
Unrestricted (Deficit)	(1,080,854.27)	(1,310.29)	(1,082,164.56)
Total Net Position	<u>19,282,945.00</u>	<u>4,072.76</u>	<u>19,287,017.76</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	3,958,809.27	760,745.67		404,571.00	(4,314,983.94)		(4,314,983.94)	
Special Education	780,527.84	182,011.98			(962,539.82)		(962,539.82)	
Other Special Instruction	177,184.40	41,317.79			(218,502.19)		(218,502.19)	
Other Instruction	17,873.00	4,167.82			(22,040.82)		(22,040.82)	
Support services:								
Tuition	5,689,063.82	-			(5,689,063.82)		(5,689,063.82)	
Student & Instruction Related Services	1,959,596.21	357,268.30	138,860.74 *	144,201.47 *	(2,033,802.30)		(2,033,802.30)	
School Administrative Services	301,683.67	80,904.07			(382,587.74)		(382,587.74)	
General Administrative Services	343,508.37	61,712.55			(405,220.92)		(405,220.92)	
Central Services & Admin. Info. Technology	449,552.39	7,928.40			(457,480.79)		(457,480.79)	
Plant Operations and Maintenance	987,032.70	123,082.13			(1,110,114.83)		(1,110,114.83)	
Pupil Transportation	698,011.44	-			(698,011.44)		(698,011.44)	
Unallocated Benefits	2,078,499.92	-			(2,078,499.92)		(2,078,499.92)	
Capital Outlay - Non-depreciable	130,847.04	-		61,484.00	(130,847.04)		(130,847.04)	
Interest on Long-term Debt	64,625.00	-			(64,625.00)		(64,625.00)	
Unallocated Depreciation	410,857.00	-			(410,857.00)		(410,857.00)	
Total Governmental Activities	18,047,672.07	1,619,138.71	138,860.74	610,256.47	(18,917,693.57)	-	(18,917,693.57)	
Business-type Activities:								
Food Service	5,987.32		4,551.40	2,293.92		858.00	858.00	
Total Business-type Activities	5,987.32		4,551.40	2,293.92		858.00	858.00	
Total Primary Government	18,053,659.39		143,412.14	612,550.39	(18,917,693.57)	858.00	(18,916,835.57)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					15,044,271.00		15,044,271.00	
Taxes Levied for Debt Service					647,390.00		647,390.00	
Federal and State Aid not Restricted					3,541,860.20		3,541,860.20	
Tuition					75,635.00		75,635.00	
Donations Capital Project					10,000,000.00		10,000,000.00	
Miscellaneous Income					208,815.71		208,815.71	
Total General Revenues, Special Items, Extraordinary Items and Transfers					29,517,971.91		29,517,971.91	
Change in Net Position					10,600,278.34	858.00	10,601,136.34	
Net Position—Beginning (Restated)						3,214.76	8,685,881.42	
Net Position—Ending						4,072.76	19,287,017.76	

See Accompanying Notes to Financial Statements.

* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions".

FUND FINANCIAL STATEMENTS

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	1,129,957.00	220,230.60	9,582,828.01	15,637.48	10,948,653.09
Tax Levy Receivable					
Interfund Receivables	7,709.60				7,709.60
Receivables from Other Governments	565,610.40	4,912.00			570,522.40
Other Receivables	5,920.00				5,920.00
Prepaid Expenses					
Restricted Cash and Cash Equivalents	1,851,143.56	48,400.73			1,899,544.29
Total Assets	<u>3,560,340.56</u>	<u>273,543.33</u>	<u>9,582,828.01</u>	<u>15,637.48</u>	<u>13,432,349.38</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable					
Reserve for Unemployment Claims	21,441.04				21,441.04
Unearned Revenue	450.00	225,142.60			225,592.60
Total Liabilities	<u>21,891.04</u>	<u>225,142.60</u>			<u>247,033.64</u>
Fund Balances:					
Restricted for:					
Excess Surplus-Current Year	377,779.00				377,779.00
Excess Surplus Designated for					
Subsequent Year's Expenditures	377,779.00				377,779.00
Capital Reserve	1,178,051.84				1,178,051.84
Emergency Reserve	35,000.00				35,000.00
Maintenance Reserve	597,757.00				597,757.00
Unemployment Compensation	18,893.68				18,893.68
Scholarships		20,880.27			20,880.27
Student Activities		27,520.46			27,520.46
Capital Projects Fund			9,312,134.26		9,312,134.26
Assigned to:					
Other Purposes	74,626.49		270,693.75		345,320.24
Assigned to:					
Designated by Board of Education for					
Subsequent Year's Expenditures	200,001.00				200,001.00
Debt Service Fund				15,637.48	15,637.48
Unassigned:					
General Fund	678,561.51				678,561.51
Total Fund Balances	<u>3,538,449.52</u>	<u>48,400.73</u>	<u>9,582,828.01</u>	<u>15,637.48</u>	<u>13,185,315.74</u>
Total Liabilities and Fund Balances	<u>3,560,340.56</u>	<u>273,543.33</u>	<u>9,582,828.01</u>	<u>15,637.48</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 20,327,672.88 and the accumulated depreciation is \$ 8,046,139.00.	12,281,533.88
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(26,660.00)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(205,622.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds. Deferred Outflows of Resources Related to PERS Pension Liability	982,574.00
Deferred Inflows of Resources Related to PERS Pension Liability	(640,726.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,293,470.62)
Net position of governmental activities	<u>19,282,945.00</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
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>
REVENUES					
Local Sources:					
Local Tax Levy	15,044,271.00			647,390.00	15,691,661.00
Tuition	75,635.00				75,635.00
Donation			10,000,000.00		10,000,000.00
Miscellaneous	118,509.82	343,290.21 *	90,305.89		552,105.92
Total - Local Sources	15,238,415.82	343,290.21	10,090,305.89	647,390.00	26,319,401.92
State Sources	4,502,098.20	6,660.00		61,484.00	4,570,242.20
Federal Sources		337,683.00			337,683.00
Total Revenues	<u>19,740,514.02</u>	<u>687,633.21</u>	<u>10,090,305.89</u>	<u>708,874.00</u>	<u>31,227,327.12</u>
EXPENDITURES					
Current:					
Regular Instruction	3,554,238.27	404,571.00			3,958,809.27
Special Education Instruction	780,527.84				780,527.84
Other Special Instruction	177,184.40				177,184.40
Other Instruction	17,873.00				17,873.00
Support Services and Undistributed Costs:					
Tuition	5,689,063.82				5,689,063.82
Student & Instruction Related Services	1,672,903.80	286,692.41 **			1,959,596.21
School Administrative Services	301,683.67				301,683.67
General Administrative Services	343,508.37				343,508.37
Central Services & Admin. Info. Technology	449,552.39				449,552.39
Plant Operations and Maintenance	987,032.70				987,032.70
Pupil Transportation	698,011.44				698,011.44
Unallocated Benefits	4,989,744.14				4,989,744.14
Capital Outlay	154,722.04		507,477.88		662,199.92
Debt Service:					
Principal				640,000.00	640,000.00
Interest and Other Charges				68,874.00	68,874.00
Total Expenditures	<u>19,816,045.88</u>	<u>691,263.41</u>	<u>507,477.88</u>	<u>708,874.00</u>	<u>21,723,661.17</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(75,531.86)</u>	<u>(3,630.20)</u>	<u>9,582,828.01</u>		<u>9,503,665.95</u>
OTHER FINANCING SOURCES (USES)					
Capital Leases (non-budgeted)	101,010.04				101,010.04
Total other financing sources and (uses)	<u>101,010.04</u>				<u>101,010.04</u>
Net Change in Fund Balances	25,478.18	(3,630.20)	9,582,828.01		9,604,675.99
Fund Balance—July 1	<u>3,512,971.34</u>	<u>52,030.93</u>		<u>15,637.48</u>	<u>3,580,639.75</u>
Fund Balance—June 30	<u><u>3,538,449.52</u></u>	<u><u>48,400.73</u></u>	<u><u>9,582,828.01</u></u>	<u><u>15,637.48</u></u>	<u><u>13,185,315.74</u></u>

* Special Revenue Fund now includes revenues from Scholarships and Student Activities.

** Special Revenue Fund now includes expenditures from Scholarships and Student Activities.

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2)		9,604,675.99
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	(458,095.00)
	Depreciable Capital Outlays	73,257.88
		531,352.88
Repayment of long-term debt is reported as 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. In the current year, these amounts consist of:		
	Bond Principal	640,000.00
	Principal Financed Purchases	43,733.51
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Capital Lease Proceeds	(101,010.04)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment in the reconciliation.		
		4,249.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
	Increase/(Decrease) in Compensated Absences Payable	2,025.00
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	171,082.00
	Less: Pension Expense	(162,265.00)
	(Increase)/Decrease in Pension Expense	333,347.00
Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Increase/(Decrease) in On-behalf State Aid TPAF Pension	(1,363,325.00)
	(Increase)/Decrease in On-behalf TPAF Pension Expense	1,363,325.00
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post retirement medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Increase in On-behalf State Aid TPAF Post Retirement Medical	403,087.00
	(Increase) in On-behalf TPAF Post Retirement Medical	(403,087.00)
Change in net position of governmental activities		10,600,278.34

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities Enterprise Fund Food Service Program
ASSETS	
Current Assets:	
Cash and Cash Equivalents	6,045.34
Accounts Receivable:	
Federal	353.97
Total Current Assets	6,399.31
Noncurrent Assets:	
Capital Assets:	
Equipment	35,249.24
Less Accumulated Depreciation	(29,866.19)
Total Capital Assets (Net of Accumulated Depreciation)	5,383.05
Total Assets	11,782.36
LIABILITIES	
Current Liabilities:	
Interfunds Payable	7,709.60
Total Current Liabilities	7,709.60
Total Liabilities	7,709.60
NET POSITION	
Invested in Capital Assets Net of Related Debt	5,383.05
Unrestricted	(1,310.29)
Total Net Position	4,072.76

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities <u>Enterprise Fund</u> <u>Food Service Program</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	4,551.40
Total Operating Revenues	<u>4,551.40</u>
Operating Expenses:	
Cost of sales-reimbursable programs	4,783.20
Depreciation	1,204.12
Total Operating Expenses	<u>5,987.32</u>
Operating Income (Loss)	<u>(1,435.92)</u>
Nonoperating Revenues (Expenses):	
Federal Sources:	
Special Milk Program	2,293.92
Total Nonoperating Revenues (Expenses)	<u>2,293.92</u>
Income (Loss) Before Contributions & Transfers	858.00
Transfers In (Out)	
Change in Net Position	<u>858.00</u>
Total Net Position—Beginning	<u>3,214.76</u>
Total Net Position—Ending	<u><u>4,072.76</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities Enterprise Fund Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	4,551.40
Payments to Suppliers	<u>(4,783.20)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(231.80)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal Sources	<u>2,051.27</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>2,051.27</u>
Net Cash Provided by (Used for) Investing Activities	
Net Increase (Decrease) in Cash and Cash Equivalents	1,819.47
Balances—Beginning of Year	<u>4,225.87</u>
Balances—End of Year	<u><u>6,045.34</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(1,435.92)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:	
Depreciation and Net Amortization	<u>1,204.12</u>
Total Adjustments	<u>1,204.12</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>(231.80)</u></u>

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Ho-Ho-Kus School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Ho-Ho-Kus School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ho-Ho-Kus School District is a Type II district located in the County of Bergen, 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 K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a middle school, located in the Borough of Ho-Ho-Kus. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did make material supplemental budgetary appropriations during the fiscal year. \$102,988.33 was withdrawn from the maintenance reserve for required maintenance.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Encumbrances: (continued)

Open encumbrances in the special revenue fund, for which the Board 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. Cash, Cash Equivalents and Investments:

Cash and cash equivalents 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. 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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accrued Liabilities and Long-term Obligations: (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions, (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Net Position:

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted items of net position are available.

T. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect reporting amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

X. New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$-0- of the District's bank balance of \$13,252,404.44 was exposed to custodial credit risk.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$565,610.40		\$565,610.40
Federal Aid	4,912.00	353.97	5,265.97
Other	5,920.00		5,920.00
Interfunds	<u>7,709.60</u>		
Gross Receivables	584,152.00	353.97	<u>576,796.37</u>
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$584,152.00</u></u>	<u><u>\$353.97</u></u>	<u><u>\$576,796.37</u></u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 4. INTERFUND BALANCES AND ACTIVITY:

Interfunds outstanding at June 30, 2023 consisted of \$7,709.60 due to the General Fund from the Enterprise fund for Enterprise fund expenditures paid by the General Fund.

It is expected that the Interfund will be eliminated in the next year.

NOTE 5. CAPITAL ASSETS:

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

	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Governmental Activities				
Capital Assets Not Being Depreciated -				
Construction in Progress	\$	\$531,352.88		\$531,352.88
Land	<u>39,001.00</u>	<u>0.00</u>	_____	<u>39,001.00</u>
Total Capital Assets Not Being Depreciated	<u>39,001.00</u>	<u>531,352.88</u>	_____	<u>570,353.88</u>
Capital Assets Being Depreciated				
Land Improvements	238,360.00			238,360.00
Buildings and Improvements	18,540,193.00			18,540,193.00
Machinery and Equipment	<u>978,766.00</u>	<u>0.00</u>	_____	<u>978,766.00</u>
Total Capital Assets, Being Depreciated	<u>19,757,319.00</u>	<u>0.00</u>	_____	<u>19,757,319.00</u>
Less Accumulated Depreciation:				
Land Improvements	(238,360.00)			(238,360.00)
Buildings and Improvements	(6,827,239.00)	(392,024.00)		(7,219,263.00)
Machinery and Equipment	<u>(522,445.00)</u>	<u>(66,071.000)</u>	_____	<u>(588,516.00)</u>
Total Accumulated Depreciation	<u>(7,588,044.00)</u>	<u>(458,095.00)</u>	<u>0.00</u>	<u>(8,046,139.00)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,169,275.00</u>	<u>(458,095.00)</u>	<u>0.00</u>	<u>11,711,180.00</u>
Governmental Activities Capital Assets, Net	<u>\$12,208,276.00</u>	<u>\$73,257.88</u>	<u>0.00</u>	<u>\$12,281,533.88</u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 5. CAPITAL ASSETS: (continued)

	Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Business-Type Activity				
Equipment	\$35,249.24	\$0.00	\$	\$35,249.24
Less Accumulated Depreciation:				
Equipment	<u>(28,662.07)</u>	<u>(1,204.12)</u>	_____	<u>(29,866.19)</u>
Business-Type Activity Capital Assets, Net	<u>\$6,587.17</u>	<u>(\$1,204.12)</u>	<u>\$0.00</u>	<u>\$5,383.05</u>

Depreciation expense was charged governmental functions as follows:

Regular Instruction	\$6,095.00
Student and Instruction Related Services	4,829.00
School Administrative Services	11,396.00
Plant Operations and Maintenance	24,378.00
Unallocated Depreciation	410,857.00
	<u>\$457,555.00</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2023 were as follows:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Amounts Due Within <u>One year</u>
Governmental Activities					
Long-Term Debt:					
Serial Bonds	\$4,630,000.00	\$0.00	\$640,000.00	\$3,990,000.00	\$655,000.00
Other Liabilities:					
Compensated Absences Payable	146,640.00	12,480.00	14,505.00	144,615.00	
Financed Purchases Payable	54,184.09	101,010.04	43,733.51	111,460.62	40,010.27
Net Pension Liability	<u>1,320,708.00</u>	<u>726,687.00</u>	<u>0.00</u>	<u>2,047,395.00</u>	_____
Total Other Liabilities	<u>1,521,532.09</u>	<u>840,177.04</u>	<u>58,238.51</u>	<u>2,303,470.62</u>	<u>40,010.27</u>
Total Governmental Activities	<u>\$6,151,532.09</u>	<u>\$840,177.04</u>	<u>\$698,238.51</u>	<u>\$6,293,470.62</u>	<u>\$695,010.27</u>

Compensated absences have been liquidated in the general fund.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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

Outstanding bonds payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Original Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2023</u>
School Refunding Bonds, Series 2021	\$3,305,000.00	11/15/2021	1.287%	2/1/2029	\$2,830,000.00
School Refunding Bonds, Series 2016	2,225,000.00	10/13/2016	1.980%	1/1/2029	<u>1,160,000.00</u>
					<u>\$3,990,000.00</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$655,000.00	\$59,390.10	\$714,390.10
2025	660,000.00	49,678.20	709,678.20
2026	675,000.00	39,901.95	714,901.95
2027	665,000.00	29,898.00	694,898.00
2028	675,000.00	20,022.75	695,022.75
2029	<u>660,000.00</u>	<u>9,914.85</u>	<u>669,914.85</u>
	<u>\$3,990,000.00</u>	<u>\$208,805.85</u>	<u>\$4,198,805.85</u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had \$0.00 of authorized but not issued bonds.

C. Financed Purchases Payable:

The District has financed copiers and technology equipment through financed purchase agreements. The following is a schedule of the future minimum payments under financed purchases agreements and the net minimum payments at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$40,010.27	\$6,170.58	\$46,180.85
2025	42,252.24	3,928.61	46,180.85
2026	<u>29,198.11</u>	<u>1,782.74</u>	<u>30,980.85</u>
	<u>\$111,460.62</u>	<u>\$11,881.93</u>	<u>\$123,342.55</u>

NOTE 7. 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 Teachers' 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 or reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

Benefits Provided

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

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

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with, a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/23	\$171,082.00	\$3,386.96
6/30/22	130,562.00	3,198.73
6/30/21	97,099.00	3,422.80

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI	LTD
<u>Ending</u> 6/30/23	<u>Contributions</u> \$2,011,727.00	<u>Contributions</u> \$535,808.00	<u>Premium</u> \$27,910.00	<u>Liability</u> \$477.00
6/30/22	2,005,073.00	475,075.00	28,289.00	476.00
6/30/21	1,302,676.00	416,006.00	24,785.00	436.00

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$384,833.20 during the year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$2,047,395.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was .013566523 percent, which was an increase of .0024181431 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(162,265.00). At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$14,777.00	\$13,031.00
Changes of assumptions	6,343.00	306,576.00
Net difference between projected and actual earnings on pension plan investments	84,740.00	
Changes in proportion and differences between the District’s contributions and proportionate share of contributions	671,092.00	321,119.00
District contributions subsequent to the measurement date	<u>205,622.00</u>	<u> </u>
Total	<u>\$982,574.00</u>	<u>\$640,726.00</u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The \$205,622.00 reported as deferred outflows of resources related to pensions resulting from school district 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 (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	(\$175,623)
2024	(89,474)
2025	(43,635)
2026	95,195
2027	(209)
	<u>(\$213,747)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2022, 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District's Proportion	.0135666523%	.0111485092%

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Actuarial Assumptions

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

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 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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 based on Scale MP-2021.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Long-Term 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 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%

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,630,302	\$2,047,395	\$1,551,317

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF)

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>25,129,758</u>
	<u>\$25,129,758</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .04487063527%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$676,312 for contributions provided by the State in the District-Wide Financial Statements.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2020, 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%

Mortality Rates

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 Health 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 a 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, 2020.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 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	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

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 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment 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 State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-OPEB.shtml>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>20,132,474</u>
	<u>\$20,132,474</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which 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:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.45% based on service years	2.75 - 6.55% based on service years

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. 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.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies for the periods July 1, 2018 – 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 used to measure the total OPEB Liability 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.

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$938,895 in the district-wide financial statements as 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 GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Ho-Ho-Kus School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

NOTE 9. DEFERRED COMPENSATION:

The Board offers its employees the following deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by the entity listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan is not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is Lincoln Financial.

NOTE 10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

The District is a member of the New Jersey School Boards Association Insurance Group, Educational Risk and Insurance Consortium (the "Consortium"). The Consortium is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation, employees' liability, automobile and equipment liability, general liability and boiler and machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Consortium and should it be determined that payments received by the Consortium are deficient, additional assessments may be levied. Additionally, the Consortium maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

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

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 10. RISK MANAGEMENT: (continued)

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$	\$12,721.76	\$4,641.66	\$40,334.72
2021-2022		11,419.64		32,254.62
2020-2021	0.00	10,088.52	8,147.22	20,834.98

NOTE 11. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Ho-Ho-Kus Board of Education by inclusion of \$100.00 on October 3, 2000 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). 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. 6A: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	\$959,118.57
Deposit - Board Resolution - June 13, 2023	<u>218,933.27</u>
	1,178,051.84
Withdrawals	<u>0.00</u>
Ending balance, June 30, 2023	<u>\$1,178,051.84</u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. CAPITAL RESERVE ACCOUNT: (continued)

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP.

NOTE 12. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board of Education resolution adopted June 23, 2009 in the amount of \$25,000.00. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$595,206.09
Deposits - Board Resolution - June 13, 2023	<u>105,539.24</u>
	700,745.33
Budgeted Withdrawal	<u>102,988.33</u>
Ending balance, June 30, 2023	<u><u>\$597,757.00</u></u>

NOTE 13. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000.00 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

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

Beginning balance, July 1, 2022	<u>\$35,000.00</u>
Ending balance, June 30, 2023	<u>\$35,000.00</u>

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$3,538,449.62 General Fund fund balance at June 30, 2023, \$74,626.49 is reserved for encumbrances; \$18,893.68 is reserved for unemployment compensation; \$755,558.00 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$377,779.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$1,178,051.84 has been reserved in the Capital Reserve Account; \$597,757.00 has been reserved in the Maintenance Reserve Account; \$35,000.00 has been reserved in the Emergency Reserve Account; \$200,001.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2024; and \$678,561.61 is unreserved and undesignated.

Special Revenue Fund - Of the \$48,400.73 Special Revenue Fund fund balance at June 30, 2023, \$20,880.27 is reserved for scholarships; and \$27,520.46 is reserved for student activities.

Debt Service Fund - Of the \$15,637.48 Debt Service Fund fund balance at June 30, 2023, \$15,637.48 has been appropriated and included as anticipated revenue for the year ending June 30, 2024.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, 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. The excess fund balance at June 30, 2023 is \$755,558.00. Of this amount, \$377,779.00 is the result of the current year's operations and \$377,779.00 is the result of prior year operations.

NOTE 16. CONTINGENT LIABILITIES:

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

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Borough of Ho-Ho-Kus School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 17. RETROACTIVE RESTATEMENT DUE TO UPDATE FIXED ASSET SCHEDULE

During the fiscal year 2023, the District contracted with a new outside service provider to update the fixed asset record. This resulted in the following adjustments to the capital assets and investment in capital assets and total net position.

	<u>Balance</u> <u>June 30, 2022</u>	<u>Restatement</u>	<u>Restated Balance</u> <u>June 30, 2022</u>
<u>GOVERNMENTAL FUNDS:</u>			
Capital Assets:			
Land and Construction in Progress	39,002.00	(1.00)	39,001.00
Other Capital Assets, Net	11,346,260.00	823,015.00	12,169,275.00
Net Assets:			
Net Investment in Capital Assets	6,701,077.91	823,014.00	7,524,091.91
Total Net Position	7,859,652.66	823,014.00	8,682,666.66

NOTE 18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2023, the date which the financial statements were available to be issued and the following item was noted for disclosure:

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	15,044,271.00		15,044,271.00	15,044,271.00	
Tuition from Individuals	50,600.00		50,600.00	75,635.00	25,035.00
Interest Earned on Emergency Reserve Funds	5.00		5.00		(5.00)
Interest Earned on Maintenance Reserve Funds	20.00		20.00		(20.00)
Interest Earned on Capital Reserve Funds	40.00		40.00		(40.00)
Miscellaneous	29,845.00		29,845.00	118,509.82	88,664.82
Total - Local Sources	<u>15,124,781.00</u>		<u>15,124,781.00</u>	<u>15,238,415.82</u>	<u>113,634.82</u>
State Sources:					
Categorical Special Education Aid	794,477.00		794,477.00	794,477.00	
Categorical Security Aid	14,624.00		14,624.00	14,624.00	
Categorical Transportation Aid	203,210.00		203,210.00	203,210.00	
School Security Grant		16,606.00	16,606.00	16,606.00	
Extraordinary Aid	100,000.00		100,000.00	509,713.00	409,713.00
State Lead Testing Reimbursement				625.00	625.00
Other State Aid - Reimburse Nonpublic School Transportation				17,858.00	17,858.00
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				2,011,727.00	2,011,727.00
On-behalf TPAF NCGI Premium (non-budgeted)				27,910.00	27,910.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				535,808.00	535,808.00
On-behalf TPAF - LTDI				477.00	477.00
TPAF Social Security (Reimbursed - Non-Budgeted)				384,833.20	384,833.20
Total - State Sources	<u>1,112,311.00</u>	<u>16,606.00</u>	<u>1,128,917.00</u>	<u>4,517,868.20</u>	<u>3,388,951.20</u>
TOTAL REVENUES	<u>16,237,092.00</u>	<u>16,606.00</u>	<u>16,253,698.00</u>	<u>19,756,284.02</u>	<u>3,502,586.02</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	83,694.00	(28,378.50)	55,315.50	55,315.40	0.10
Kindergarten - Salaries of Teachers	249,466.00	(765.00)	248,701.00	248,701.00	
Grades 1-5 - Salaries of Teachers	1,850,469.00	108,815.33	1,959,284.33	1,946,923.78	12,360.55
Grades 6-8 - Salaries of Teachers	1,234,905.00	(151,140.83)	1,083,764.17	1,083,617.73	146.44
Regular Programs - Home Instruction:					
Salaries of Teachers	1,600.00	2,337.50	3,937.50	2,880.00	1,057.50
Purchased Professional-Educational Services	3,000.00	8,241.72	11,241.72	9,393.72	1,848.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	117,487.00	(40,582.00)	76,905.00	76,905.00	
Purchased Technical Services	1,000.00	(1,000.00)			
Other Purchased Services (400-500 series)	29,120.00	(599.50)	28,520.50	27,973.36	547.14
General Supplies	166,337.00	(59,445.24)	106,891.76	101,766.78	5,124.98
Other Objects	2,105.00	(1,343.50)	761.50	761.50	
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>3,739,183.00</u>	<u>(163,860.02)</u>	<u>3,575,322.98</u>	<u>3,554,238.27</u>	<u>21,084.71</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	696,148.00	(180,914.00)	515,234.00	515,234.00	
Other Salaries for Instruction	204,163.00	62,930.84	267,093.84	265,293.84	1,800.00
Total Resource Room/Resource Center	<u>900,311.00</u>	<u>(117,983.16)</u>	<u>782,327.84</u>	<u>780,527.84</u>	<u>1,800.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>900,311.00</u>	<u>(117,983.16)</u>	<u>782,327.84</u>	<u>780,527.84</u>	<u>1,800.00</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	210,713.00	(33,528.60)	177,184.40	177,184.40	
General Supplies	200.00	(200.00)			
Total Basic Skills/Remedial - Instruction	<u>210,913.00</u>	<u>(33,728.60)</u>	<u>177,184.40</u>	<u>177,184.40</u>	
School-Sponsored Cocurricular Activities - Instruction					
Salaries	12,743.00	7,605.50	20,348.50	17,873.00	2,475.50
Total School-Sponsored Cocurricular Activities - Instruction	<u>12,743.00</u>	<u>7,605.50</u>	<u>20,348.50</u>	<u>17,873.00</u>	<u>2,475.50</u>
TOTAL INSTRUCTION	<u>4,863,150.00</u>	<u>(307,966.28)</u>	<u>4,555,183.72</u>	<u>4,529,823.51</u>	<u>25,360.21</u>

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	4,032,422.00		4,032,422.00	4,032,422.00	
Tuition to Other LEAs Within the State - Special	719,300.00	(433,835.31)	285,464.69	285,464.00	0.69
Tuition to County Voc. School Dist. - Regular	49,095.00	10,629.00	59,724.00	59,724.00	
Tuition to CSSD & Regional Day Schools	252,900.00	(24,465.56)	228,434.44	227,184.44	1,250.00
Tuition to Private Schools for the Disabled - Within State	547,718.00	256,269.34	803,987.34	796,079.38	7,907.96
Tuition to Private Schools for the Disabled - Out of State	120,337.00	(120,337.00)			
Tuition - Other		290,825.00	290,825.00	288,190.00	2,635.00
Total Undistributed Expenditures - Instruction:	5,721,772.00	(20,914.53)	5,700,857.47	5,689,063.82	11,793.65
Undistributed Expend. - Attend. & Social Work					
Salaries	6,906.00	83.66	6,989.66	6,989.66	
Total Undistributed Expend. - Attend. & Social Work	6,906.00	83.66	6,989.66	6,989.66	
Undist. Expend. - Health Services					
Salaries	144,850.00	5,612.00	150,462.00	149,428.61	1,033.39
Purchased Professional and Technical Services	3,000.00	3,000.00	6,000.00	6,000.00	
Other Purchased Services (400-500 series)	1,000.00	(175.00)	825.00	490.00	335.00
Supplies and Materials	4,000.00	8.79	4,008.79	3,888.60	120.19
Other Objects		333.76	333.76	333.76	
Total Undistributed Expenditures - Health Services	152,850.00	8,779.55	161,629.55	160,140.97	1,488.58
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	265,033.00	(32,657.30)	232,375.70	232,375.70	
Purchased Professional - Educational Services	30,000.00	(25,959.00)	4,041.00	3,916.00	125.00
Supplies and Materials	600.00	(261.11)	338.89	218.29	120.60
Total Undist. Expend. - Speech, OT, PT, & Related Services	295,633.00	(58,877.41)	236,755.59	236,509.99	245.60
Undist. Expend. - Other Supp. Serv. Students-Extra Services					
Salaries	167,258.00	25,769.75	193,027.75	190,577.75	2,450.00
Purchased Professional - Educational Services	188,569.00	(63,135.20)	125,433.80	125,433.80	
Total Undist. Expend. - Other Supp. Serv. Students-Extra Serv.	355,827.00	(37,365.45)	318,461.55	316,011.55	2,450.00
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	95,870.00		95,870.00	95,869.80	0.20
Supplies and Materials		49.73	49.73	48.49	1.24
Total Undist. Expenditures - Guidance	95,870.00	49.73	95,919.73	95,918.29	1.44
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	442,169.00	(39,290.29)	402,878.71	402,878.71	
Salaries of Secretarial and Clerical Assistants	51,210.00		51,210.00	51,210.00	
Purchased Professional - Educational Services	4,000.00	(4,000.00)			
Other Purchased Prof. and Tech. Services	8,000.00	9,325.00	17,325.00	9,575.00	7,750.00
Other Purchased Services (400-500 series)	500.00	(385.74)	114.26	114.26	
Supplies and Materials	2,500.00	2,214.65	4,714.65	3,714.65	1,000.00
Total Undist. Expend. - Child Study Team	508,379.00	(32,136.38)	476,242.62	467,378.36	8,864.26
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	93,675.00	44,079.60	137,754.60	137,754.60	
Purchased Prof- Educational Services	55,364.00	(47,829.00)	7,535.00	7,535.00	
Other Purch Services (400-500)		650.00	650.00		650.00
Total Undist. Expend. - Improvement of Inst. Services	149,039.00	(3,099.40)	145,939.60	145,289.60	650.00
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	162,544.00	4,535.40	167,079.40	165,116.40	1,963.00
Total Undist. Expend. - Educational Media Serv./Sch. Library	162,544.00	4,535.40	167,079.40	165,116.40	1,963.00
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	75,675.00	3,500.60	79,175.60	79,175.60	
Other Purchased Services (400-500 series)	3,000.00	(2,250.00)	750.00		750.00
Supplies and Materials	1,000.00	(626.62)	373.38	373.38	
Total Undist. Expend. - Instructional Staff Training Serv.	79,675.00	623.98	80,298.98	79,548.98	750.00
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	264,644.00		264,644.00	264,643.92	0.08
Legal Services	22,000.00	(2,431.33)	19,568.67	7,325.88	12,242.79
Audit Fees	18,460.00		18,460.00	18,460.00	
Architectural/Engineering Services		8,100.00	8,100.00	8,100.00	
Purchased Technical Services	6,000.00	(5,038.34)	961.66	434.70	526.96
Communications/Telephone	21,024.00	(2,236.66)	18,787.34	17,811.43	975.91
BOE Other Purchased Services	2,000.00	(649.40)	1,350.60	870.74	479.86
Other Purchased Services (400-500 series)	11,000.00	709.96	11,709.96	11,272.68	437.28
General Supplies	2,200.00	(1,905.00)	295.00		295.00
Miscellaneous Expenditures	3,500.00	3,690.04	7,190.04	5,595.16	1,594.88
BOE Membership Dues and Fees	8,500.00	557.86	9,057.86	8,993.86	64.00
Total Undist. Expend. - Supp. Serv. - General Administration	359,328.00	797.13	360,125.13	343,508.37	16,616.76

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	232,851.00	0.36	232,851.36	232,851.36	
Salaries of Secretarial and Clerical Assistants	62,156.00	751.00	62,907.00	62,906.64	0.36
Supplies and Materials	6,858.00	(2,898.43)	3,959.57	3,603.53	356.04
Other Objects	4,000.00	(1,677.86)	2,322.14	2,322.14	
Total Undist. Expend. - Support Serv. - School Administration	305,865.00	(3,824.93)	302,040.07	301,683.67	356.40
Undist. Expend. - Central Services					
Salaries	261,872.00	12,406.69	274,278.69	274,277.19	1.50
Purchased Professional Services	30,000.00	78.00	30,078.00	29,034.28	1,043.72
Purchased Technical Services	850.00	6,520.00	7,370.00		7,370.00
Misc. Purchased Services (400-500 series)	800.00	945.56	1,745.56	1,703.55	42.01
Supplies and Materials	1,200.00	(446.16)	753.84	753.46	0.38
Miscellaneous Expenditures	1,240.00	67.10	1,307.10	1,307.10	
Total Undist. Expend. - Central Services	295,962.00	19,571.19	315,533.19	307,075.58	8,457.61
Undist. Expend. - Admin. Info. Tech					
Salaries	32,992.00	1,007.60	33,999.60	33,999.60	
Purchased Technical Services	59,504.00	44,629.01	104,133.01	104,129.31	3.70
Supplies and Materials	45,000.00	(40,652.10)	4,347.90	4,347.90	
Total Undist. Expend. - Admin. Info. Tech	137,496.00	4,984.51	142,480.51	142,476.81	3.70
Undist. Expend. - Required Maint. for School Facilities					
Salaries	87,634.00	19,845.08	107,479.08	104,046.14	3,432.94
Cleaning, Repair and Maintenance Services	86,000.00	48,860.33	134,860.33	120,939.94	13,920.39
General Supplies	8,500.00	24,568.93	33,068.93	31,853.30	1,215.63
Total Undist. Expend. - Required Maint. for School Facilities	182,134.00	93,274.34	275,408.34	256,839.38	18,568.96
Undist. Expend. - Custodial Services					
Salaries	293,198.00	42,260.79	335,458.79	319,229.97	16,228.82
Purchased Professional and Technical Services	2,500.00	(1,876.16)	623.84	505.00	118.84
Cleaning, Repair and Maintenance Services	13,000.00	1,734.16	14,734.16	12,951.16	1,783.00
Other Purchased Property Services	18,000.00	475.00	18,475.00	18,381.57	93.43
Insurance	98,000.00	16,994.58	114,994.58	114,560.30	434.28
General Supplies	24,284.00	(11,320.61)	12,963.39	12,963.39	
Energy (Natural Gas)	50,000.00	14,887.02	64,887.02	44,887.02	20,000.00
Energy (Energy and Electricity)	109,120.00	(18,715.00)	90,405.00	90,404.53	0.47
Energy (Gasoline)	1,500.00	(1,103.02)	396.98	316.17	80.81
Other Objects	1,000.00	2,774.25	3,774.25	3,204.18	570.07
Total Undist. Expend. - Custodial Services	610,602.00	46,111.01	656,713.01	617,403.29	39,309.72
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	37,693.00	8,215.54	45,908.54	41,264.24	4,644.30
General Supplies	1,200.00	821.39	2,021.39	1,911.07	110.32
Total Undist. Expend. - Care and Upkeep of Grounds	38,893.00	9,036.93	47,929.93	43,175.31	4,754.62
Undist. Expend. - Security					
Salaries	65,000.00	5,449.26	70,449.26	68,822.50	1,626.76
Purchased Professional and Technical Services		340.00	340.00	195.00	145.00
General Supplies		597.22	597.22	597.22	
Total Undist. Expend. - Security	65,000.00	6,386.48	71,386.48	69,614.72	1,771.76
Total Undist. Expend. - Oper & Maint. Of Plant	896,629.00	154,808.76	1,051,437.76	987,032.70	64,405.06
Undist. Expend. - Student Transportation Services					
Management Fee - ESC & CTSA Trans. Program	12,122.00	0.67	12,122.67	12,122.67	
Cleaning, Repair and Maintenance Services	2,000.00		2,000.00	1,695.26	304.74
Contracted Services - Aid in Lieu Payments	23,000.00	22,990.00	45,990.00	45,479.00	511.00
Contracted Services (Other than Bet Home and School)-Vendors	5,000.00	(5,000.00)			
Contracted Services (Regular Students)-ESCs & CTSA	200,000.00	176,931.67	376,931.67	376,931.67	
Contracted Services (Special Ed. Students)-ESCs & CTSA	289,116.00	(14,989.46)	274,126.54	261,782.84	12,343.70
General Supplies	250.00	(250.00)			
Miscellaneous Expenditures	400.00	(400.00)			
Total Undist. Expend. - Student Transportation Services	531,888.00	179,282.88	711,170.88	698,011.44	13,159.44
UNALLOCATED BENEFITS					
Social Security Contributions	115,000.00	46,332.29	161,332.29	155,378.73	5,953.56
Other Retirement Contributions - PERS	126,000.00	45,082.00	171,082.00	171,082.00	
Other Retirement Contributions - Regular	3,500.00	100.45	3,600.45	3,386.96	213.49
Unemployment Compensation		982.11	982.11		982.11
Workmen's Compensation	28,508.00	11,954.00	40,462.00	40,462.00	
Health Benefits	1,593,982.00	75,923.91	1,669,905.91	1,637,681.44	32,224.47
Tuition Reimbursement	14,400.00	(400.00)	14,000.00	14,000.00	
Other Employee Benefits	15,000.00	6,412.16	21,412.16	6,997.81	14,414.35
TOTAL UNALLOCATED BENEFITS	1,896,390.00	186,386.92	2,082,776.92	2,028,988.94	53,787.98

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				2,011,727.00	(2,011,727.00)
On-behalf TPAF NCGI Premium (non-budgeted)				27,910.00	(27,910.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				535,808.00	(535,808.00)
On-behalf TPAF - LTDI				477.00	(477.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				384,833.20	(384,833.20)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>2,960,755.20</u>	<u>(2,960,755.20)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,896,390.00	186,386.92	2,082,776.92	4,989,744.14	(2,906,967.22)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>11,952,053.00</u>	<u>403,685.61</u>	<u>12,355,738.61</u>	<u>15,131,500.33</u>	<u>(2,775,761.72)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>16,815,203.00</u>	<u>95,719.33</u>	<u>16,910,922.33</u>	<u>19,661,323.84</u>	<u>(2,750,401.51)</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		4,675.00	4,675.00	4,675.00	
Other Purchased Prof. and Tech. Services		19,200.00	19,200.00	19,200.00	
Assessment for Debt Service on SDA Funding	29,837.00		29,837.00	29,837.00	
Total Facilities Acquisition and Construction Services	<u>29,837.00</u>	<u>23,875.00</u>	<u>53,712.00</u>	<u>53,712.00</u>	
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Undist. Expend.-Support Serv. - Admin Info Tech.				101,010.04	(101,010.04)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>101,010.04</u>	<u>(101,010.04)</u>
TOTAL CAPITAL OUTLAY	<u>29,837.00</u>	<u>23,875.00</u>	<u>53,712.00</u>	<u>154,722.04</u>	<u>(101,010.04)</u>
TOTAL EXPENDITURES	<u>16,845,040.00</u>	<u>119,594.33</u>	<u>16,964,634.33</u>	<u>19,816,045.88</u>	<u>(2,851,411.55)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(607,948.00)</u>	<u>(102,988.33)</u>	<u>(710,936.33)</u>	<u>(59,761.86)</u>	<u>651,174.47</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)					
				101,010.04	101,010.04
Total Other Financing Sources/(Uses):				<u>101,010.04</u>	<u>101,010.04</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(607,948.00)</u>	<u>(102,988.33)</u>	<u>(710,936.33)</u>	<u>41,248.18</u>	<u>752,184.51</u>
Fund Balance, July 1	3,581,296.34		3,581,296.34	3,581,296.34	
Fund Balance, June 30	<u>2,973,348.34</u>	<u>(102,988.33)</u>	<u>2,870,360.01</u>	<u>3,622,544.52</u>	<u>752,184.51</u>
Recapitulation of excess (deficiency) of revenues under expenditures:					
Increase in Capital Reserve					
Principal				218,933.27	218,933.27
Interest	40.00		40.00		(40.00)
Increase in Emergency Reserve					
Interest	5.00		5.00		(5.00)
Increase in Maintenance Reserve					
Principal				105,539.24	105,539.24
Interest	20.00		20.00		(20.00)
Withdrawal From Maintenance Reserve					
Budgeted Fund Balance	<u>(608,013.00)</u>	<u>(102,988.33)</u>	<u>(608,013.00)</u>	<u>(180,235.90)</u>	<u>427,777.10</u>
Total	<u>(607,948.00)</u>	<u>(102,988.33)</u>	<u>(710,936.33)</u>	<u>41,248.28</u>	<u>752,184.61</u>

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance					
Reserve for Excess Surplus - Current Year				377,779.00	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				377,779.00	
Capital Reserve				1,178,051.84	
Maintenance Reserve				597,757.00	
Emergency Reserve				35,000.00	
Unemployment Compensation				18,893.68	audsum line # 90062
Assigned Fund Balance:					
Year-end Encumbrances				74,626.49	
Designated for Subsequent Year's Expenditures				200,001.00	
Unassigned Fund Balance:					
Unrestricted Fund Balance - Undesignated				762,656.51	
				3,622,544.52	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(84,095.00)	
Fund Balance per Governmental Funds (GAAP)				3,538,449.52	

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		343,290.21	343,290.21	343,290.21	
State Sources		6,660.00	6,660.00	6,660.00	
Federal Sources	136,379.00	302,712.00	439,091.00	337,683.00	(101,408.00)
Total Revenues	136,379.00	652,662.21	789,041.21	687,633.21	(101,408.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		52,550.00	52,550.00	40,190.00	12,360.00
Purchased Professional and Technical Services		8,177.35	8,177.35	8,177.35	
Other Purchased Services (400-500 series)	128,364.00	19,816.00	148,180.00	148,180.00	
General Supplies		209,102.95	209,102.95	193,794.95	15,308.00
Other Objects		14,228.70	14,228.70	14,228.70	
Total Instruction	128,364.00	303,875.00	432,239.00	404,571.00	27,668.00
Support Services:					
Other Salaries		104,201.66	104,201.66	90,051.00	14,150.66
Purchased Professional & Technical Services	8,015.00	67,091.00	75,106.00	16,378.66	58,727.34
Other Purchased Services (400-500 series)		3,228.20	3,228.20	2,366.20	862.00
Supplies & Materials		35,405.61	35,405.61	35,405.61	
Scholarships Awarded		1,800.00	1,800.00	2,500.00	(700.00) note 1
Student Activities		137,060.74	137,060.74	139,990.94	(2,930.20) note 1
Total Support Services	8,015.00	348,787.21	356,802.21	286,692.41	70,109.80
Total Expenditures	136,379.00	652,662.21	789,041.21	691,263.41	97,777.80

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				(3,630.20)	(3,630.20)
Fund Balance, July 1				<u>52,030.93</u>	
Fund Balance, June 30				<u>48,400.73</u>	
Recapitulation:					
Restricted:					
Scholarships				20,880.27	
Student Activities				<u>27,520.46</u>	
Total Fund Balance				<u>48,400.73</u>	

note 1 - Not Required to budget for these funds.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2023

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	19,756,284.02	687,633.21
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(84,095.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		68,325.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	19,740,514.02	687,633.21
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	19,816,045.88	691,263.41
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		N/A	
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
Pension expense recognized for GAAP but not for budgetary purposes.		N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	19,816,045.88	691,263.41

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0115318620%	\$ 2,159,080	\$ 892,101	242.02%	52.08%
2016	0.0129093750%	2,897,896	920,640	314.77%	47.93%
2017	0.0130739380%	3,872,126	923,490	419.29%	59.86%
2018	0.0139969723%	3,258,271	772,505	421.78%	48.10%
2019	0.0129864000%	2,557,398	591,353	432.47%	53.60%
2020	0.0107808588%	1,942,547	813,901	238.67%	56.27%
2021	0.0088760034%	1,447,444	909,733	159.11%	58.32%
2022	0.0111485092%	1,320,708	1,093,076	120.82%	70.33%
2023	0.0135666523%	2,047,395	1,214,442	168.59%	62.91%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 95,067	\$ 95,067	\$ -	\$892,101	10.66%
2016	110,986	110,986	-	920,640	12.06%
2017	116,147	116,147	-	923,490	12.58%
2018	129,667	129,667	-	772,505	16.79%
2019	129,195	129,195	-	591,353	21.85%
2020	104,866	104,866	-	813,901	12.88%
2021	97,099	97,099	-	909,733	10.67%
2022	130,562	130,562	-	1,093,076	11.94%
2023	171,082	171,082	-	1,214,442	14.09%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payroll -TPAF Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0466507276%	\$ -	\$ 24,933,296	\$ 4,764,687	0.00%	33.64%
2016	0.0447529819%	\$ -	28,285,796	4,702,769	0.00%	28.71%
2017	0.0458394846%	\$ -	36,060,257	4,998,964	0.00%	22.33%
2018	0.0467237281%	\$ -	31,502,822	4,878,639	0.00%	25.41%
2019	0.0461065424%	\$ -	29,331,992	4,875,230	0.00%	26.49%
2020	0.0470235428%	\$ -	28,858,792	5,272,345	0.00%	26.95%
2021	0.0434029681%	\$ -	28,580,332	5,503,297	0.00%	24.60%
2022	0.0448135501%	\$ -	21,544,199	5,516,217	0.00%	35.52%
2023	0.0487063527%	\$ -	25,129,758	5,411,506	0.00%	32.29%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

None

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 1,037,966	\$ 1,130,138	\$ 654,880	\$ 629,396	\$ 697,646	\$ 839,562
Interest on Total OPEB Liability	533,533.00	567,398.00	556,841	660,091	679,775	583,876
Changes of Benefit Terms		(23,281.00)				
Differences between Expected & Actual Experience	2,600,616.00	(4,377,855.00)	4,168,923	(2,250,830)	(884,393)	
Changes in Assumptions	(5,400,717.00)	21,579.00	4,564,279	230,569	(1,911,285)	(2,359,318)
Gross Benefit Payments	(528,480.00)	(446,951.00)	(435,004)	(474,697)	(445,358)	(428,582)
Contribution from the Member	16,954.00	14,506.00	13,185	14,071	15,392	15,781
Net Changes in total Share of OPEB Liability	(1,740,128)	(3,114,466)	9,523,104	(1,191,400)	(1,848,223)	(1,348,681)
Total OPEB Liability - Beginning	21,872,602	24,987,068	15,463,964	16,655,354	18,503,577	19,852,258
Total OPEB Liability - Ending	\$ 20,132,474	\$ 21,872,602	\$ 24,987,068	\$ 15,463,964	\$ 16,655,354	\$ 18,503,577
District's Proportionate Share of OPEB Liability			\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	20,132,474	21,872,602	24,987,068	15,463,964	16,655,354	18,503,577
Total OPEB Liability - Ending	\$ 20,132,474	\$ 21,872,602	\$ 24,987,068	\$ 15,463,964	\$ 16,655,354	\$ 18,503,577
District's Covered Employee Payroll	\$ 6,625,948	\$ 6,609,293	\$ 6,413,030	\$ 6,086,246	\$ 5,466,583	\$ 5,651,144
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms Decrease in liability due to employers adopting Ch. 44 provisions.

Change in assumptions Assumptions used in calculating the OPEB liability are presented in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1a)	Title II Part - A		Totals 2023
		Teacher/Principal Training & Recruiting	I.D.E.A. Part B	
		Basic	Preschool	
REVENUES				
Local Sources	343,290.21			343,290.21
State Sources	6,660.00			6,660.00
Federal Sources	184,291.00	10,727.00	4,719.00	337,683.00
Total Revenues	534,241.21	10,727.00	4,719.00	687,633.21
EXPENDITURES:				
Instruction:				
Salaries of Teachers	40,190.00			40,190.00
Purchased Professional and Technical Services	8,177.35			8,177.35
Other Purchased Services (400-500 series)	5,515.00	1,37,946.00	4,719.00	148,180.00
General Supplies	193,794.95			193,794.95
Other Objects	14,228.70			14,228.70
Total Instruction	261,906.00	1,37,946.00	4,719.00	404,571.00
Support Services:				
Other Salaries	90,051.00			90,051.00
Purchased Professional & Technical Services	8,651.66	7,727.00		16,378.66
Other Purchased Services (400-500 series)	2,366.20			2,366.20
Supplies & Materials	32,405.61	3,000.00		35,405.61
Scholarships Awarded	2,500.00			2,500.00
Student Activities	139,990.94			139,990.94
Total Support Services	275,965.41	10,727.00		286,692.41
Total Expenditures	537,871.41	10,727.00	4,719.00	691,263.41
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(3,630.20)			(3,630.20)
Fund Balance, July 1	52,030.93			52,030.93
Fund Balance, June 30	48,400.73			48,400.73

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ARP Non Title I	ARP Learning Coach	ARP Summer Learning	ARP Beyond School Day	ARP Mental Health	Total Carried Forward
REVENUES							
Local Sources	343,290.21						343,290.21
State Sources	6,660.00						6,660.00
Federal Sources		102,000.00	7,430.00	19,309.00	13,395.00	42,157.00	184,291.00
Total Revenues	349,950.21	102,000.00	7,430.00	19,309.00	13,395.00	42,157.00	534,241.21
EXPENDITURES:							
Instruction:							
Salaries of Teachers	22,550.00			17,640.00			40,190.00
Purchased Professional and Technical Services	8,177.35						8,177.35
Other Purchased Services (400-500 series)	5,515.00						5,515.00
General Supplies	124,624.95	67,501.00		1,669.00			193,794.95
Other Objects	14,228.70						14,228.70
Total Instruction	175,096.00	67,501.00		19,309.00			261,906.00
Support services:							
Other Salaries	1,221.66	34,499.00			13,395.00	42,157.00	90,051.00
Purchased Professional & Technical Services	2,366.20		7,430.00				8,651.66
Other Purchased Services (400-500 series)	32,405.61						2,366.20
Supplies & Materials	2,500.00						32,405.61
Scholarships Awarded	139,990.94						2,500.00
Student Activities	178,484.41	34,499.00	7,430.00		13,395.00	42,157.00	139,990.94
Total Support Services	353,580.41	102,000.00	7,430.00	19,309.00	13,395.00	42,157.00	537,871.41
Total Expenditures	528,676.41	169,501.00	7,430.00	38,618.00	26,790.00	84,314.00	614,728.41
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(3,630.20)						(3,630.20)
Fund Balance, July 1	52,030.93						52,030.93
Fund Balance, June 30	48,400.73						48,400.73

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

Special Revenue Fund

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023**

	School Climate Change	Scholarship Fund	Student Activity Fund	Local Grants	Total Carried Forward
REVENUES					
Local Sources		1,800.00	137,060.74	204,429.47	343,290.21
State Sources	6,660.00				6,660.00
Federal Sources					
Total Revenues	6,660.00	1,800.00	137,060.74	204,429.47	349,950.21
EXPENDITURES:					
Instruction:					
Salaries of Teachers				22,550.00	22,550.00
Purchased Professional and Technical Services	4,000.00			4,177.35	8,177.35
Other Purchased Services (400-500 series)				5,515.00	5,515.00
General Supplies	2,660.00			121,964.95	124,624.95
Other Objects				14,228.70	14,228.70
Total Instruction	6,660.00			168,436.00	175,096.00
Support Services:					
Other Salaries				1,221.66	1,221.66
Purchased Professional & Technical Services				2,366.20	2,366.20
Other Purchased Services (400-500 series)				32,405.61	32,405.61
Supplies & Materials		2,500.00			2,500.00
Scholarships Awarded			139,990.94		139,990.94
Student Activities		2,500.00	139,990.94	35,993.47	178,484.41
Total Support Services		2,500.00	139,990.94	38,761.27	181,252.21
Total Expenditures	6,660.00	2,500.00	139,990.94	204,429.47	353,580.41
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(700.00)	(2,930.20)		(3,630.20)
Fund Balance, July 1		21,580.27	30,450.66		52,030.93
Fund Balance, June 30		20,880.27	27,520.46		48,400.73

CAPITAL PROJECTS FUND

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2023

Revenues and Other Financing Sources	
Local Revenue - Donation	10,000,000.00
Interest and Investment Revenue	90,305.89
Total Revenues	10,090,305.89
Expenditures and Other Financing Uses	
Salaries	4,083.33
Purchased Professional and Technical Services	675.00
Legal Services	1,916.25
Architectural/Engineering Services	473,950.00
Other Purchased Professional Services	4,800.00
Supplies	191.00
Other Objects	21,862.30
Total Expenditures	507,477.88
Excess (deficiency) or Revenues over (under) Expenditures	9,582,828.01
Fund balance - beginning	
Fund balance - ending	9,582,828.01

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2023

Project Title/Issue	Project Number	Revised Appropriations	Expenditures to Date		Unexpended Balance June 30, 2023
			Prior Years	Current Year	
Athletic Center		10,000,000.00		507,477.88	9,492,522.12
		<u>10,000,000.00</u>		<u>507,477.88</u>	<u>9,492,522.12</u>

PROPRIETARY FUNDS

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	<u>Food Service Program</u>
 ASSETS	
Current Assets:	
Cash and Cash Equivalents	6,045.34
Accounts Receivable:	
Federal	353.97
Total Current Assets	<u>6,399.31</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	35,249.24
Less Accumulated Depreciation	<u>(29,866.19)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,383.05</u>
Total Assets	<u><u>11,782.36</u></u>
 LIABILITIES	
Current Liabilities:	
Interfunds Payable	<u>7,709.60</u>
Total Current Liabilities	<u>7,709.60</u>
Total Liabilities	<u><u>7,709.60</u></u>
 NET POSITION	
Invested in Capital Assets Net of Related Debt	5,383.05
Unrestricted	<u>(1,310.29)</u>
Total Net Position	<u><u>4,072.76</u></u>

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2023

	Food Service Program
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	4,551.40
Total Operating Revenues	4,551.40
Operating Expenses:	
Cost of sales-reimbursable programs	4,783.20
Depreciation	1,204.12
Total Operating Expenses	5,987.32
Operating Income (Loss)	(1,435.92)
Nonoperating Revenues (Expenses):	
Federal Sources:	
Special Milk Program	2,293.92
Total Nonoperating Revenues (Expenses)	2,293.92
Income (Loss) Before Contributions & Transfers	858.00
Transfers In (Out)	
Change in Net Position	858.00
Total Net Position—Beginning	3,214.76
Total Net Position—Ending	4,072.76

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	4,551.40
Payments to Suppliers	(4,783.20)
Net Cash Provided by (Used for) Operating Activities	(231.80)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal Sources	2,051.27
Net Cash Provided by (Used for) Non-Capital Financing Activities	2,051.27
Net Increase (Decrease) in Cash and Cash Equivalents	1,819.47
Balances—Beginning of Year	4,225.87
Balances—End of Year	6,045.34
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(1,435.92)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities	
Depreciation and Net Amortization	1,204.12
Total Adjustments	1,204.12
Net Cash Provided by (Used for) Operating Activities	(231.80)

LONG-TERM DEBT

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2023

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
Additions and Renovations to Elementary School (Refunding Bonds)	10/13/2016	2,225,000.00	1/1/2024-25	185,000.00	1.980%			
			1/1/2026-27	190,000.00	1.980%			
			1/1/2028-29	205,000.00	1.980%	1,340,000.00	180,000.00	1,160,000.00
Additions and Renovations to Elementary School (Refunding Bonds)	11/15/2021	3,305,000.00	2/1/2024	470,000.00	1.287%			
			2/1/2025	475,000.00	1.287%			
			2/1/2026	485,000.00	1.287%			
			2/1/2027	475,000.00	1.287%			
			2/1/2028	470,000.00	1.287%			
		2/1/2029	455,000.00	1.287%	3,290,000.00	460,000.00	2,830,000.00	
						4,630,000.00	640,000.00	3,990,000.00

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Obligations under Financed Purchases Agreements
June 30, 2023

Purpose	Date of	Term of	Amount of Original Issue	Balance		Retired	Balance
	Lease			Lease	July 1, 2022		
Technology Equipment	12/5/2022	4 years	101,010.04	10,753.36	101,010.04	27,353.39	73,656.65
Copiers	4/3/2020	5 years	82,575.04	8,624.96	54,184.09	16,380.12	37,803.97
					<u>54,184.09</u>	<u>43,733.51</u>	<u>111,460.62</u>

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	647,390.00		647,390.00	647,390.00	
State Sources:					
Debt Service Aid Type II	61,484.00		61,484.00	61,484.00	
Total - State Sources	61,484.00		61,484.00	61,484.00	
Total Revenues	708,874.00		708,874.00	708,874.00	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	68,874.00		68,874.00	68,874.00	
Redemption of Principal	640,000.00		640,000.00	640,000.00	
Total Regular Debt Service	708,874.00		708,874.00	708,874.00	
Total expenditures	708,874.00		708,874.00	708,874.00	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1	15,637.48		15,637.48	15,637.48	
Fund Balance, June 30	<u>15,637.48</u>		<u>15,637.48</u>	<u>15,637.48</u>	

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets	5,761,008.57	5,939,954.42	6,128,349.14	5,402,393.12	5,404,339.53	5,710,292.19	6,044,513.62	6,314,118.93	6,701,077.91	8,180,073.26
Restricted	1,861,994.51	1,493,158.00	1,381,646.18	1,350,584.18	1,256,470.57	1,644,097.49	1,917,662.28	2,107,870.45	2,379,413.82	12,183,726.01
Unrestricted	(2,110,512.88)	(2,013,480.60)	(2,245,603.72)	(2,526,692.97)	(2,280,859.82)	(2,347,114.01)	(2,341,860.18)	(1,717,173.12)	(1,220,839.07)	(1,080,854.27)
Total Governmental Activities Net Position	5,512,490.20	5,419,631.82	5,264,391.60	4,226,284.33	4,379,950.28	5,007,275.67	5,620,315.72	6,704,816.26	7,859,652.66	19,282,945.00
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	8,859.11	7,554.59	6,352.55	5,150.52	3,948.49	11,670.86	9,477.30	7,791.29	6,587.17	5,383.05
Unrestricted	13,501.04	22,197.27	9,368.67	7,280.55	1,440.88	(7,352.83)	(7,027.39)	(7,027.39)	(3,372.41)	(1,310.29)
Total Business-type Activities Net Position	22,360.15	29,751.86	15,721.22	12,431.07	5,389.37	4,318.03	2,449.91	763.90	3,214.76	4,072.76
District-wide										
Invested in Capital Assets, Net of Related Debt	5,769,867.68	5,947,509.01	6,134,701.69	5,407,543.64	5,408,288.02	5,721,963.05	6,053,990.92	6,321,910.22	6,707,665.08	8,185,456.31
Restricted	1,861,994.51	1,493,158.00	1,381,646.18	1,350,584.18	1,256,470.57	1,644,097.49	1,917,662.28	2,107,870.45	2,379,413.82	12,183,726.01
Unrestricted	(2,097,011.84)	(1,991,283.33)	(2,236,235.05)	(2,519,412.42)	(2,279,418.94)	(2,354,466.84)	(2,348,887.57)	(1,724,200.51)	(1,224,211.48)	(1,082,164.56)
Total District Net Position	5,534,850.35	5,449,383.68	5,280,112.82	4,238,715.40	4,385,339.65	5,011,593.70	5,622,765.63	6,705,580.16	7,862,867.42	19,287,017.76

Source: ACFR Schedule A-1

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	4,783,608.15	5,696,017.04	6,840,838.57	9,610,529.11	4,661,407.21	4,935,482.29	4,618,303.55	4,457,671.58	4,392,622.51	4,719,554.94
Special Education	885,713.71	1,180,308.56	1,364,789.52	1,707,499.83	955,875.41	910,180.92	951,230.23	1,065,154.14	1,020,778.27	962,539.82
School-Sponsored/Other Special Instructional Support Services:	394,078.46	267,608.56	515,884.02	699,639.09	217,597.58	233,597.62	300,047.02	281,392.36	260,594.81	240,543.01
Tuition	3,728,923.15	3,887,397.52	4,143,338.20	4,450,292.40	4,740,149.00	4,903,088.80	5,010,403.31	5,043,196.56	5,284,333.38	5,689,063.82
Student & Instruction Related Services	1,779,232.86	2,132,674.58	2,858,784.73	3,579,583.11	1,829,431.30	1,659,420.51	1,689,044.45	1,736,381.21	2,185,166.41	2,316,864.51
School Administrative Services	595,321.95	685,248.98	822,452.90	989,581.52	388,386.06	395,847.51	404,523.69	415,717.86	362,782.72	382,587.74
General Administrative Services	615,564.16	640,520.74	893,974.11	1,096,147.49	396,382.70	396,553.88	379,486.71	402,938.01	381,587.52	405,220.92
Central Services & Admin. Info. Technology					418,721.30	444,936.89	439,357.94	462,586.84	398,247.54	457,480.79
Plant Operations and Maintenance	1,015,290.21	1,096,851.25	1,221,072.32	1,457,669.26	720,436.28	815,355.06	841,193.45	967,247.54	1,086,999.88	1,110,114.83
Pupil Transportation	276,706.17	250,026.01	290,549.76	343,550.89	315,321.23	335,727.86	414,670.90	382,808.93	428,010.02	698,011.44
Unallocated Benefits					3,725,811.04	2,934,044.16	2,670,114.90	3,620,157.64	1,953,562.01	2,078,499.92
Interest on Long-term Debt	286,443.76	274,743.76	261,406.26	190,350.75	187,477.49	173,111.00	156,595.00	137,329.50	69,625.79	64,625.00
Capital Outlay - Non-depreciable	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.36	29,837.48	29,836.56	130,847.04
Debt Service Other Charges	815.14	815.14	815.14	815.14	815.14	815.14	815.14	815.14	(16,151.40)	
Unallocated Depreciation					356,807.00	356,202.00	353,212.00	354,712.00	358,510.00	410,857.00
Total Governmental Activities Expenses	14,391,534.72	16,142,049.14	19,243,742.53	24,155,495.59	18,944,455.74	18,524,199.64	18,258,835.65	19,347,946.79	18,196,506.02	19,666,810.78
Business-type Activities:										
Food Service	12,881.03	10,739.40	28,024.31	15,417.03	17,504.80	9,592.89	12,623.93	1,685.94	4,058.44	5,987.32
Total Business-type Activities Expenses	12,881.03	10,739.40	28,024.31	15,417.03	17,504.80	9,592.89	12,623.93	1,685.94	4,058.44	5,987.32
Total District Expenses	14,404,415.75	16,152,788.54	19,271,766.84	24,170,912.62	18,961,960.54	18,533,792.53	18,271,459.58	19,349,632.73	18,200,564.46	19,672,798.10
Program Revenues										
Governmental Activities:										
Charges for Services and Operating Grants and Contributions	1,893,512.02	3,208,197.34	5,659,922.66	10,198,271.09	438,789.52	622,700.57	337,302.53	377,400.56	687,607.14	749,117.21
Total Governmental Activities Program Revenues	1,893,578.18	3,208,197.34	5,659,922.66	10,198,271.09	438,789.52	622,700.57	337,302.53	377,400.56	687,607.14	749,117.21
Business-type Activities:										
Charges for Service:										
Food Service	7,840.00	11,070.00	8,730.00	7,810.00	6,825.00	6,048.00	8,280.00		4,680.00	4,551.40
Operating Grants and Contributions	6,824.05	6,985.79	5,181.80	4,307.28	3,638.10	2,473.55	2,475.74		1,829.30	2,293.92
Total Business-type Activities Program Revenues	14,664.05	18,055.79	13,911.80	12,117.28	10,463.10	8,521.55	10,755.74	0.00	6,509.30	6,845.32
Total District Program Revenues	1,908,242.23	3,226,253.13	5,673,834.46	10,210,388.37	449,252.62	631,222.12	348,058.27	377,400.56	694,116.44	755,962.53

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	(12,487,956.54)	(12,933,851.80)	(13,583,819.87)	(13,957,224.50)	(18,505,666.22)	(17,901,499.07)	(17,921,533.12)	(18,970,546.23)	(17,508,888.88)	(18,917,693.57)
Business-type Activities	1,783.02	7,316.39	(14,112.51)	(3,299.75)	(7,041.70)	(1,071.34)	(1,868.19)	(1,685.94)	2,450.86	858.00
Total District-wide Net Expense	(12,486,173.52)	(12,926,535.41)	(13,597,932.38)	(13,960,524.25)	(18,512,707.92)	(17,902,570.41)	(17,923,401.31)	(18,972,232.17)	(17,506,448.02)	(18,916,835.57)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes	11,968,169.00	12,207,532.00	12,573,757.00	13,098,351.00	13,476,048.00	13,843,490.00	14,182,826.00	14,466,483.00	14,755,813.00	15,044,271.00
Taxes Levied for Debt Service	460,249.24	465,349.24	474,367.74	552,493.25	657,670.00	663,218.00	663,207.00	663,754.00	663,388.00	647,390.00
Unrestricted Federal and State Aid	16,273.89	29,988.80	32,422.90	97,149.38	4,432,113.14	3,791,647.45	3,526,543.98	4,675,238.82	3,230,521.22	3,541,860.20
Tuition Received	158,342.80	95,700.00	93,100.00	70,400.00	45,250.00	108,750.00	118,100.00	78,450.00	42,900.00	75,635.00
Donation Capital Project										10,000,000.00
Investment Earnings							1,501.46			
Miscellaneous Income	68,423.54	42,423.38	37,185.01	30,101.22	48,251.03	65,714.01	42,394.73	70,722.33	46,113.06	208,815.71
Accounts Payable Canceled	17,477.27		1,032.00							
Unrestricted FEMA Reimbursement	4,579.51			800.00					(75,000.00)	
Prior Year Accounts Receivable Canceled				(80,000.00)						
Debt Refinanced, Net										
Proceeds from Refunding Bonds	2,520.00									
Total Governmental Activities	12,696,035.25	12,840,993.42	13,211,864.65	13,769,294.85	18,659,332.17	18,472,819.46	18,534,573.17	19,954,648.15	18,663,735.28	29,517,971.91
Business-type Activities:										
Investment Earnings	68.25	75.32	81.87	9.60						
Total Business-type Activities	68.25	75.32	81.87	9.60	0.00	0.00	0.00	0.00	0.00	0.00
Total District-wide	12,696,103.50	12,841,068.74	13,211,946.52	13,769,304.45	18,659,332.17	18,472,819.46	18,534,573.17	19,954,648.15	18,663,735.28	29,517,971.91
Change in Net Position										
Governmental Activities	198,078.71	(92,858.38)	(371,955.22)	(187,929.65)	153,665.95	571,320.39	613,040.05	984,101.92	1,154,836.40	10,600,278.34
Business-type Activities	1,851.27	7,391.71	(14,030.64)	(3,290.15)	(7,041.70)	(1,071.34)	(1,868.19)	(1,685.94)	2,450.86	858.00
Total District	199,929.98	(85,466.67)	(385,985.86)	(191,219.80)	146,624.25	570,249.05	611,171.86	982,415.98	1,157,287.26	10,601,136.34

Source: ACFRSchedule A-2

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	1,732,713.21	1,344,198.38	1,238,996.23	1,214,944.05	1,252,718.30	1,644,097.22	1,917,662.01	2,107,870.18	2,363,776.34	2,585,260.52
Assigned	80,321.63	188,048.68	103,082.80	133,477.86	206,701.94	263,666.48	205,933.08	124,852.31	230,234.00	274,627.49
Unassigned	311,335.01	327,255.32	372,004.67	376,671.08	418,557.94	373,365.32	381,179.12	842,970.80	918,961.00	678,561.51
Total General fund	<u>2,124,369.85</u>	<u>1,859,502.38</u>	<u>1,714,083.70</u>	<u>1,725,092.99</u>	<u>1,877,978.18</u>	<u>2,281,129.02</u>	<u>2,504,774.21</u>	<u>3,075,693.29</u>	<u>3,512,971.34</u>	<u>3,538,449.52</u>
All Other Governmental Funds										
Reserved										
Restricted, Reported in:										
Special Revenue Fund	46,438.75	46,438.75	46,438.75	3,752.27	3,752.27	0.27	0.27	53,163.22	52,030.93	48,400.73
Capital Projects Fund	2,520.92	2,520.16	0.40	3,752.27	3,752.27	0.27	0.27	0.27	15,637.48	9,582,828.01
Debt Service										15,637.48
Total All Other Governmental Funds	<u>48,959.67</u>	<u>48,958.91</u>	<u>46,439.15</u>	<u>3,752.27</u>	<u>3,752.27</u>	<u>0.27</u>	<u>0.27</u>	<u>53,163.49</u>	<u>67,668.41</u>	<u>9,646,866.22</u>

Source: ACFR Schedule B-1

GASB No. 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above, nor or they required to be.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Changes in Fund Balances Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	12,645,561.00	12,878,324.00	13,240,289.00	13,772,072.00	14,133,718.00	14,506,708.00	14,846,033.00	15,130,237.00	15,419,201.00	15,691,661.00
Tuition	158,342.80	95,700.00	93,100.00	70,400.00	45,250.00	108,750.00	118,100.00	78,450.00	42,900.00	75,635.00
Transportation Fees	66.16									
Donation							1,501.46			10,000,000.00
Interest Earnings	124,386.36	145,190.23	193,291.89	185,570.27	243,045.26	483,295.58	174,497.26	151,656.89	213,953.20	552,105.92
Miscellaneous	1,470,386.34	1,599,640.54	1,820,297.42	2,100,666.67	2,276,783.14	2,655,267.45	2,678,504.98	3,319,387.82	4,280,701.22	4,570,242.20
State Sources	166,294.00	149,741.00	171,277.00	143,596.00	183,054.29	162,545.00	143,629.00	234,408.00	445,208.00	337,683.00
Federal Sources										
Total Revenues	14,565,036.66	14,868,595.77	15,518,255.31	16,272,304.94	16,881,850.69	17,896,566.03	17,962,265.70	18,914,139.71	20,401,963.42	31,227,327.12
Expenditures										
Instruction:										
Regular	3,404,351.00	3,529,975.94	3,324,429.11	3,521,909.45	3,610,302.83	3,902,825.10	3,731,931.70	3,679,054.46	3,763,713.28	3,958,809.27
Special	673,835.73	736,909.38	729,299.60	704,477.85	720,129.36	692,156.60	751,451.36	853,354.53	856,129.22	780,527.84
Other Special Instruction/School-Sponsored/Other Instruction:	299,834.32	249,630.89	304,646.44	330,542.82	163,958.95	177,641.75	237,051.54	227,575.70	218,561.50	195,057.40
Support Services:										
Instruction - Tuition	3,728,923.15	3,887,397.52	4,143,338.20	4,450,292.40	4,740,149.00	4,903,088.80	5,010,403.31	5,043,196.56	5,284,333.38	5,689,063.82
Student & Instruction Related Services	1,174,768.42	1,299,726.69	1,514,079.53	1,491,402.03	1,469,682.87	1,319,014.46	1,351,530.04	1,420,209.49	1,891,066.48	1,959,596.21
School Administrative Services	417,381.18	465,268.33	500,215.02	482,767.33	294,968.83	303,408.16	321,709.12	324,431.44	291,921.81	301,683.67
General & Business Administrative Services	487,081.83	524,781.76	545,526.92	477,950.21	324,291.74	322,104.70	316,121.19	342,375.12	331,419.16	343,508.37
Central Services & Admin. Info. Technology					381,831.23	408,178.41	419,418.89	444,407.59	392,636.40	449,552.39
Operations and Maintenance	782,693.86	765,751.30	738,535.61	706,151.27	684,544.15	800,119.55	787,430.99	892,390.30	1,003,310.09	987,032.70
Student Transportation	276,621.15	248,764.35	287,355.68	331,774.29	313,913.56	334,598.61	414,010.24	382,808.93	428,010.02	698,011.44
Unallocated Benefits	2,423,834.18	2,610,354.73	2,759,062.88	3,032,662.47	3,276,744.98	3,574,650.05	3,503,145.77	3,959,017.47	4,652,225.76	4,989,744.14
Capital Outlay	320,386.07	44,972.35	52,606.00	5,923.28			139,801.36	148,560.48	98,238.56	632,362.92
Capital Outlay - Debt Assessment	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00	29,837.00
Debt Service:										
Principal	455,000.00	460,000.00	470,000.00	520,000.00	525,000.00	550,000.00	560,000.00	580,000.00	615,000.00	640,000.00
Interest and Other Charges	291,693.76	280,093.76	268,293.76	219,092.13	193,611.00	179,544.00	164,778.00	145,812.00	93,777.79	68,874.00
Total Governmental Fund Expenditures	14,766,241.65	15,133,464.00	15,667,225.75	16,304,782.53	16,728,965.50	17,497,167.19	17,738,620.51	18,473,031.07	19,950,180.45	21,723,661.17
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,204.99)	(264,868.23)	(148,970.44)	(32,477.59)	152,885.19	399,398.84	223,645.19	441,108.64	451,782.97	9,503,665.95
Other Financing Sources (Uses)										
Operating Transfers In										
Operating Transfers Out				103,170.05						
Refunded Bonds Issued				(103,170.05)						
Payment to Refunded Bond Escrow Agent				2,225,000.00						
Unrestricted FEIMA Reimbursement	4,579.51									
Cancellation of Accounts Payable	17,477.27			(36,703.12)						
Cost of Issuance	2,520.00			800.00						
Cancellation of Accounts Receivable										
Capital Leases (non-budgeted)	272,300.00			800.00				82,575.04		101,010.04
Total Other Financing Sources (Uses)	296,876.78		1,032.00	800.00				82,575.04		101,010.04
Net Changes in Fund Balance	95,671.79	(264,868.23)	(147,938.44)	(31,677.59)	152,885.19	399,398.84	223,645.19	523,683.68	451,782.97	9,604,675.99
Debt Service as a percentage of noncapital expenditures	5.17%	4.91%	4.73%	4.53%	4.30%	4.17%	4.12%	3.96%	3.57%	3.36%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Various Misc.</u>	<u>Total</u>
2014		47,195.11	18,059.27	161,578.12	226,832.50
2015		32,154.19		10,269.19	42,423.38
2016		17,660.24	187.22	19,337.55	37,185.01
2017		21,704.21	1,591.23	6,805.78	30,101.22
2018		24,512.43	3,970.56	19,768.04	48,251.03
2019	18,722.22	22,726.38	400.00	23,865.41	65,714.01
2020	12,014.86	18,410.44	9,760.92	2,208.51	42,394.73
2021	1,844.99		26,982.57	41,894.77	70,722.33
2022	5,334.50	16,143.29	12,352.73	12,282.54	46,113.06
2023	82,018.84	24,626.97	10,637.98	1,226.03	118,509.82

Source: District records.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Total Assessed Value	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2013	9,266,800	1,083,001,200	42,219,900	15,300,000	1,149,787,900	100,000	1,149,887,900	1,247,993,130	1.087
2014	8,505,900	1,081,610,600	42,498,100	15,300,000	1,147,914,600	100	1,147,914,700	1,230,479,901	1.112
2015	10,894,500	1,081,033,500	42,097,100	15,300,000	1,149,325,100	100	1,149,325,200	1,255,818,618	1.136
2016	9,361,900	1,084,513,900	41,979,300	15,300,000	1,151,155,100	100	1,151,155,200	1,302,506,449	1.174
2017	8,748,700	1,093,818,800	41,979,300	15,300,000	1,159,846,800	100	1,159,846,900	1,325,114,227	1.2030
2018	9,473,400	1,094,890,500	41,786,800	15,300,000	1,161,450,700	100	1,161,450,800	1,319,563,469	1.2340
2019	14,816,900	1,094,046,700	41,536,800	15,300,000	1,165,700,400	100	1,165,700,500	1,315,842,711	1.2590
2020	15,484,900	1,097,215,400	40,980,100	15,300,000	1,168,980,400	100	1,168,980,500	1,307,294,691	1.2820
2021	17,051,600	1,100,356,800	40,980,100	15,300,000	1,173,688,500	100	1,173,688,600	1,323,126,662	1.3020
2022	14,286,400	1,121,854,000	39,039,000	15,300,000	1,190,479,400	100	1,190,479,500	1,427,401,738	1.3060

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

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

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

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

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation**

Assessment Year	Basic Rate^a	General Obligation Debt Service^b	Local School District	<u>Overlapping Rates</u>		Total Direct and overlapping Tax Rate
				Municipality	County	
2013	1.0870	0.0003	1.0870	0.5770	0.2500	1.9140
2014	1.1120	0.0003	1.1120	0.5910	0.2510	1.9540
2015	1.1360	0.0003	1.1360	0.5900	0.2630	1.9890
2016	1.1166	0.0574	1.1740	0.6060	0.2790	2.0590
2017	1.1470	0.0560	1.2030	0.6020	0.2870	2.0920
2018	1.1758	0.0582	1.2340	0.6200	0.2780	2.1320
2019	1.2028	0.0562	1.2590	0.6200	0.2760	2.1550
2020	1.2258	0.0562	1.2820	0.6410	0.2770	2.2000
2021	1.2460	0.0560	1.3020	0.6660	0.2830	2.2510
2022	1.2521	0.0539	1.3060	0.6820	0.2890	2.2770

* Revaluation Year

Source: District Records and Municipal Tax Collector.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

<u>Taxpayer</u>	<u>2022</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank Optional</u>	<u>% of District's Net Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank Optional</u>	<u>% of District's Net Assessed Valuation</u>
Extra Space Properties	15,300,000	1	1.29%			
Dalebrook Park LTD	5,673,200	2	0.48%			
Taxpayer #1	5,483,000	3	0.46%			
East Franklin Tpke LLC	3,477,700	4	0.29%			
Taxpayer #2	3,225,000	5	0.27%			
Taxpayer #3	2,900,000	6	0.24%			
Taxpayer #4	2,900,000	7	0.24%			
Taxpayer #5	2,851,700	8	0.24%			
Taxpayer #6	2,665,900	9	0.22%			
Taxpayer #7	2,601,400	10	0.22%			
Taxpayer #1				15,300,000	1	1.33%
Taxpayer #2				5,573,200	2	0.49%
Taxpayer #3				5,483,000	3	0.48%
Taxpayer #4				3,727,700	4	0.32%
Taxpayer #5				3,509,900	5	0.31%
Taxpayer #6				3,444,000	6	0.30%
Taxpayer #7				3,061,200	7	0.27%
Taxpayer #8				2,965,900	8	0.26%
Taxpayer #9				2,950,000	9	0.26%
Taxpayer #10				2,990,000	10	0.26%
	<u>47,077,900</u>		<u>3.95%</u>	<u>49,004,900</u>		<u>4.27%</u>

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	12,645,561	12,645,561	100.00%	
2015	12,878,324	12,878,324	100.00%	
2016	13,240,289	13,240,289	100.00%	
2017	13,772,072	13,772,072	100.00%	
2018	14,133,718	14,133,718	100.00%	
2019	14,506,708	14,506,708	100.00%	
2020	14,846,033	13,664,131	92.04%	1,181,902
2021	15,130,237	13,924,697	92.03%	1,205,540
2022	15,419,201	14,189,550	92.03%	1,229,651
2023	15,691,661	15,691,661	100.00%	

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

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

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	8,755,000		272,300				3.06%	2,196	
2015	8,295,000		212,103				2.90%	2,065	
2016	7,825,000		164,033				2.63%	1,940	
2017	7,385,000		110,321				2.36%	1,828	
2018	6,860,000		55,631				2.13%	1,679	
2019	6,310,000						1.90%	1,540	
2020	5,750,000						1.66%	1,415	
2021	5,170,000		69,926				1.47%	1,294	
2022	4,630,000		54,184				1.21%	1,109	
2023	3,990,000		111,461				1.00%	973	

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.

Exhibit J-11

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	9,210,000.00	-	9,210,000.00	0.80%	2,238
2014	8,755,000.00	-	8,755,000.00	0.76%	2,130
2015	8,295,000.00	-	8,295,000.00	0.72%	2,014
2016	7,825,000.00	-	7,825,000.00	0.68%	1,901
2017	7,385,000.00	-	7,385,000.00	0.64%	1,801
2018	6,860,000.00	-	6,860,000.00	0.59%	1,666
2019	6,310,000.00	-	6,310,000.00	0.54%	1,540
2020	5,750,000.00	-	5,750,000.00	0.49%	1,415
2021	5,170,000.00	-	5,170,000.00	0.44%	1,277
2022	4,630,000.00	-	4,630,000.00	0.39%	1,097
2023	3,990,000.00	-	3,990,000.00	0.34%	946

Notes: 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.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of HO-HO-KUS	\$ 8,742,000	100.000%	\$ 8,742,000
Other debt			
Bergen County General Obligation Debt	977,925,631	0.7322%	7,160,288
Subtotal, overlapping debt			15,902,288
HO-HO-KUS School District Direct Debt			<u>3,990,000</u>
Total direct and overlapping debt			<u><u>\$ 19,892,288</u></u>

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

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

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

(1) Debt Information as of December 31, 2022

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

	Average equalized valuation of taxable property				Equalized valuation basis				
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 37,329,040	\$ 37,302,010	\$ 37,871,580	\$ 38,680,674	\$ 39,297,043	\$ 39,385,355	\$ 39,270,579	\$ 40,236,146	\$ 40,236,146
Total net debt applicable to limit	<u>8,755,000</u>	<u>8,295,000</u>	<u>7,825,000</u>	<u>7,385,000</u>	<u>6,860,000</u>	<u>6,310,000</u>	<u>5,750,000</u>	<u>5,170,000</u>	<u>4,630,000</u>
Legal debt margin	<u>\$ 28,574,040</u>	<u>\$ 29,007,010</u>	<u>\$ 30,046,580</u>	<u>\$ 31,295,674</u>	<u>\$ 32,437,043</u>	<u>\$ 33,075,355</u>	<u>\$ 33,520,579</u>	<u>\$ 35,066,146</u>	<u>\$ 35,606,146</u>
Total net debt applicable to the limit as a percentage of debt limit	23.45%	22.24%	20.66%	19.09%	17.46%	16.02%	14.64%	12.85%	11.51%
									9.48%

	[A/3]	\$ 1,402,288,969
	[B]	42,068,669
	[C]	3,990,000
	[B-C]	<u>\$ 38,078,669</u>

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

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June 30,</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	4,110	294,987,030	71,773	3.70%
2015	4,119	293,627,034	71,286	3.50%
2016	4,117	304,176,311	73,883	2.70%
2017	4,100	317,024,300	77,323	2.70%
2018	4,118	324,646,648	78,836	2.90%
2019	4,097	331,955,328	81,024	2.30%
2020	4,065	346,301,415	85,191	2.10%
2021	4,050	357,376,050	88,241	5.40%
2022	4,222	388,305,784	91,972	4.00%
2023	4,216	410,398,088	97,343	2.40%

- Source:
- (1) U.S. Bureau of the Census, Population Division,
(Estimates April 1, 2013 to July 1, 2022)
 - (2) Personal income of the District is based on County Information.
 - (3) U.S. Department of Commerce, County Information 2012-2021.
 - (4) N.J. Department of Labor.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2023

2014

INFORMATION IS NOT AVAILABLE

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	49.0	49.0	49.0	50.8	46.2	39.9	49.2	43.2	42.9	42.6
Special education	15.0	15.0	15.0	15.5	15.2	13.7	19.9	21.6	21.6	19.6
Support Services:										
Student & instruction related services	13.6	13.6	13.6	10.2	13.7	16.5	9.2	14.9	20.9	19.2
General administration	4.4	4.4	4.4	4.9	3.5	3.6	5.6	2.0	2.0	2.0
School administrative services	2.5	2.5	2.5	2.6	2.5	4.9	3.6	2.5	2.5	3.0
Central services								2.0	3.0	3.0
Administrative Information Technology								1.0	0.4	2.0
Plant operations and maintenance	6.5	6.5	6.5	5.5	6.1	4.6	3.2	7.0	7.6	7.0
Other support services										1.0
Total	91.0	91.0	91.0	89.5	87.2	83.2	90.7	94.2	100.9	99.4

Source: District Personnel Records

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Pupil/Teacher Ratio</u>									
	<u>a</u>					<u>b</u>				
	<u>Enrollment</u>	<u>Expenditures</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Average Daily Enrollment</u>	<u>c</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>
2013-2014	663	9,435,356.00	14,231.31	3.38%	49	13.5	657.5	634.3	1.45%	96.47%
2014-2015	641	10,256,074.00	16,000.12	12.43%	49	13.1	638.2	615.3	-2.94%	96.41%
2015-2016	638	14,846,489.00	23,270.36	45.44%	50	12.8	618.4	595.8	-3.10%	96.35%
2016-2017	611	15,529,930.00	25,417.23	9.23%	50	12.2	607.9	583.5	-1.70%	95.99%
2017-2018	599	15,980,517.50	26,678.66	4.96%	48	12.5	602.0	576.6	-0.97%	95.78%
2018-2019	590	16,737,786.19	28,369.13	6.34%	49	12.0	590.9	567.1	-1.84%	95.97%
2019-2020	596	16,844,204.15	28,262.09	-0.38%	50	11.9	594.7	570.6	0.64%	95.95%
2020-2021	585	17,568,821.59	30,032.17	6.26%	51	11.5	577.6	563.5	-2.88%	97.56%
2021-2022	579	19,113,327.10	33,010.93	9.92%	58	10.0	576.7	546.9	-0.16%	94.83%
2022-2023	557	20,352,587.25	36,539.65	10.69%	62	9.0	545.8	513.7	-5.36%	94.12%

Sources: 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.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	<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>
<u>District Buildings</u>										
Elementary										
HO-HO-KUS School	104,503	104,503	104,503	104,503	104,503	104,503	104,503	104,503	104,503	104,503
Square Feet	800	800	800	800	800	800	800	800	800	800
Capacity(students)	663	641	638	611	599	590	590	590	590	557
Enrollment										

Number of Schools at June 30, 2023
Elementary=1

Source: District Facilities Office

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
For the Fiscal Year Ended June 30,

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

* School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
HO-HO-KUS School	N/A	256,839.38	277,134.76	250,030.72	157,265.92	101,117.22	79,434.13	88,249.00	162,390.00	160,667.00	175,131.00
Total School Facilities		<u>256,839.38</u>	<u>277,134.76</u>	<u>250,030.72</u>	<u>157,265.92</u>	<u>101,117.22</u>	<u>79,434.13</u>	<u>88,249.00</u>	<u>162,390.00</u>	<u>160,667.00</u>	<u>175,131.00</u>

* School facilities as defined under EFCA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT

**Insurance Schedule
June 30 2023**

	<u>Coverage</u>	<u>Deductible</u>
Great American - Property	\$ 28,433,380	\$ 25,000
Package Policy:		
Blanket Real and Personal Property	Scheduled	
Flood & Earthquake	5,000,000	100,000
Flood-Within Special Flood "A"	2,000,000	100,000
Cyber Liability	6,000,000	100,000
Boiler and Machinery	5,000,000	25,000
Crime Coverage:		
Public Employee Dishonesty-Per Employee	250,000	5,000
Public Employee Dishonesty-Per Loss (Excess)	250,000	5,000
Forgery or Alteration	250,000	5,000
General Liability - Per Occurrence	1,000,000	
General Liability - Aggregate	2,000,000	
Automobile	1,000,000	
XL Catlin		
Educators Legal Liability / Employment Practices	1,000,000	
Chubb Insurance Co:	2,000,000	25,000
Environmental Impairment	4,000,000	
Group Aggregate	20,000,000	
Safety National:		
Workers Compensation Coverage	1,000,000	
Fireman's Fund Insurance Company:		
Commercial Umbrella	40,000,000	

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Kari Ferguson, CPA, RMA, CMFO, PSA
Robert C. McNinch, CPA, CFE, PSA
Kevin Reeves, CPA, PSA

401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
Phone: (973)-835-7900
Fax: (973)-835-7900
Email: office@w-cpa.com
www.w-cpa.com

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

Honorable President and
Members of the Board of Education
Borough of Ho-Ho-Kus School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ho-Ho-Kus School District, in the County of Bergen, New Jersey, 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, and have issued our report thereon dated November 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Ho-Ho-Kus Board of Education’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 on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ho-Ho-Kus Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ho-Ho-Kus Board of Education’s internal control.



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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Borough of Ho-Ho-Kus Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Ho-Ho-Kus Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 18, 2023.

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.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023



WIELKOTZ & COMPANY LLC
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401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
Phone: (973)-835-7900
Fax: (973)-835-7900
Email: office@w-cpa.com
www.w-cpa.com

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Borough of Ho-Ho-Kus School District
County of Bergen, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of the Borough of Ho-Ho-Kus School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ho-Ho-Kus Board of Education’s major state programs for the year ended June 30, 2023. The Borough of Ho-Ho-Kus Board of Education’s major 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 Borough of Ho-Ho-Kus 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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) N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of Borough of Ho-Ho-Kus Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Borough of Ho-Ho-Kus Board of Education's compliance with the compliance 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 Borough of Ho-Ho-Kus Board of Education's 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 occurred, whether due to fraud or error, and express an opinion on Borough of Ho-Ho-Kus 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, N.J. OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Ho-Ho-Kus Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, 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 Borough of Ho-Ho-Kus 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 Borough of Ho-Ho-Kus 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, N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Ho-Ho-Kus 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.

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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Honorable President and
Members of the Board of Education

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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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

November 15, 2023

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2023

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
									Accounts Receivable	Deferred Revenue	
U.S. Department of Education Passed-Through State Department of Education:											
Special Revenue Fund:											
Title II-A - Supporting Effective Instruction	84.367A	S367A220029	ESSA2200-23	07/01/22-09/30/23	10,727.00		10,727.00	(10,727.00)			*
							10,727.00	(10,727.00)			*
I.D.E.A. Part B - Basic Regular	84.027A	H027A220100	IDEA2200-23	07/01/22-09/30/23	137,946.00		137,946.00	(137,946.00)			*
I.D.E.A. Part B - Preschool	84.173A	H173A220114	IDEA2200-23	07/01/22-09/30/23	4,719.00		137,946.00	(4,719.00)	(4,719.00)		*
							137,946.00	(142,665.00)			*
ARP - Accelerated Learning Coach & Educator Support	84.425U	S425U210027		03/13/20-09/30/24	68,909.00	(1,530.00)	64,756.00	(7,430.00)		55,796.00	*
ARP-Evidence Based Summer Learning & Enrichment	84.425U	S425U210027		03/13/20-09/30/24	40,000.00		19,116.00	(19,309.00)	(193.00)		*
ARP-Evidence Based Comp. Beyond the School Day	84.425U	S425U210027		03/13/20-09/30/24	40,000.00	(23,357.00)	36,752.00	(13,395.00)			*
ARP-NJTSS Mental Health Support Staffing	84.425U	S425U210027		03/13/20-09/30/24	45,000.00		44,787.00	(42,157.00)		2,630.00	*
ARP-Non-Title I	84.425U	S425U210027		01/01/22-12/31/22	206,683.00	(8,167.00)	118,240.00	(102,000.00)		8,073.00	*
CRRSA Learning Acceleration Grant	84.425D	S425D210027		03/13/20-09/30/23	25,000.00	(4,000.00)	4,000.00	(184,291.00)	(193.00)	66,499.00	*
						(37,054.00)	287,651.00				*
Total Special Revenue Fund						(37,054.00)	436,324.00	(337,683.00)	(4,912.00)	66,499.00	*
U.S. Department of Agriculture Passed-Through State Department of Education:											
Enterprise Fund:											
Cash Assistance											
Special Milk Program	10.556	231NJ304NI099		07/01/22-06/30/23	2,293.92	(111.32)	1,939.95	(2,293.92)	(353.97)		*
Special Milk Program	10.556	221NJ304NI099		07/01/21-06/30/22	1,829.30	(111.32)	111.32	(2,293.92)	(353.97)		*
							2,051.27				*
Total Enterprise Fund						(111.32)	2,051.27	(2,293.92)	(353.97)		*
TOTAL FEDERAL FINANCIAL AWARDS						(37,165.32)	438,375.27	(339,976.92)	(5,265.97)	66,499.00	*

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023				MEMO		
				Deferred Revenue/ (Accts. Receivable)	Cash Received	Budgetary Expenditures	Accounts Receivable	Deferred Revenue	Budgetary Receivable		Cumulative Total Expenditures	
State Department of Education:												
General Fund:												
Special Education Categorical Aid Security Aid	23-495-034-5120-089 23-495-034-5120-084	07/01/22-06/30/23 07/01/22-06/30/23	794,477.00 14,624.00		728,478.00 13,409.00 741,887.00	(14,624.00) (809,101.00)				* * *	65,995.00 1,215.00 67,214.00	794,477.00 14,624.00 809,101.00
Extraordinary Aid	23-100-034-5120-044	07/01/22-06/30/23	509,713.00		450,137.00	(509,713.00)				*		509,713.00
Extraordinary Aid	22-100-034-5120-044	07/01/21-06/30/22	450,137.00	(450,137.00)	450,137.00	(509,713.00)				*		509,713.00
Transportation Aid	23-495-034-5120-014	07/01/22-06/30/23	203,210.00		186,329.00	(203,210.00)				*	16,881.00	203,210.00
Reimbursement of Nonpublic Transportation	23-495-034-5120-014	07/01/22-06/30/23	17,858.00		8,788.00	(17,858.00)				*		17,858.00
Reimbursement of Nonpublic Transportation	22-495-034-5120-014	07/01/21-06/30/22	8,788.00	(8,788.00)	195,117.00	(221,068.00)				*	16,881.00	221,068.00
School Security Grant	20E00591	07/01/20-06/30/22	31,606.00	(15,000.00)	31,606.00	(16,606.00)						31,606.00
Lead Testing Reimbursement	23-495-034-5120-104	07/01/22-06/30/23	625.00		625.00	(625.00)						625.00
Reimbursed TPAF - Social Security	22-495-034-5094-003	07/01/22-06/30/23	384,833.20		346,793.80	(384,833.20)				*		384,833.20
Reimbursed TPAF - Social Security	22-495-034-5094-003	07/01/21-06/30/22	395,752.22	(19,146.90) (19,146.90)	19,146.90 365,940.70	(384,833.20)				*		384,833.20
On-Behalf TPAF - Post Retirement Medical	23-495-034-5094-001	07/01/22-06/30/23	535,808.00		535,808.00	(535,808.00)				*		535,808.00
On-Behalf Teachers' Pension and Annuity	23-495-034-5094-002	07/01/22-06/30/23	2,011,727.00		2,011,727.00	(2,011,727.00)				*		2,011,727.00
On-Behalf TPAF - LTDI	23-495-034-5094-004	07/01/22-06/30/23	477.00		477.00	(477.00)				*		477.00
On-Behalf TPAF - Non-contributory Insurance	23-495-034-5094-004	07/01/22-06/30/23	27,910.00		27,910.00	(27,910.00)				*		27,910.00
Total General Fund				(493,071.90)	4,361,234.70	(4,517,868.20)		(565,610.40)		*	84,095.00	4,532,868.20
Special Revenue Fund:												
School Climate Change Grant		04/01/23-06/30/23	6,660.00		6,660.00	(6,660.00)				*		6,660.00
Total Special Revenue Fund					6,660.00	(6,660.00)				*		6,660.00
Debt Service Fund:												
Debt Service Aid Type II	23-495-034-5120-075	07/01/22-06/30/23	61,484.00		61,484.00	(61,484.00)				*		61,484.00
TOTAL STATE FINANCIAL ASSISTANCE				(493,071.90)	4,429,378.70	(4,586,012.20)		(565,610.40)		*	84,095.00	4,601,012.20
Less On-Behalf TPAF Pension and Annuity Aid												
On-Behalf TPAF - Post Retirement Medical	23-495-034-5094-001	07/01/22-06/30/23	535,808.00		535,808.00	(535,808.00)				*		535,808.00
On-Behalf Teachers' Pension and Annuity	23-495-034-5094-002	07/01/22-06/30/23	2,011,727.00		2,011,727.00	(2,011,727.00)				*		2,011,727.00
On-Behalf TPAF - LTDI	23-495-034-5094-004	07/01/22-06/30/23	477.00		477.00	(477.00)				*		477.00
On-Behalf TPAF - Non-contributory Insurance	23-495-034-5094-004	07/01/22-06/30/23	27,910.00		27,910.00	(27,910.00)				*		27,910.00
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION				(493,071.90)	1,853,456.70	(2,010,090.20)		(565,610.40)		*	84,095.00	2,025,090.20

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Ho-Ho-Kus School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the 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:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,770.00) for the general fund and \$0.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$4,502,098.20	\$4,502,098.20
Special Revenue Fund	337,683.00	6,660.00	344,343.00
Debt Service Fund		61,484.00	61,484.00
Food Service Fund	<u>2,293.92</u>	<u>0.00</u>	
Total Awards and Financial Assistance	<u>\$339,976.92</u>	<u>\$4,570,242.20</u>	<u>\$4,910,219.12</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

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

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

NOTE 7. INDIRECT COST RATE

The Borough of Ho-Ho-Kus School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Not Applicable

**BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**BOROUGH OF HO-HO-KUS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

There were no prior year audit findings.