SCHOOL DISTRICT

OF

HENRY HUDSON REGIONAL



HENRY HUDSON REGIONAL BOARD OF EDUCATION
HIGHLANDS, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

HENRY HUDSON REGIOANL BOARD OF EDUCATION

HIGHLANDS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY

HENRY HUDSON REGIONAL BOARD OF EDUCATION
FINANCE DEPARTMENT

HENRY HUDSON REGIONAL SCHOOL DISTRICT

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INTRODUCTORY SECTION

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SERVING THE BOROUGHS OF ATLANTIC HIGHLANDS AND HIGHLANDS
One Grand Tour Highlands, New Jersey 07732-2039
Phone: 732-872-1517 Fax: 732-872-1315

December 19, 2025

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

Dear Board Members/Citizens:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Henry Hudson Regional School Pre K- 12 District (District). This report is for the fiscal year ended June 30, 2025. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2024-2025 fiscal year.

In a special election held on September 26, 2023, the voters of the borough of Atlantic Highlands and Highlands voted to change the purpose of the Henry Hudson Regional School District from a 7 to 12th grade regional school district to a Pre-kindergarten to 12th grade regionalized school district. Due to the change in purpose, the school districts of Atlantic Highlands and Highlands were dissolved effective June 30, 2024 and the new Henry Hudson Regional Pre-kindergarten to 12th grade regionalized school district was created effective July 1, 2024. The following Annual Comprehensive Financial Report (ACFR) is the first ACFR for the Henry Hudson Regional School District with the expanded purpose to include grades PreK-12. Effective July 1, 2024, Henry Hudson Regional School District will report all financial information to include the expanded purpose of grades preK-12.

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

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

This report has been divided into four sections:

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

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SERVING THE BOROUGHS OF ATLANTIC HIGHLANDS AND HIGHLANDS

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

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

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

REPORTING ENTITY AND ITS SERVICES

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

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

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

ECONOMIC CONDITION

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

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MAJOR INITIATIVES

Henry Hudson Regional School District continues to provide an exceptional educational experience for all students. The breadth of programs from special education to gifted and talented meets each child's unique needs. The 2024-2025 school year demonstrated a continuing emphasis on curriculum alignment to the national curriculum standards.

On July 1, 2024, the Henry Hudson Regional School District started its first year as the newly expanded regional school district inclusive of grades Pre K – 12. The district schools consist of the Atlantic Highlands Elementary School with grades Pre K- 6th, the Highlands Elementary School with grades Pre K- 6th and the Henry Hudson Regional School with grades 7th - 12th.

Henry Hudson Regional School District has initiated programs to replace the rooftop HVAC units, upgrade the lighting throughout the district, new floors in the classrooms, new cameras and security measures, major brickwork repointing, roof replacement as well as increased building maintenance.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

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

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of

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expenditure with an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. These amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

ACCOUNTING SYSTEM AND REPORTS

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

CASH MANAGEMENT

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

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force on June 30, 2025 is included in the Statistical Section of this report on Schedule J-20.

INDEPENDENT AUDIT

The State of New Jersey requires an annual audit by an independent certified public accounting firm. Robert A. Hulsart and Company was selected by the District to perform the audit for the fiscal year ended June 30, 2025. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related Title 2 U.S. Code of Federal Regulations, Part 200 and the State Treasury Circular Letter 15-08 OMB. The Auditor's unqualified opinion rendered on the District's general basic financial statements, and their report on the combining and individual fund statements, is included in the financial section of this Annual Comprehensive Financial Report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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ACKNOWLEDGMENTS

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

Yours truly,

Dr. Tara Beams
Superintendent of Schools

Janet Sherlock
School Business Administrator/Board Secretary

HENRY HUDSON REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION

One Grand Tour, Highlands, NJ 07732

ROSTER OF OFFICIALS
June 30, 2025

Members of the Board of Education	Term Expires
Richard Colangelo, President	December 31, 2025
Suzanne Thomas, Vice President	December 31, 2027
Allison Burel	December 31, 2025
Diane Knox	December 31, 2026
Claire Kozic	December 31, 2027
Regina Melnyk	December 31, 2025
Justin Thomas	December 31, 2026
Rebecca Wells	December 31, 2026
Cory Wingerter	December 31, 2027

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

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

Consultants and Advisors

Audit Firm

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

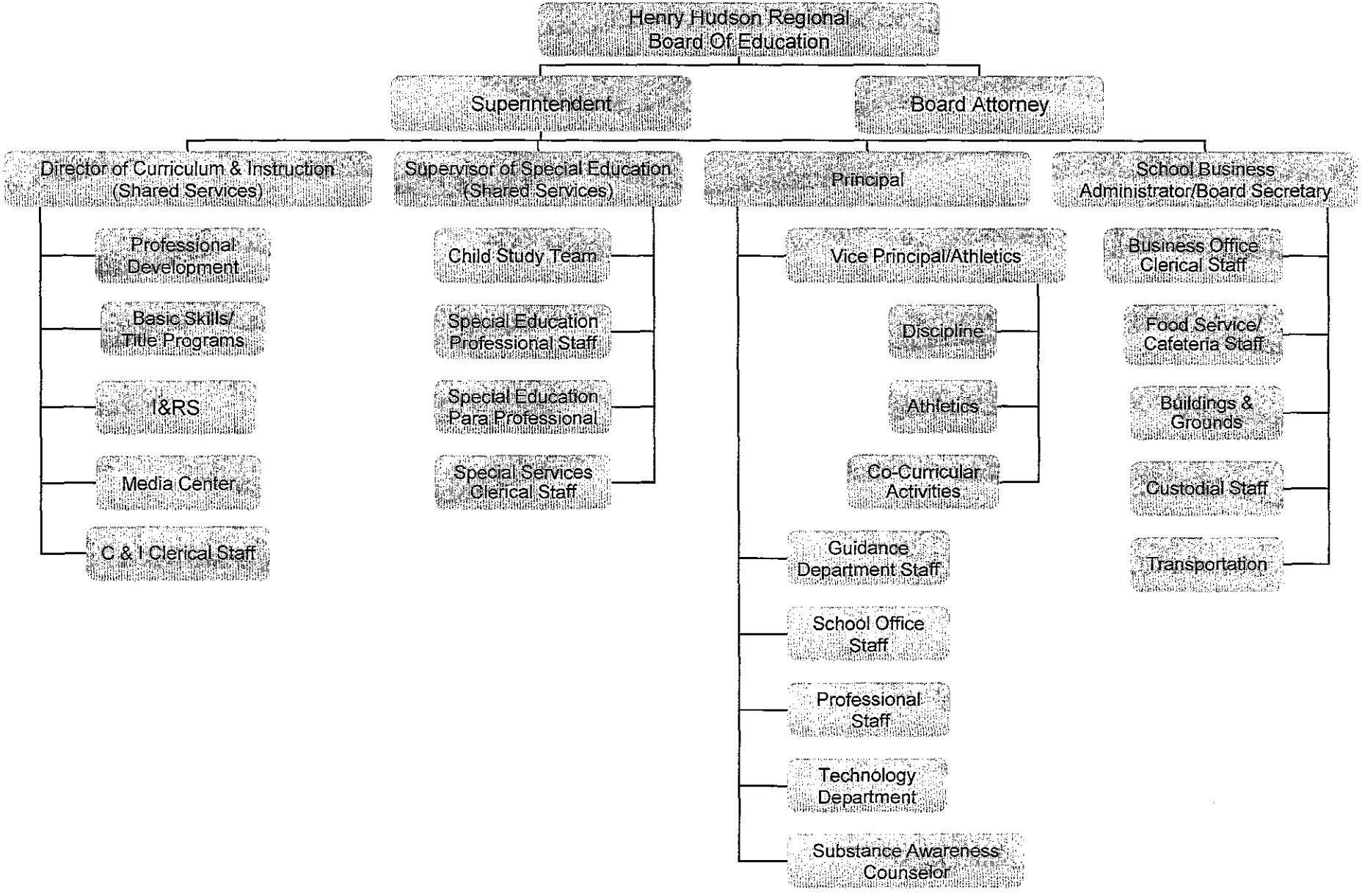
Attorney

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

Official Depository

TD Bank
207 Harmony Road
Middletown, New Jersey 07748

HENRY HUDSON REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART
2024-2025



FINANCIAL SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henry Hudson Regional Board of Education, as of and for the year ended June 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henry Hudson Regional Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated December 19, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

December 19, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

The discussion and analysis of Henry Hudson Regional School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2024-2025 fiscal year are as follows:

- General revenues accounted for $30,367,417 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $4,437,741 to total revenues of $34,805,158.
- Net Position of governmental activities decreased by $3,855,989.
- The School District had $30,949,169 in expenses; only $4,437,741 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $30,367,417 were adequate to provide for these programs.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2024-2025 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2025 and 2024.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	$ 8,704,744	9,830,129
Capital Assets, Net	16,742,730	4,143,358
Total Assets	$ 25,447,474	13,973,487
Deferred Outflows of Resources		
Contribution to Pension Plan	$ 352,879	318,525
Deferred Inflow of Resources		
Pension Deferrals	$ 180,802	71,940
Liabilities		
Other Liabilities	$ 3,464,194	947,073
Long-Term Liabilities	2,512,373	3,043,704
Total Liabilities	$ 5,976,567	3,990,777
Net Position		
Invested in Capital Assets, Net of Debt	$ 14,975,730	7,508,129
Restricted	5,384,500	3,455,193
Unrestricted	(717,246)	(734,027)
Total Net Position	$ 19,642,984	10,229,295

Table 2 shows the changes in net position for fiscal years ended 2025 and 2024.

Table 2
Changes in Net Position

	2025	2024
Revenues		
Program Revenues		
Charges for Services	$ 335,334	143,607
Operating Grants and Contributions	4,102,407	1,158,695
General Revenues		
Property Taxes	19,424,429	8,812,384
Grants and Entitlements	6,044,921	2,688,705
Other	4,898,067	841,262
Total Revenues	34,805,158	13,644,653
Program Expenses		
Instruction	10,431,488	4,488,574
Support Services		
Pupils and Instructional Staff	4,689,134	1,876,207
General Administration, School Administration, Business	1,889,890	772,279
Operations and Maintenance of Facilities	2,481,499	1,277,015
Pupil Transportation	1,319,645	943,234
Interest on Debt	34,491	36,728
Unallocated Benefits	7,702,132	3,362,743
Other	1,919,917	1,336,819
Food Service	480,973	218,054
Total Expenses	30,949,169	14,311,653
Change in Net Position	$ 3,855,989	(667,000)

Business-Type Activities

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

- Food service expenses exceeded revenues by $32,687.
- Charges for services represent $246,834 of revenue. This represents amount paid by patrons for daily food services.
- Federal and State reimbursements for lunches, snacks and breakfast were $201,452.

Governmental Activities

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2025, it reported a combined net position balance of $19,642,984. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

Capital Assets

At June 30, 2025, the School Board had approximately $16,742,730 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2025 fiscal year.

	Governmental Activities	Business Type Activities
Capital Assets at June 30, 2025		
Land	$ 351,064	
Site Improvements	112,191	
Buildings	15,413,644	
Machinery and Equipment	818,700	47,131
Total	$ 16,695,599	47,131

Debt Administration

At June 30, 2025, the School District had $3,097,373 as outstanding debt. Of this amount $427,866 is for compensated absences, $1,767,000 for bonds for school construction, and $902,507 is for pension liability.

Economic Factors and Next Year's Budget

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 6,393,036	37,199	6,430,235
Receivables, Net	1,953,606	12,083	1,965,689
Restricted Assets:			
Cash and Cash Equivalents	293,609		293,609
Inventory		15,211	15,211
Capital Assets Not Depreciated	351,064		351,064
Capital Assets, Net	16,344,535	47,131	16,391,666
Total Assets	25,335,850	111,624	25,447,474
Deferred Outflow of Resources			
Contribution to Pension Plan	352,879		352,879
Deferred Inflow of Resources			
Pension Deferrals	180,802		180,802
Liabilities			
Accrued Interest	8,046		8,046
Accounts Payable	2,662,544	24,702	2,687,246
Payroll Deductions	183,902		183,902
Noncurrent Liabilities:			
Due Within One Year	585,000		585,000
Due Beyond One Year	2,512,373		2,512,373
Total Liabilities	5,951,865	24,702	5,976,567
Net Position			
Invested in Capital Assets, Net of Related Debt	14,928,599	47,131	14,975,730
Restricted For:			
Other Purposes	5,384,500		5,384,500
Unrestricted	(757,037)	39,791	(717,246)
Total Net Position	$ 19,556,062	86,922	19,642,984

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:						
Instruction:						
Regular	$ 6,028,987			(6,028,987)		(6,028,987)
Special Education	2,544,978		1,145,640	(1,399,338)		(1,399,338)
Other Instruction	1,857,523			(1,857,523)		(1,857,523)
Support Services:						
Tuition	1,179,232	61,200		(1,118,032)		(1,118,032)
Student & Instruction Related Services	3,509,902		1,773,770	(1,736,132)		(1,736,132)
School Administrative Services	585,081			(585,081)		(585,081)
General and Business Administrative Services	1,304,809			(1,304,809)		(1,304,809)
Plant Operations and Maintenance	2,481,499			(2,481,499)		(2,481,499)
Pupil Transportation	1,319,645	27,300		(1,292,345)		(1,292,345)
Unallocated Benefits	7,702,132			(7,702,132)		(7,702,132)
Capital Outlay	981,545		981,545	-		-
Interest on Long-Term Debt	34,491			(34,491)		(34,491)
Unallocated Depreciation	938,372			(938,372)		(938,372)
Total Government Activities	30,468,196	88,500	3,900,955	(26,478,741)	-	(26,478,741)
Business-Type Activities:						
Food Service	480,973	246,834	201,452		(32,687)	(32,687)
Total Business-Type Activities	480,973	246,834	201,452	-	(32,687)	(32,687)
Total Primary Government	30,949,169	335,334	4,102,407	(26,478,741)	(32,687)	(26,511,428)

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

JUNE 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	18,567,411		18,567,411
Taxes Levied for Debt Service	857,018		857,018
Federal and State Aid Not Restricted	6,044,921		6,044,921
Miscellaneous Income	426,542	-	426,542
Consolidation of Districts	4,471,525		4,471,525
Total General Revenues, Special Items, Extraordinary Items and Transfers	30,367,417	-	30,367,417
Change in Net Position	3,888,676	(32,687)	3,855,989
Adjustment for Fixed Assets	5,481,273	76,427	5,557,700
Net Position - Beginning	10,186,113	43,182	10,229,295
Net Position- Ending	$ 19,556,062	86,922	19,642,984

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

FUND FINANCIAL STATEMENTS – B

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 6,393,036			6,393,036
Cash and Cash Equivalents-Restricted	183,902	109,707		293,609
Receivables from Other Governments	250,203	1,543,403	160,000	1,953,606
Interfund Receivable	574,790			574,790
Total Assets	$ 7,401,931	1,653,110	160,000	9,215,041
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	$ 1,533,931	1,128,613		2,662,544
Interfund Payable		414,790	160,000	574,790
Payroll Deductions and Withholdings Payable	183,902			183,902
Total Liabilities	1,717,833	1,543,403	160,000	3,421,236
Fund Balance:				
Restricted for:				
Excess Surplus-Designated for Subsequent Year's Expenditures	1,869,530			1,869,530
Excess Surplus	1,520,299			1,520,299
Maintenance Reserve Account	524,326			524,326
Capital Reserve Account	1,325,304			1,325,304
Unemployment Compensation	35,334			35,334
Scholarships		20,414		20,414
Student Activities		89,293		89,293
Unassigned:				
General Fund	409,305			409,305
Total Fund Balances	5,684,098	109,707	-	5,793,805
Total Liabilities and Fund Balance	$ 7,401,931	1,653,110	160,000	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $38,615,891 and the accumulated depreciation is $21,920,292.				16,695,599
Accrued Interest				(8,046)
Deferred outflow of resources - contributions to the pension plan				352,879
Deferred inflow of resources - acquisition of assets applicable to future reporting periods				(180,802)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(3,097,373)
Net position of governmental activities				$ 19,556,062

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local Sources:					
Local Tax Levy	$ 18,567,411			857,018	19,424,429
Tuition	61,200				61,200
Transportation	27,300				27,300
Miscellaneous	426,542	2,486,084			2,912,626
Total Local Sources	19,082,453	2,486,084	-	857,018	22,425,555
State Sources	6,044,921	771,990		-	6,816,911
Federal Sources		642,881			642,881
Total Revenues	25,127,374	3,900,955	-	857,018	29,885,347
Expenditures					
Current:					
Regular Instruction	5,765,797				5,765,797
Special Education Instruction	1,399,338	1,145,640			2,544,978
Other Instruction	1,857,523				1,857,523
Support Services and Undistributed Costs:					
Tuition	1,179,232				1,179,232
Student and Instruction Related Services	2,217,672	1,292,230			3,509,902
School Administrative Services	585,081				585,081
Other Administrative Services	1,304,809				1,304,809
Plant Operations and Maintenance	2,481,499				2,481,499
Pupil Transportation	1,319,645				1,319,645
Unallocated Benefits	7,837,145				7,837,145
Debt Service:					
Principal				820,000	820,000
Interest and Other Charges				37,018	37,018
Capital Outlay	1,619,215	1,434,880			3,054,095
Total Expenditures	27,566,956	3,872,750	-	857,018	32,296,724

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(2,439,582)	28,205	-	-	(2,411,377)
Other Financing Sources and Uses:					
Transfer To Special Revenue- Preschool	(170,731)				(170,731)
Consolidation of School Districts	4,648,385		(6,129)		4,642,256
Total Other Financing Sources and Uses	4,477,654	-	(6,129)	-	4,471,525
Total Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	2,038,072	28,205	(6,129)	-	2,060,148
Net Change in Fund Balances	2,038,072	28,205	(6,129)	-	2,060,148
Fund Balance - July 1	3,646,026	81,502	6,129		3,733,657
Fund Balance - June 30	$ 5,684,098	109,707	-	-	5,793,805

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Exhibit B-3

JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (From B-2)	$ 2,060,148
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	(938,372)
Capital Outlay	2,072,550
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	820,000
In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used.	
Compensated Absences	(263,190)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	34,354
Changes in Pension Liability	209,521
Pension Related Deferrals	(108,862)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	2,527
Change in Net Position of Governmental Activities	$ 3,888,676

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2025

	Enterprise Funds
Assets:	
Current Assets:	
Cash and Cash Equivalents	$ 37,199
Accounts Receivable:	
State	658
Federal	9,891
Miscellaneous	1,534
Inventory	15,211
Total Current Assets	64,493
Noncurrent Assets:	
Equipment	372,294
Accumulated Depreciation	(325,163)
Total Fixed Assets	47,131
Total Assets	$ 111,624
Liabilities	
Accounts Payable	$ 24,702
Net Position:	
Investment in Capital Assets	$ 47,131
Unrestricted	39,791
Total Net Position	$ 86,922

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDS

JUNE 30, 2025

	Enterprise Fund
Operating Revenues:	
Daily Sales - Reimburseable Programs	$ 148,179
Daily Sales - Non-Reimburseable Programs	98,655
Total Operating Revenues	246,834
Operating Expenses:	
Salaries	147,384
Cost of Sales - Reimburseable Programs	159,914
Cost of Sales - Non-Reimburseable Programs	86,107
Supplies and Materials	30,228
Management Fee	30,000
Repairs/Equipment	23,308
Depreciation	3,135
Miscellaneous	897
Operating Expenses	480,973
Operating Gain/(Loss)	(234,139)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	4,775
State School Lunch Program - NJEIE	1,231
State Breakfast Program	381
State Breakfast Program - NJEIE	338
State After the Bell	4,833
Federal Sources:	
National School Lunch Program	115,387
Federal Breakfast Program	52,563
PEBT Program	643
Food Distribution Program	21,301
Total Non-Operating Revenues	201,452
Change in Net Position	(32,687)
Adjustment for Fixed Asset/Combining Districts	76,427
Net Position, July 1	43,182
Net Position, June 30	$ 86,922

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2025

	Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Customers	$ 246,834
Payments to Employees	(147,384)
Payments to Suppliers	(306,126)
Net Cash Provided (Used) by Operating Activities	(206,676)
Cash Flows from Noncapital Financing Activities:	
Combining Districts	41,142
State Sources	11,558
Federal Sources	168,593
Net Cash Provided by Noncapital Financing Activities	221,293
Net Increase (Decrease) in Cash and Cash Equivalents	14,617
Cash and Cash Equivalents, July 1	22,582
Cash and Cash Equivalents, June 30	$ 37,199
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (234,139)
Depreciation	3,135
Federal Commodities Consumed	21,301
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Inventory	(12,002)
Decrease/(Increase) in Accounts Receivable	(9,673)
(Decrease)/Increase in Accounts Payable	24,702
Net Cash Provided (Used) by Operating Activities	$ (206,676)

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

HENRY HUDSON REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Henry Hudson Regional School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 7-12. The operations of the District include one Regional Middle School/High School, located in the Highlands. The Henry Hudson Regional School District had an approximate enrollment at June 30, 2025 of 734 students.

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

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

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

D. **Fund Accounting**:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Types

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types (Continued)

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2025 are shown on Exhibit C-1.

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

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

F. Encumbrances:

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation

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

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

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

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Adjustments	Balance June 30, 2025
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	$ 351,064			351,064
Total	351,064			351,064
Depreciable Assets:				
Site Improvements	579,915	104,592		684,507
Buildings	30,268,327	2,171,232		32,439,559
Equipment	5,079,035	61,726		5,140,761
Total	35,927,277	2,337,550		38,264,827
Less: Accumulated Depreciation:				
Site Improvements	(570,640)	(1,676)		(572,316)
Buildings	(16,261,019)	(764,896)		(17,025,915)
Equipment	(4,150,261)	(171,800)		(4,322,061)
Total Accumulated Depreciation	(20,981,920)	(938,372)		(21,920,292)
Net Depreciable Assets	14,945,357	1,399,178		16,344,535
Governmental Activities Capital Assets (Net)	$ 15,296,421	1,399,178		16,695,599

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

I. **Capital Assets and Depreciation**

	Balance July 1, 2024	Additions	Adjustments	Balance June 30, 2025
Business-Type Activities:				
Equipment	$ 372,294			372,294
Less: Accumulated Depreciation:				
Equipment	(322,028)	(3,135)		(325,163)
Business-Type Capital Assets (Net)	$ 50,266	(3,135)		47,131

Depreciation expense was charged to governmental functions as follow:

Unallocated	$ 938,372

J. **Compensated Absences**

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

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

K. **Deferred Revenue**

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

L. **Fund Equity**

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Continued)

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

Deposits (Continued)

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000.000.

Investments

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

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

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

c. Bonds or other obligations of the school district.

As of June 30, 2025, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking and Money Market Accounts	$ 334,209
Cash Management Accounts	6,389,635
	$ 6,723,844

The carrying amount of the District's cash and cash equivalents at June 30, 2025 was $6,723,844 and the bank balance was $7,253,360. Of the bank balance, $250,000 was covered by federal depository insurance, $613,725 was covered by a collateral pool maintained by the banks as required by New Jersey statutes and $6,389,635 was uninsured.

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

Credit Risk Categories

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

Depository Account	Bank Balance June 30, 2025
Insured:	
FDIC	$ 250,000
GUDPA	613,725
Uninsured	6,389,635
	$ 7,253,360

Custodial Credit Risk – Deposits

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

At June 30, 2025 the District held $6,389,635 in uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Long-Term Portion	2025-26 Payment
Pension Liability	$ 1,112,028		(209,521)	902,507	902,507	
Compensated Absences Payable	164,676	263,190		427,866	427,866	
Bonds Payable	2,322,000	265,000	(820,000)	1,767,000	1,182,000	585,000
	$ 3,598,704	528,190	(1,029,521)	3,097,373	2,512,373	585,000

A. Bonds Payable

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

Refunding bonds issued January 18, 2012 for $7,415,000 for additions and renovations to the high school maturing March 1, 2028 with a balance of $1,767,000 at June 30, 2025 with interest rates from 3.25% to 4%.

NOTE 3: General Long-Term Debt (Continued)

A. Bonds Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2025/2026	$ 585,000	24,137	609,137
2026/2027	590,000	16,146	606,146
2027/2028	592,000	8,087	600,087
	$ 1,767,000	48,370	1,815,370

NOTE 4: Pension Plans

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

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

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

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

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2025, the State of New Jersey contributed $4,114,660 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $718,638 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/25	$ 209,007	100%	0
6/30/24	102,611	100%	0
6/30/23	89,355	100%	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/25	$ 4,114,660	100%	0
6/30/24	1,749,236	100%	0
6/30/23	1,583,584	100%	0

Public Employees' Retirement System (PERS)

Plan Description

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

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

NOTE 4: Pension Plans (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2024 State special funding situation net pension liability amount of $114.4 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of $53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount.

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

NOTE 4: Pension Plans (Continued)

For the year ended June 30, 2025, the District recognized pension expense of $209,007. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 18,079	2,403
Changes of Assumptions	1,121	10,268
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		41,847
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	124,672	126,284
District Contributions Subsequent to the Measurement Date	209,007	
Total	$ 352,879	180,802

$352,879 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	$ (37,998)
2026	29,402
2027	(16,916)
2028	(9,765)
2029	254
	$ (35,023)

Additional Information

Collective balances at June 30, 2024 and 2023 are as follows:

	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	$ 352,879	318,525
Collective Deferred Inflows of Resources	180,802	71,940
Collective Net Pension Liability	902,507	1,112,028
District's Proportion	.00659%	.00761%

NOTE 4: Pension Plans (Continued)

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2024 were as follows:

	State	Local	Total
Total Pension Liability	$ 30,497,816,419	43,115,494,090	73,613,310,509
Plan Fiduciary Net Position	8,327,580,797	29,413,070,105	37,740,650,902
Net Pension Liability	$ 22,170,235,622	13,702,423,985	35,872,659,607
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	27.31%	65.23%	48.45%

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

NOTE 4: Pension Plans (Continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2024, 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:

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share Of the Net Pension Liability	$ 1,199,210	902,507	650,014

Teachers Pensions and Annuity Fund (TPAF)

Plan Description

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

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

The following represents the membership tiers for TPAF:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ration of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do no contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2024 and 2023 are as follows:

	2024	2023
Total Pension Liability	$ 79,808,368,112	78,240,143,092
Plan Fiduciary Net Position	30,316,295,787	27,130,181,268
Net Pension Liability	$ 49,492,072,325	51,109,961,824
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%

State Proportionate Share of Net Pension Liability Attributable to District

	2024	2023
District's Liability	$ 15,763,012	15,436,310
District's Proportion	.03185%	.03020%

NOTE 4: Pension Plans (Continued)

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

Year Ending June 30:	
2025	$ (1,172,392)
2026	(585,810)
2027	(629,874)
2028	(607,632)
2029	953
Thereafter	(10,885)
Total	$ (3,005,640)

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4: Pension Plans (Continued)

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

The following presents the net pension liability of the State as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share Of the Net Pension Liability	$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	18,736,571	15,763,012	13,258,713
	$ 18,736,571	15,763,012	13,258,713

NOTE 5: Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

NOTE 5: Post-Retirement Benefits (Continued)

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

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

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

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 20, 2023, with was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total OPEB Liability $59,650,630,530

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

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

NOTE 5: Post-Retirement Benefits (Continued)

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreased to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balances at June 30, 2023	$ 52,361,668,239
Changes for the Year:	
Service Cost	2,152,062,729
Interest	1,963,557,443
Change of Benefit Terms	
Difference Between Expected and Actual Experience	158,934,425
Changes in Assumptions or Other Inputs	4,462,660,491
Member Contributions	51,347,810
Benefit Payments	(1,499,600,607)
Balance at June 30, 2024	$ 59,650,630,530

There were no changes in benefit terms between the June 30, 2023 measurement date and the June 30, 2024 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% percent in 2023 to 3.93% percent in 2024.

NOTE 5: Post-Retirement Benefits (Continued)

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

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	$ 69,863,663,542	59,650,630,530	51,437,232,141

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	$ 49,689,409,509	59,650,630,530	72,625,778,279

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

For the year ended June 30, 2024, the Board of Education recognized OPEB expense of $471,837 determined by the State as the total OBEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

NOTE 5: Post-Retirement Benefits (Continued)

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 6,378,932,312	11,139,706,892
Assumption Changes	10,004,978,073	11,662,607,882
Total	$ 16,383,910,385	22,802,314,774

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

Year Ended June 30:	
2025	$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,818,659)
	$ (6,418,804,389)

NOTE 6: Compensated Absences

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

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

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

The liability for vested compensated absences as of June 30, 2025, was $427,866.

NOTE 7: Capital Reserve Account

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

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	$ 2,729,818
2024/25 Budgeted Withdrawal	(1,412,514)
Interest Increase	8,000
Ending Balance, June 30, 2025	$ 1,325,304

NOTE 8: Inventory

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food	$ 10,414
Supplies	4,797
	$ 15,211

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

NOTE 9: Fund Balance Appropriated

General Fund – Of the $5,876,315 General Fund fund balance at June 30, 2025, $862,790 has been placed in the capital reserve; $313,103 is in maintenance reserve; $1,869,530 of excess surplus is designated for subsequent year's expenditures; $1,520,299 is excess surplus; $601,522 is undesignated; $35,334 is unemployment; $462,514 is capital reserve designated for subsequent years expenditures; and $211,223 is maintenance reserve designated for subsequent years expenditures.

NOTE 10: Calculation of Excess Surplus

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

NOTE 11: Equity Balance

2% Calculation of Excess Surplus	
2024-25 Total General Fund Expenditures Per the ACFR	$ 25,731,462
Decreased by:	
On Behalf TPAF Pension and Social Security	(2,833,927)
Adjusted 2024-25 General Fund Expenditures	$ 22,897,535
2% of Adjusted 2024-25 General Fund Expenditures	$ 457,951
Enter Greater of Above or $250,000	$ 457,951
Increased by Allowable Adjustments	143,571
Maximum Unassigned Fund Balance	$ 601,522
Section 2	
Total General Fund – Fund Balance @ 6-30-25	$ 5,876,315
Decreased by:	
Other Reserves	(1,175,893)
Designated for Subsequent Year's Expenditures – Excess Surplus	(1,869,530)
Designated for Subsequent Year's Expenditures – Capital Reserve	(462,514)
Designated for Subsequent Year's Expenditures – Maintenance Reserve	(211,223)
Reserve for Unemployment	(35,334)
Total Unassigned Fund Balance	$ 2,121,821
Restricted Fund Balance – Excess Surplus	$ 1,520,299
Section 3	
Excess Surplus Designated for Subsequent Years Expenditures	$ 1,896,530
Excess Surplus	1,520,299
	$ 3,416,829
Detail of Allowable Adjustments	
Extraordinary Aid	$ 113,440
Non-Public Transportation	30,131
	$ 143,571

NOTE 11: Equity Balance (Continued)

Detail of Other Restricted Fund Balance

Maintenance Reserve	$ 313,103
Capital Reserve	862,790
	$ 1,175,893

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2025-2026 budget.

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

NOTE 12: Contingent Liabilities

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

NOTE 13: Economic Dependency

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

NOTE 14: Risk Management

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

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

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

Fiscal Year	District Contributions	Interest Earned	Reimbursed	Balance
2024-2025	$ 47,658	425	21,007	35,334
2023-2024	8,789	414	19,945	8,258
2022-2023	8,984	277	4,783	19,000

NOTE 15: Deferred Compensation

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

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

NOTE 16: Interfund Receivables and Payables

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

There were interfunds as of June 30, 2025 as follows:

	From	To
General Fund	$	574,790
Special Revenue Fund	414,790	
Capital Projects Fund	160,000	
	$ 574,790	574,790

The interfund loans were for temporary cash deficits that will be repaid in 2025-2026.

NOTE 17: Subsequent Events

Subsequent events have been evaluated through December 19, 2025, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 18,567,411		18,567,411	18,567,411	-
Tuition	67,500		67,500	61,200	(6,300)
Transportation Fees	27,300		27,300	27,300	-
Interest on Investments	10,500		10,500	384,160	373,660
Miscellaneous	72,975		72,975	7,768	(65,207)
Other Restricted Miscellaneous Revenues	5,700		5,700	34,614	28,914
Total Local Sources	18,751,386	-	18,751,386	19,082,453	331,067
State Sources:					
Security Aid	142,061		142,061	142,061	-
Transportation Aid	245,687		245,687	245,687	-
Special Education Aid	706,178		706,178	706,178	-
Extraordinary Aid	71,608		71,608	185,267	113,659
Non Public Transportation			-	30,131	30,131
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	930,155	930,155
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	3,183,272	3,183,272
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,233	1,233
TPAF Social Security Contribution (Reimbursed)			-	718,630	718,630
Menstrual Products				3,700	3,700
Total State Sources	1,165,534	-	1,165,534	6,146,314	4,980,780
Total Revenues	19,916,920	-	19,916,920	25,228,767	5,311,847

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Distributed Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	292,313	99,324	391,637	382,111	9,526
Grades 1-5 - Salaries of Teachers	1,777,503	(330,992)	1,446,511	1,437,966	8,545
Grades 6-8 - Salaries of Teachers	1,291,777	131,997	1,423,774	1,375,391	48,383
Grades 9-12 - Salaries of Teachers	1,666,663	(58,642)	1,608,021	1,607,947	74
Subtotal	5,028,256	(158,313)	4,869,943	4,803,415	66,528
Regular Programs - Home Instruction					
Salaries -Teachers	24,000	(2,000)	22,000	21,720	280
Purchased Professional Educational Services	14,000	(10,620)	3,380	2,148	1,232
Subtotal	38,000	(12,620)	25,380	23,868	1,512
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	275,000	(4,544)	270,456	267,538	2,918
Other Purchased Services	29,500	(26,932)	2,568	2,537	31
General Supplies	387,340	77,602	464,942	461,477	3,465
Textbooks	169,050	(60,976)	108,074	106,164	1,910
Other Objects	44,966	55,908	100,874	100,798	76
Subtotal	905,856	41,058	946,914	938,514	8,400
Total Regular Programs - Instruction	5,972,112	(129,875)	5,842,237	5,765,797	76,440
Learning and/or Language Disabilities:					
Salaries of Teachers	166,816	88,273	255,089	219,550	35,539
Other Salaries for Instruction	92,429	43,443	135,872	66,503	69,369
General Supplies		1,705	1,705	1,704	1
Learning and/or Language Disabilities	259,245	133,421	392,666	287,757	104,909

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Center:					
Salaries of Teachers	994,796	(147,631)	847,165	799,798	47,367
Other Salaries for Instruction	153,088	(11,844)	141,244	139,532	1,712
General Supplies	2,300	7,832	10,132	9,992	140
Total Resource Room/Center	1,150,184	(151,643)	998,541	949,322	49,219
Preschool Disabilities - Full-time:					
Salaries of Teachers	70,266	48,604	118,870	111,312	7,558
Other Salaries for Instruction	19,240	26,202	45,442	44,336	1,106
General Supplies	3,000	(525)	2,475	1,014	1,461
Other Objects		525	525	525	-
Total Preschool Disabilities - Full-time	92,506	74,806	167,312	157,187	10,125
Home Instruction: Salaries					
Salaries	4,000	(4,000)	-		-
Purchased Professional Educational Services	5,000	14,360	19,360	5,072	14,288
Total Home Instruction	9,000	10,360	19,360	5,072	14,288
Total Special Education - Instruction	1,506,935	70,944	1,577,879	1,399,338	178,541
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	528,998	53,860	582,858	582,858	-
General Supplies	3,500		3,500		3,500
Total Basic Skills/Remedial - Instruction	532,498	53,860	586,358	582,858	3,500
Bilingual Education - Instruction:					
Salaries of Teachers	157,822	56,102	213,924	213,924	-
General Supplies	5,000		5,000	4,681	319
Total Bilingual Education - Instruction	162,822	56,102	218,924	218,605	319

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	143,815	5,261	149,076	149,076	-
Purchased Professional Services		9,253	9,253	9,253	-
General Supplies	10,000	(6,577)	3,423	3,224	199
Other Objects	28,800	8,045	36,845	32,276	4,569
Total School Sponsored Co-Curricular Activities	182,615	15,982	198,597	193,829	4,768
School Sponsored Athletics - Instruction					
Salaries	370,487	(6,729)	363,758	344,118	19,640
Supplies and Materials	60,772		60,772	60,066	706
Other Objects	97,620	(19,199)	78,421	59,863	18,558
Total School Sponsored Athletics - Instruction	528,879	(25,928)	502,951	464,047	38,904
Before/After School Programs - Instruction:					
Salaries of Teachers	41,000	1,500	42,500	38,115	4,385
Summer School Instruction:					
Salaries of Teachers	89,500	(26,146)	63,354	45,382	17,972
Other Salaries for Instruction	19,000	(3,000)	16,000	12,664	3,336
General Supplies	1,500	(461)	1,039	391	648
Total Summer School Instruction	110,000	(29,607)	80,393	58,437	21,956
Other Supplemental/At Risk Programs:					
Salaries of Teachers	179,712	131,889	311,601	311,601	-
Total Distributed Expenditures	9,216,573	144,867	9,361,440	9,032,627	328,813

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Tuition:					
Tuition to Other LEAs in State - Regular		20,611	20,611	20,611	-
Tuition to Other LEAs in State - Special	285,026	(69,552)	215,474	164,619	50,855
Tuition to County Vocational School:					
Regular	237,729	(20,611)	217,118	202,786	14,332
Special	85,202	(19,121)	66,081	59,860	6,221
Tuition - Other	15,200	53,202	68,402	53,134	15,268
Tuition to Private School for Handicapped - Within State	605,997	14,777	620,774	597,388	23,386
Tuition to Private School for Handicapped - Outside State	65,686	15,148	80,834	80,834	-
Total Tuition	1,294,840	(5,546)	1,289,294	1,179,232	110,062
Attendance & Social Work:					
Salaries	56,069	(48)	56,021	55,713	308
Social Worker	71,664	(2,709)	68,955	68,271	684
Purchased Professional Services	1	(1)	-		-
Total Attendance & Social Work	127,734	(2,758)	124,976	123,984	992
Health Services:					
Salaries	202,005	1,285	203,290	203,290	-
Purchased Professional/Technical Services	36,350	(4,745)	31,605	25,340	6,265
Supplies and Materials	11,650	1,901	13,551	13,509	42
Supplies and Materials - Menstrual Products		4,000	4,000	3,700	300
Other Objects	1,500		1,500	725	775
Total Health Services	251,505	2,441	253,946	246,564	7,382

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Students - Related Services:					
Salaries	121,864	33,099	154,963	151,509	3,454
Purchased Professional/Educational Services	227,500	(41,230)	186,270	154,504	31,766
Supplies and Materials	2,000	2,300	4,300	4,295	5
Total Related Services	351,364	(5,831)	345,533	310,308	35,225
Other Support Services - Students - Extra Services:					
Salaries		10,100	10,100	9,231	869
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	302,531	2,629	305,160	304,752	408
Salaries of Secretarial & Clerical	37,440	495	37,935	37,935	-
Other Salaries	5,000	200	5,200	5,200	-
Other Purchased Services	10,000	(3,324)	6,676	761	5,915
Supplies and Materials	16,900		16,900	14,683	2,217
Other Objects	8,400		8,400	3,429	4,971
Total Other Support Services - Students - Regular	380,271	-	380,271	366,760	13,511
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	569,445		569,445	523,992	45,453
Salaries of Secretarial & Clerical	52,000		52,000	51,750	250
Purchased Professional Educational Services	2,001	4,800	6,801	6,300	501
Other Purchased Services	155,000		155,000	155,000	-
Supplies and Materials	22,600	(3,600)	19,000	9,450	9,550
Other Objects	9,500	(1,200)	8,300	8,294	6
Total Other Support Services - Students - Special	810,546	-	810,546	754,786	55,760

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Director	116,778	(5,000)	111,778	111,778	-
Salaries of Secretarial & Clerical	64,599	1,028	65,627	65,627	-
Curriculum Writing	82,035		82,035	82,035	-
Purchased Professional Educational Services		8,000	8,000	6,200	1,800
Supplies & Materials	4,000		4,000	706	3,294
Other Objects	6,400	(4,028)	2,372		2,372
Total Improvement of Instructional Services	273,812	-	273,812	266,346	7,466
Educational Media/Library:					
Salaries	73,846	(5,000)	68,846	68,830	16
Salaries of Technology Coordinators	30,000	(1,000)	29,000	24,599	4,401
Supplies & Materials	11,000	8,033	19,033	19,033	-
Library Books	5,680	(1,146)	4,534	4,533	1
Other Objects	3,500	(567)	2,933	2,933	-
Total Educational Media/Library	124,026	320	124,346	119,928	4,418
Staff Training:					
Salaries	2,500	2,755	5,255	5,255	-
Other Objects	30,900	(3,075)	27,825	14,510	13,315
Total Staff Training	33,400	(320)	33,080	19,765	13,315

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	269,289		269,289	267,049	2,240
Legal Services	77,000	65,030	142,030	132,605	9,425
Audit Fees	40,900	(4,000)	36,900	36,800	100
Architectural/Engineering Services	6,000	(620)	5,380	3,200	2,180
Other Purchased Professional Services	10,500	1,225	11,725	11,725	-
Communications/Telephone	87,752	10,419	98,171	97,599	572
BOE Other Purchased Services	4,000	3,856	7,856	7,771	85
Insurance	53,500	19,338	72,838	72,837	1
Supplies & Materials	14,400	(5,831)	8,569	8,567	2
BOE In House Training Supplies	3,000	(946)	2,054	1,912	142
Miscellaneous Expenditures	12,200	(1,100)	11,100	10,360	740
BOE Membership Dues and Fees	18,731	(3,607)	15,124	15,123	1
Total Support Services - General Administration	597,272	83,764	681,036	665,548	15,488
Support Services - School Administration:					
Salaries of Principals/Vice Principals	394,142	387	394,529	394,529	-
Salaries of Secretarial & Clerical	161,887	48	161,935	161,054	881
Supplies & Materials	12,700	6,000	18,700	18,690	10
Other Objects	20,500	(6,542)	13,958	10,808	3,150
Total Support Services - School Administration	589,229	(107)	589,122	585,081	4,041
Required Maintenance - Facilities:					
Cleaning, Repair & Maintenance Services	770,602	40,119	810,721	810,721	-
General Supplies	40,000	(8,411)	31,589	31,589	-
Total Allowable Maintenance Facilities	810,602	31,708	842,310	842,310	-

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Operations & Maintenance:					
Salaries	493,376	(36,176)	457,200	428,362	28,838
Purchased Professional/Technical Serv.	483,735	(60,124)	423,611	413,501	10,110
Cleaning, Repair & Maintenance Services	24,402		24,402	12,692	11,710
Insurance	128,300	(368)	127,932	126,939	993
Other Purchased Services	45,200	(3,000)	42,200	30,415	11,785
Natural Gas	155,000	3,094	158,094	146,561	11,533
Electricity	183,000	3,131	186,131	168,509	17,622
General Supplies	51,500	13	51,513	44,236	7,277
Other Objects	13,300	(6,247)	7,053	4,403	2,650
Total Other Operations & Maintenance	1,577,813	(99,677)	1,478,136	1,375,618	102,518
Care of Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	97,634	3,405	101,039	90,386	10,653
General Supplies	5,000	(1,400)	3,600	2,800	800
Total Care of Upkeep of Grounds	102,634	2,005	104,639	93,186	11,453
Security:					
Salaries	105,000	60,000	165,000	141,273	23,727
Purchased Professional and Tech. Services	93,100	(67,600)	25,500	25,460	40
General Supplies		7,600	7,600	6,452	1,148
Total Security	198,100	-	198,100	173,185	24,915

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Operations & Maintenance	2,684,149	(64,564)	2,619,585	2,481,499	138,086
Student Transportation:					
Salaries Between Home & School-Regular	271,734	14,713	286,447	277,768	8,679
Salaries Between Home & School-Special	54,320	(4,000)	50,320	50,083	237
Management Fee	49,182	(10,712)	38,470	33,988	4,482
Cleaning, Repair, Maintenance Services	32,000	(1,406)	30,594	30,594	-
Rental Payments-School Buses	7,500	39,371	46,871	43,197	3,674
Contracted Services Between Home & School-Vendors	393,493	16,236	409,729	348,628	61,101
Contracted Services Between Home - & School - Vendors	25,000		25,000	23,567	1,433
Contracted Services Special Ed. ESC's	491,044	(29,110)	461,934	403,315	58,619
Miscellaneous Purchased Services	8,035	695	8,730	8,729	1
Contracted Services-Aid in Lieu-N.P.	108,584	(9,550)	99,034	71,428	27,606
Transportation Supplies	41,000	1,409	42,409	27,333	15,076
Other Objects	2,000		2,000	1,015	985
Total Student Transportation	1,483,892	17,646	1,501,538	1,319,645	181,893
Central Services:					
Salaries	318,693	(13,579)	305,114	296,808	8,306
Purchased Professional Services	47,000	17,315	64,315	64,315	-
Supplies & Materials	9,000	289	9,289	9,289	-
Miscellaneous Expenditures	10,500	(8,067)	2,433	1,885	548
Total Central Services	385,193	(4,042)	381,151	372,297	8,854
Administration Information Technology:					
Purchased Technical Services	223,300	33,212	256,512	256,510	2
Supplies and Materials		14,966	14,966	10,454	4,512
Total Administration Information Technology	223,300	48,178	271,478	266,964	4,514

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	225,615		225,615	193,500	32,115
Other Retirement Contrib. - PERS	272,311	(30,478)	241,833	209,007	32,826
Other Retirement Contrib. - DCRP	16,500		16,500	4,990	11,510
Unemployment Compensation		29,341	29,341	29,341	-
Workman's Compensation	149,610	(19,338)	130,272	112,207	18,065
Health Benefits	2,908,362	(54,764)	2,853,598	2,440,662	412,936
Tuition Reimbursements	17,000	200	17,200	14,140	3,060
Other Employee Benefits	5,600		5,600		5,600
Total Unallocated Benefits	3,594,998	(75,039)	3,519,959	3,003,847	516,112
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	930,155	(930,155)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	3,183,272	(3,183,272)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,233	(1,233)
TPAF Social Security Contribution (Reimbursed)			-	718,638	(718,638)
	-	-	-	4,833,298	(4,833,298)
Total Undistributed Expenditures	13,205,531	(20,824)	13,184,707	16,905,398	(3,720,691)
Total General Current Expense	22,422,104	124,043	22,546,147	25,938,025	(3,391,878)
Capital Outlay:					
Assessment for Debt Service	62,514		62,514	62,514	-
Undistributed Expenditures - General Admin.		29,146	29,146	29,146	-
Undistributed Expenditures - Maintenance		82,723	82,723	82,552	171
Architectural Services		33,300	33,300	33,300	-
Construction Services	1,350,000	61,800	1,411,800	1,411,703	97
Total Capital Outlay	1,412,514	206,969	1,619,483	1,619,215	268

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools		9,716	9,716	9,716	-
Total Current Expense, and Capital Outlay	23,834,618	340,728	24,175,346	27,566,956	(3,391,610)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,917,698)	(340,728)	(4,258,426)	(2,338,189)	1,920,237
Other Financing Sources and Uses:					
Transfer to Special Revenue - Preschool	(139,689)	(31,042)	(170,731)	(170,731)	(170,731)
Total Other Financing Sources and Uses	(139,689)	(31,042)	(170,731)	(170,731)	(170,731)
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(4,057,387)	(371,770)	(4,429,157)	(2,508,920)	1,749,506
Fund Balance, July 1	8,385,235		8,385,235	8,385,235	
Fund Balance, June 30	$ 4,327,848	(371,770)	3,956,078	5,876,315	1,749,506

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus-Designated for Subsequent Years Expenditures				$ 1,869,530	
Excess Surplus-Current Year				1,520,299	
Maintenance Reserve				524,326	
Capital Reserve				1,325,304	
Unemployment Compensation				35,334	
Unassigned Fund Balance				601,522	
				5,876,315	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				(192,217)	
Fund Balance Per Governmental Funds (GAAP)				$ 5,684,098	

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources	$ 2,442,299	-	2,442,299	2,442,299	-
State Sources	771,990	-	771,990	771,990	-
	3,214,289	-	3,214,289	3,214,289	-
Federal Sources:					
Title I, Part A	93,677		93,677	93,677	-
Title IIA, Part A	14,585		14,585	14,585	-
Title IV, Part A	16,025		16,025	16,025	-
IDEA Part B, Basic	260,412		260,412	260,412	-
IDEA Preschool	10,630		10,630	10,630	-
High Impact Tutoring	36,737		36,737	36,737	-
ARP ESSER	81,430		81,430	81,430	-
ARP Accelerated Learning	8,986		8,986	8,986	-
ARP Summer	38,818		38,818	38,818	-
ARP Beyond School	49,315		49,315	49,315	-
ARP Mental Health	32,266		32,266	32,266	-
Total Federal Sources	642,881	-	642,881	642,881	-
Total Revenues	3,857,170	-	3,857,170	3,857,170	-
Expenditures:					
Instruction:					
Salaries of Teachers	722,748		722,748	722,748	-
Purchased Professional Services	43,696		43,696	43,696	-
Other Purchased Services	224,795		224,795	224,795	-
General Supplies	154,401		154,401	154,401	-
Total Instruction	1,145,640	-	1,145,640	1,145,640	-

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services:					
Other Salaries for Instruction	256,150		256,150	256,150	-
Employee Benefits	281,607		281,607	281,607	-
Purchased Technical Services	483,040		483,040	483,040	-
Other Purchased Services	125,260		125,260	125,260	-
General Supplies	7,583		7,583	7,583	-
Other Objects	29,622		29,622	29,622	-
Scholarships Awarded	445		445	445	-
Student Activities	108,523		108,523	108,523	-
Total Support Services	1,292,230	-	1,292,230	1,292,230	-
Facilities Acquisition and Construction Services:					
Equipment	9,307		9,307	9,307	-
Construction Services	1,425,573		1,425,573	1,425,573	-
Total Facilities Acquisition and Construction Services	1,434,880	-	1,434,880	1,434,880	-
Total Expenditures	3,872,750	-	3,872,750	3,872,750	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,580)	-	(15,580)	(15,580)	-
Fund Balance, July 1				125,287	
Fund Balance, June 30				$ 109,707	
Recapitulation:					
Restricted:					
Scholarships				$ 20,414	
Student Activities				89,293	
Total Fund Balance				$ 109,707	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

HENRY HUDSON REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULE

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$ 25,228,767	3,857,170
Difference - budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	90,824	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(192,217)	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 25,127,374	3,857,170
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 27,566,956	3,872,750
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 27,566,956	3,872,750

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

Exhibit L-1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.00659%	0.00761%	0.00703%	0.00631%	0.00614%	0.00596%	0.00482%	0.00490%	0.00572%	0.00588%
District's Proportionate Share of the Net Pension Liability	$ 902,507	1,112,028	1,069,341	755,106	1,009,688	1,081,529	1,012,857	1,140,459	1,695,411	1,320,824
District's Covered-Employee Payroll	$ 575,064	484,351	528,960	503,091	532,914	370,415	403,550	338,520	329,368	412,409
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	63.72%	43.56%	49.47%	66.63%	52.78%	34.25%	39.84%	29.68%	19.43%	31.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.45%	48.45%	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 102,611	89,355	74,648	67,733	58,793	48,201	46,094	53,696	53,696	47,461
Contributions in Relation to the Contractually Required Contribution	102,611	89,355	74,648	67,733	58,793	48,201	46,094	53,696	53,696	47,461
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	$ 575,064	484,351	528,960	503,091	532,914	370,415	403,550	338,520	329,368	412,409
Contributions as a Percentage of Covered-Employee Payroll	17.84%	18.45%	14.11%	13.46%	11.03%	13.01%	11.42%	15.86%	16.30%	11.51%

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

LAST TEN FISCAL YEARS

Exhibit L-3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	15,763,012	15,436,310	16,110,391	15,044,209	19,965,447	18,241,319	17,374,239	20,404,952	24,058,733	20,599,737
Total	$ 15,763,012	15,436,310	16,110,391	15,044,209	19,965,447	18,241,319	17,374,239	20,404,952	24,058,733	20,599,737
District's Covered-Employee Payroll	$ 4,076,894	3,680,283	3,784,912	3,326,356	3,908,107	3,199,335	3,250,678	3,074,111	2,852,963	3,085,019
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	25.86%	23.84%	23.49%	22.11%	19.57%	17.54%	18.71%	15.07%	11.86%	14.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

HENRY HUDSON REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

L-4

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS

TEACHER'S PENSION AND ANNUITY FUND (TPAF)

LAST TEN FISCAL YEARS

This schedule is not applicable.

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

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2023, and as of June 30, 2024, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate remained at 7.00% as of June 30, 2023, and as of June 30, 2024, in accordance with Paragraph 44 of GASB Statement No. 67.

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

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit M-1

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST NINE FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	$ -	-	-	-	-	-	-	-	-
State's OPEB Liability Attributable to the District									
Service Cost	$ 632,433	650,571	857,316	1,007,262	527,093	490,849	509,534	611,634	*
Interest	649,362	622,116	468,133	535,510	514,417	638,415	672,962	582,625	*
Change of Benefit Terms				(21,972)					*
Benefit Payments	(495,929)	(484,949)	(463,700)	(421,832)	(411,834)	(441,070)	(433,653)	(428,401)	*
Member Contributions	16,981	15,943	14,876	13,690	12,483	13,075	14,988	15,775	*
Difference between Expected and Actual Experience	(216,110)	(839,629)	883,386	(4,145,841)	4,324,342	(2,764,627)	(1,180,935)		
Change of Assumptions	1,475,834	35,604	(4,738,704)	20,366	4,321,170	214,236	(1,861,053)	(2,322,069)	*
Net Change in Total OPEB Liability	2,062,571	(344)	(2,978,693)	(3,012,817)	9,287,671	(1,849,122)	(2,278,157)	(1,540,436)	*
Total Attributable OPEB Liability - Beginning	17,664,317	17,664,661	#########	#########	14,368,500	16,217,622	18,495,779	20,036,215	*
Total Attributable OPEB Liability - Ending	#########	17,664,317	#########	#########	23,656,171	14,368,500	16,217,622	18,495,779	20,036,215
District's Covered Payroll	$4,651,958	4,165,633	4,313,872	3,829,447	4,441,021	3,569,750	3,654,228	3,412,631	3,182,331
District's Contribution	None	None	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	424.06%	424.05%	409.49%	539.07%	532.67%	402.51%	443.80%	541.98%	629.61%

* - Information not available

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

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

HENRY HUDSON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2023 to June 30, 2024 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Title I	Title IIA	IDEA Basic	Title IV	ARP Summer	IDEA Preschool	High Impact Tutoring	ARP Beyond School	ARP ESSER	ARP Accelerated Learning	Preschool	ARP Mental Health
Revenues:												
Federal Sources	$ 93,677	14,585	260,412	16,025	38,818	10,630	36,737	49,315	81,430	8,986		32,266
State Sources											760,529	
Local Sources											475,125	
Total Revenues	93,677	14,585	260,412	16,025	38,818	10,630	36,737	49,315	81,430	8,986	1,235,654	32,266
Expenditures:												
Instruction:												
Salaries of Teachers	58,590			3,000	27,339		28,080	26,344	26,493		545,160	7,742
Purchased Professional Services						10,630					33,066	
Other Purchased Services			202,076								5,295	
General Supplies	9,767			13,025	6,419			10,293	42,497		49,046	23354
Total Instruction	68,357	-	202,076	16,025	33,758	10,630	28,080	36,637	68,990	-	632,567	31,096
Support Services:												
Salaries											256,150	
Employee Benefits	25,320						8,657				247,630	
Purchased Professional and Technical Services		14,585	58,336		5,060			12,678		8,986		1,170
Other Purchased Services											52,795	
General Supplies											7,583	
Other Objects											29,622	
Scholarships Awarded												
Student Activities												
Total Support Services	25,320	14,585	58,336	-	5,060	-	8,657	12,678	-	8,986	593,780	1,170
Facilities Acquisition and Construction Services:												
Equipment											9,307	
Construction									12,440			
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	12,440	-	9,307	-
Total Expenditures	93,677	14,585	260,412	16,025	38,818	10,630	36,737	49,315	81,430	8,986	1,235,654	32,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-		-	-	-	-	-	-
Fund Balance, July 1												
Fund Balance, June 30	$ -	-	-	-	-	-	-	-	-	-	-	-

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	VEER Grant HVAC	Scholarships	Student Activity	Recreation Grant Dugouts	Recreation Grant Field Work	Recreation Grant HES	LEAP Grant Architecture	LEAP Grant Legal	NSLP Equipment Grant	LEAP Finance	LEAP 2024	NJNG Solar Grant	Total 2025
Revenues:													
Federal Sources													642,881
State Sources	11,461												771,990
Local Sources			93,388	55,000	13,000	4,465	6,500	29,503	17,424	14,250	331,972	1,401,672	2,442,299
Total Revenues	11,461	-	93,388	55,000	13,000	4,465	6,500	29,503	17,424	14,250	331,972	1,401,672	3,857,170
Expenditures:													
Instruction:													
Salaries of Teachers													722,748
Purchased Professional Services													43,696
Other Purchased Services									17,424				224,795
General Supplies													154,401
Total Instruction	-	-	-	-	-	-	-	-	17,424	-	-	-	1,145,640
Support Services:													
Salaries													256,150
Employee Benefits													281,607
Purchased Professional and Technical Services							6,500	29,503		14,250	331,972		483,040
Other Purchased Services				55,000	13,000	4,465							125,260
General Supplies													7,583
Other Objects													29,622
Scholarships Awarded		445											445
Student Activities			108,523										108,523
Total Support Services	-	445	108,523	55,000	13,000	4,465	6,500	29,503	-	14,250	331,972	-	1,292,230
Facilities Acquisition and Construction Services:													
Equipment													9,307
Construction	11,461											1,401,672	1,425,573
Total Facilities Acquisition and Construction Services	11,461	-	-	-	-	-	-	-	-	-	-	1,401,672	1,434,880
Total Expenditures	11,461	445	108,523	55,000	13,000	4,465	6,500	29,503	17,424	14,250	331,972	1,401,672	3,872,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(445)	(15,135)	-	-	-	-	-	-	-	-	-	(15,580)
Fund Balance, July 1		20,859	104,428										125,287
Fund Balance, June 30	-	20,414	89,293	-	-	-	-	-	-	-	-	-	109,707

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

PRESCHOOL EDUCATION AID

Exhibit E-2

SCHEDULE OF EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Instruction:			
Salaries of Teachers	$ 432,808	432,808	
Other Salaries for Instruction	112,352	112,352	
Purchased Professional Educational Services	33,066	33,066	
Other Purchased Services	5,295	5,295	
General Supplies	49,046	49,046	
Total Instruction	632,567	632,567	-
Support Services:			
Salaries of Supervisors of Instruction	40,000	40,000	
Salaries of Program Directors	60,000	60,000	
Salaries of Other Professional Staff	31,200	31,200	
Salaries of Secretarial and Clerical Assistants	23,150	23,150	
Custodial Salaries	15,200	15,200	
Security Salaries	20,000	20,000	
Salaries of Parent Liaison	8,000	8,000	
Salaries of PIC/PIRS Coach	58,600	58,600	
Employee Benefits	247,630	247,630	
Other Objects	29,622	29,622	
Supplies and Materials	7,583	7,583	
Cleaning, Repair and Maintenance Services	52,795	52,795	
Total Support Services	593,780	593,780	-
Facilities Acquisition and Construction Services:			
Instructional Equipment	9,307	9,307	
Total Expenditures	$ 1,235,654	1,235,654	-

Calculation of Budget and Carryover

Total Revised 2024-2025 Preschool Education Aid Allocation	$ 760,529
Add: Actual ECPA/PEA Carryover (June 30, 2024)	215,257
Add: Budgeted Transfer from General Fund 2024-25	259,868
Total Preschool Education Aid Funds Available for 2024-2025 Budget	1,235,654
Less: 2024-2025 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	1,235,654
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	-
Add: June 30, 2025 Unexpended Preschool Education Aid	-
2024-2025 Carryover - Preschool Education Aid Program	$ -
2024-2025 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-2026	$ -

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2025

Exhibit I-1

	Date of Issue	Original Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2024	Additions	Retired	Balance June 30, 2025
2012 Refunding Issue	1/18/2012	$ 7,415,000	3/1/2026	$ 585,000	3.250%	$ 2,322,000		555,000	1,767,000
			3/1/2027	590,000					
			3/1/2028	592,000					
2012 Refunding Issue - Atlantic Highlands BOE	3/6/2012	2,620,000			4.000%		265,000	265,000	
						$ 2,322,000	265,000	820,000	1,767,000

HENRY HUDSON REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Exhibit I-3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 857,018		857,018	857,018	
Total Revenues	857,018	-	857,018	857,018	-
Expenditures:					
Regular Debt Service:					
Interest	37,018	-	37,018	37,018	-
Redemption of Principal	820,000	-	820,000	820,000	
Total Regular Debt Service	857,018	-	857,018	857,018	-
Total Expenditures	857,018	-	857,018	857,018	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1	-	-	-	-	-
Fund Balance June 30	$ -	-	-	-	-

STATISTICAL SECTION

(Unaudited)

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-1

NET POSITION BY COMPONENT

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government Activities:										
Invested in Capital Assets, Net of Related Debt	$ 5,597,396	6,299,022	6,596,734	6,909,711	7,033,287	7,042,743	7,130,171	7,135,328	7,493,148	14,928,599
Restricted	3,554,585	3,640,729	3,781,636	3,163,759	2,123,212	2,603,107	4,563,436	3,335,462	3,455,193	5,384,500
Unrestricted	(1,160,686)	(1,232,647)	(1,246,398)	(1,020,702)	(86,585)	(798,510)	(600,241)	357,786	(762,228)	(757,037)
Total Government Activities Net Position	$ 7,991,295	8,707,104	9,131,972	9,052,768	9,069,914	8,847,340	11,093,366	10,828,576	10,186,113	19,556,062
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	$ 53,810	38,438	25,774	30,633	22,833	20,243	17,652	15,898	14,981	47,131
Unrestricted	6,394	2,606	4,787	5,529	3,863	19,819	52,875	51,821	28,201	39,791
Total Business-Type Activities Net Position	$ 60,204	41,044	30,561	36,162	26,696	40,062	70,527	67,719	43,182	86,922
District-wide:										
Invested in Capital Assets, Net of Related Debt	$ 5,651,206	6,337,460	6,622,508	6,940,344	7,056,120	7,062,986	7,147,823	7,151,226	7,508,129	14,975,730
Restricted	3,554,585	3,640,729	3,781,636	3,163,759	2,123,212	2,603,107	4,563,436	3,335,462	3,455,193	5,384,500
Unrestricted	(1,154,292)	(1,230,041)	(1,241,611)	(1,015,173)	(82,722)	(778,691)	(547,366)	409,607	(734,027)	(717,246)
Total District Net Position	$ 8,051,499	8,748,148	9,162,533	9,088,930	9,096,610	8,887,402	11,163,893	10,896,295	10,229,295	19,642,984

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-2

CHANGES IN NET POSITION

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities	$ 9,151,146	9,060,042	9,345,892	10,300,202	10,230,650	11,407,589	11,667,232	12,708,019	14,093,599	30,468,196
Business-Type Activities	210,652	216,481	203,756	205,749	156,638	143,115	245,647	202,997	218,054	480,973
Total District Expenses	$ 9,361,798	9,276,523	9,549,648	10,505,951	10,387,288	11,550,704	11,912,879	12,911,016	14,311,653	30,949,169
Program Revenues:										
Governmental Activities	$ 258,511	187,440	187,008	210,107	249,857	418,017	666,578	1,024,995	1,108,785	3,989,455
Business-Type Activities	191,970	197,321	190,954	193,484	147,172	156,481	276,112	200,189	193,517	448,286
Total Program Revenues	$ 450,481	384,761	377,962	403,591	397,029	574,498	942,690	1,225,184	1,302,302	4,437,741
Net (Expense)/Revenue:										
Governmental Activities	$ (8,892,635)	(8,872,602)	(9,158,884)	(10,090,095)	(9,980,793)	(10,989,572)	(11,000,654)	(11,683,024)	(12,984,814)	(26,478,741)
Business-Type Activities	(18,682)	(19,160)	(12,802)	(12,265)	(9,466)	13,366	30,465	(2,808)	(24,537)	(32,687)
Total District-wide Net (Expense)/Revenue	$ (8,911,317)	(8,891,762)	(9,171,686)	(10,102,360)	(9,990,259)	(10,976,206)	(10,970,189)	(11,685,832)	(13,009,351)	(26,511,428)
General Revenues and Other Changes in Net Assets:										
Governmental Activities	$ 9,631,343	9,588,411	9,583,752	10,010,891	9,997,939	10,691,724	13,246,680	11,418,234	12,342,351	30,367,417
Business-Type Activities	-	-	2,319	-	-	-	-	-	-	-
Total District-wide	$ 9,631,343	9,588,411	9,586,071	10,010,891	9,997,939	10,691,724	13,246,680	11,418,234	12,342,351	30,367,417
Changes in Net Position:										
Governmental Activities	$ 738,708	715,809	424,868	(79,204)	17,146	(297,848)	2,246,026	(264,790)	(642,463)	3,888,676
Business-Type Activities	(18,682)	(19,160)	(10,483)	(12,265)	(9,466)	13,366	30,465	(2,808)	(24,537)	(32,687)
Total District	$ 720,026	696,649	414,385	(91,469)	7,680	(284,482)	2,276,491	(267,598)	(667,000)	3,855,989

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Reserved	$ 3,462,024	3,573,171	3,781,636	3,163,759	2,713,868	2,532,332	4,563,436	4,398,221	3,373,691	5,274,793
Unreserved	181,372	192,035	189,439	230,133	246,948	437,179	399,016	269,780	272,335	409,305
Total General Fund	$ 3,643,396	3,765,206	3,971,075	3,393,892	2,960,816	2,969,511	4,962,452	4,668,001	3,646,026	5,684,098
All Other Governmental Funds:										
Reserved										
Unreserved, Reported In:										
Special Revenue Fund	$ -					70,824	96,690	90,838	81,502	109,707
Capital Projects Fund	92,561	75,756	25,694	152,180	144,335	129,495	102,032	5,425	6,129	
Debt Service Fund		(1)	(1)	(1)	(2)	(2)	7,023	7,023		
Total All Other Governmental Funds	$ 92,561	75,755	25,693	152,179	144,333	200,317	205,745	103,286	87,631	109,707

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Exhibit J-4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	$ 7,876,120	7,790,537	7,772,487	7,815,332	7,953,312	8,245,139	8,480,405	8,584,835	8,812,384	19,424,429
Miscellaneous	57,443	129,366	35,853	75,673	89,883	231,016	326,907	454,771	561,773	3,001,126
State Sources	1,766,488	1,682,533	1,721,347	1,952,711	2,003,816	2,377,028	2,738,478	2,613,030	3,262,339	6,816,911
Federal Sources	200,731	181,512	187,008	210,107	194,091	247,622	329,840	777,531	535,151	642,881
Total Revenues	9,900,782	9,783,948	9,716,695	10,053,823	10,241,102	11,100,805	11,875,630	12,430,167	13,171,647	29,885,347
Expenditures:										
Instruction:										
Regular	2,051,060	2,259,103	2,407,580	2,559,988	2,583,457	2,543,853	2,621,907	2,764,145	2,815,461	5,765,797
Special	579,279	721,321	731,377	716,721	716,208	692,373	745,553	707,076	821,734	2,544,978
Other	480,888	450,733	478,443	546,291	531,813	478,446	514,959	684,103	851,379	1,857,523
Support Services:										
Tuition	479,790	546,910	490,145	726,233	863,820	774,747	623,038	539,614	592,646	1,179,232
Student & Instruction Related Services	888,326	901,485	898,906	933,876	976,515	1,118,315	1,195,214	1,033,849	1,283,561	3,509,902
General Administrative Services	154,263	149,519	374,214	160,062	340,015	422,691	437,454	463,347	524,920	585,081
School Administrative Services	376,962	387,156	153,674	412,126	224,958	175,829	181,137	264,866	247,359	1,304,809
Plant Operations and Maintenance	628,276	706,630	645,586	704,879	704,456	823,828	833,044	918,544	1,277,015	2,481,499
Student Transportation Services	584,848	573,712	594,909	669,728	575,341	537,563	813,436	805,983	943,234	1,319,645
Business and Other Support Services										
Unallocated Employee Benefits	1,669,127	1,916,738	2,057,577	2,360,311	2,459,570	2,819,534	3,125,811	3,069,120	3,397,586	7,837,145
Debt Service:										
Principal	410,000	435,000	430,000	450,000	470,000	495,000	515,000	540,000	550,000	820,000
Interest and Other Charges	218,856	206,557	193,506	180,606	162,607	143,806	116,981	46,608	39,232	37,018
Capital Outlay	503,706	415,983	159,036	250,874	79,958	94,351	191,355	1,002,884	1,145,343	3,054,095
Total Expenditures	9,025,381	9,670,847	9,614,953	10,671,695	10,688,718	11,120,336	11,914,889	12,840,139	14,489,470	32,296,724
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	875,401	113,101	101,742	(617,872)	(447,616)	(19,531)	(39,259)	(409,972)	(1,317,823)	(2,411,377)
Other Financing Sources/(Uses):										
Accounts Receivable/Encumbranes Cancelled	(10,928)	(17,660)	54,065		14,060	8,936	68,163	13,062		
Consolidation of Districts										4,642,256
Transfers In		9,563		167,175			1,969,465		279,489	
Transfers Out					(7,366)					(170,731)
Total Other Financing Sources/(Uses)	(10,928)	(8,097)	54,065	167,175	6,694	8,936	2,037,628	13,062	279,489	4,471,525
Net Change in Fund Balances	$ 864,473	105,004	155,807	(450,697)	(440,922)	(10,595)	1,998,369	(396,910)	(1,038,334)	2,060,148
Debt Service as a Percentage of Noncapital Expenditures	7.38%	6.93%	6.59%	6.05%	5.96%	5.79%	5.39%	4.96%	4.42%	2.93%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

Exhibit J-5

HENRY HUDSON REGIONAL SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Intermediate Sources	Prior Year Refunds	Prior Year Orders Canceled	Miscellaneous	Totals
2025	$ -	61,200				2,939,926	3,001,126
2024	234,695	133,497				53,663	421,855
2023	109,252	155,030				118,810	383,092
2022	-	161,518				165,389	326,907
2021	2,981	109,150				57,640	169,771
2020	26,487	52,966				7,630	87,083
2019	44,562	18,583				12,528	75,673
2018	28,489					831	29,320
2017						129,366	129,366
2016		47,106				10,337	57,443

Source: District records

HENRY HUDSON REGIONAL SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
(UNAUDITED)

Year Ending	Vacant Land	Residential	Commercial	Industrial	Apartment	Net Valuation Taxable	Total Direct School Tax Rate
Atlantic Highlands							
2016	7,640,200	557,003,900	55,382,000	3,059,500	11,657,400	634,743,000	1.397
2017	7,430,700	557,946,000	55,786,300	3,059,500	12,092,900	636,315,400	1.433
2018	11,431,100	775,849,700	84,621,300	4,490,500	19,385,300	895,777,900	1.061
2019	10,942,500	795,189,300	90,101,400	4,490,500	19,449,900	920,173,600	1.083
2020	11,472,700	803,038,600	89,639,000	4,490,500	19,460,000	928,100,800	1.085
2021	12,637,100	810,521,900	90,677,600	3,954,300	19,473,000	939,095,451	1.068
2022	10,465,900	920,772,500	95,950,000	3,979,600	21,944,200	1,054,985,937	0.951
2023	9,928,300	960,867,600	97,086,600	4,000,600	21,983,000	1,093,866,100	0.926
2024	14,204,900	1,025,663,100	98,903,100	4,050,700	22,132,200	1,164,954,000	0.895
2025	19,138,200	1,128,916,000	106,917,500	4,226,100	24,390,200	1,283,588,000	0.792
Highlands							
2016	23,143,000	513,280,700	49,608,600	-	7,128,200	593,160,500	1.191
2017	21,600,300	513,634,900	49,334,515	-	9,212,300	593,782,015	1.233
2018	19,855,500	524,510,500	51,176,400	-	10,493,900	606,036,300	1.198
2019	19,210,500	535,152,200	48,602,100	-	9,106,000	612,070,800	1.208
2020	16,915,300	636,790,600	67,885,800	-	10,326,000	731,917,700	1.055
2021	16,973,200	668,064,200	68,177,900	-	11,201,700	764,866,141	1.072
2022	13,982,200	787,882,900	75,380,000	-	12,005,700	889,700,212	0.954
2023	17,157,400	920,850,400	84,406,600	-	13,219,400	1,035,633,800	0.861
2024	16,419,800	979,913,100	82,719,800	-	13,588,100	1,092,640,800	0.824
2025	23,683,500	1,204,773,100	97,160,000	-	14,763,600	1,340,380,200	0.700

Source: Abstract of Ratables

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-7

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

Year Ended	Local School	Regional School	Municipal	County	County Open Space	Total
Atlantic Highlands						
2025	-	0.792	0.514	0.196	0.028	1.530
2024	-	0.895	0.525	0.235	0.028	1.683
2023	0.529	0.397	0.533	0.239	0.028	1.726
2022	0.535	0.416	0.538	0.251	0.010	1.750
2021	0.591	0.477	0.604	0.283	0.028	1.983
2020	0.587	0.498	0.614	0.289	0.010	1.998
2019	0.584	0.499	0.613	0.258	0.027	1.981
2018	0.580	0.481	0.625	0.250	0.025	1.961
2017	0.787	0.646	0.856	0.350	0.019	2.658
2016	0.759	0.638	0.858	0.348	0.018	2.621
Highlands						
2025	-	0.700	0.809	0.196	0.005	1.710
2024	-	0.824	0.940	0.190	0.026	1.980
2023	0.429	0.432	0.923	0.217	0.005	2.006
2022	0.482	0.472	0.948	0.246	0.005	2.153
2021	0.549	0.523	1.129	0.275	0.027	2.503
2020	0.562	0.493	1.152	0.250	0.027	2.484
2019	0.659	0.549	1.300	0.286	0.031	2.825
2018	0.621	0.577	1.285	0.314	0.005	2.802
2017	0.617	0.616	1.280	0.283	0.016	2.812
2016	0.562	0.629	1.268	0.292	0.016	2.767

Source: Abstract of Ratables

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Atlantic Highlands

	2024			2015			
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value		Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Elk Harbor View, LLC	$ 10,917,000	1	0.85%	Elk Harbor View, LLC	6,461,500	1	1.02%
Bayshore Plaza, LLC	7,786,700	2	0.61%	Cove Shore Partners, LP	6,189,900	2	0.98%
E&C Fuschetti Realty Corp.	6,438,700	3	0.50%	Taxpayer #1	5,004,600	3	0.79%
P&C Realty 2, LLC	4,514,200	4	0.35%	Taxpayer #2	3,371,700	4	0.53%
Denholtz Brant Owner, LLC	4,296,000	5	0.33%	McConnell Realty Co.	2,976,400	5	0.47%
Atlantic Pier Co.	3,891,800	6	0.30%	Atlantic Pier Co.	2,555,400	6	0.40%
O'Kelley, Charles Brian & Rovere, E	3,435,200	7	0.27%	West Side Realty Corp.	2,538,900	7	0.40%
Laurmim Assoc., LLC	3,228,700	8	0.25%	Laurmin Association	1,958,700	8	0.31%
13 West Avenue, LLC	3,083,300	9	0.24%	Taxpayer #3	1,722,200	9	0.27%
Smith, Steven E & Lavdas, Ana A	3,045,900	10	0.24%	Verizon, NJ	1,664,015	10	0.26%
Total	$ 50,637,500		3.94%	$	34,443,315		5.43%

Highlands

	2024			2015			
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value		Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Housing Authority Borough of Highlands	$ 10,839,000	1	0.81%	Highlands Landing Corp.	3,613,500	1	0.63%
Henry Hudson Regional School District	10,281,900	2	0.77%	Bahr's Restaurant, Inc.	2,990,300	2	0.52%
Highlander Development Group, LLC	10,169,300	3	0.76%	Portland Road, LLC	2,901,800	3	0.50%
Highlands Landing Corporation	7,345,300	4	0.55%	Sandy Hook Developers, LLC	2,322,100	4	0.40%
Sandy Hook Developers, LLC	6,413,700	5	0.48%	Highlander Development Group	2,237,500	5	0.39%
McKay Holdings, LLC	4,458,700	6	0.33%	Taxpayer #1	2,068,000	6	0.36%
OLPH Catholic Church	4,171,300	7	0.31%	Gateway Realty, Inc.	2,030,100	7	0.35%
State of New Jersey	3,621,700	8	0.27%	Highlands Waterfront, LLC	1,993,500	8	0.35%
Bahr's Restaurant Inc.	3,375,900	9	0.25%	Shore Landing, LLC	1,869,700	9	0.32%
DBCDS, LLC	3,180,400	10	0.24%	Bakers Marina on the Bay, LLC	1,790,400	10	0.31%
Total	$ 63,857,200		4.76%	$	$23,816,900		4.13%

Source: Municipal Tax Assessor

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-9

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS*
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy[a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
Atlantic Highlands				
2016	N/A	N/A	N/A	-
2017	N/A	N/A	N/A	-
2018	N/A	N/A	N/A	-
2019	N/A	N/A	N/A	-
2020	N/A	N/A	N/A	-
2021	N/A	N/A	N/A	-
2022	N/A	N/A	N/A	-
2023	N/A	N/A	N/A	-
2024	N/A	N/A	N/A	
2025	10,168,453	10,168,453	100.00%	-
Highlands				
2016	N/A	N/A	N/A	-
2017	N/A	N/A	N/A	-
2018	N/A	N/A	N/A	-
2019	N/A	N/A	N/A	-
2020	N/A	N/A	N/A	-
2021	N/A	N/A	N/A	-
2022	N/A	N/A	N/A	-
2023	N/A	N/A	N/A	-
2024	N/A	N/A	N/A	-
2025	9,381,348	9,381,348	100.00%	-

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

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-10

HENRY HUDSON REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities				Business-Type Activities		
Fiscal Year Ending June 30,	General Obligation Bonds[b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Per Capita[a]
2016	6,155,000	-	-	-	-	6,155,000	660.83
2017	5,720,000	-	-	-	-	5,720,000	614.13
2018	5,290,000	-	-	-	-	5,290,000	567.96
2019	4,840,000	-	-	-	-	4,840,000	519.65
2020	4,390,000	-	-	-	-	4,390,000	471.33
2021	3,875,000	-	-	-	-	3,875,000	416.04
2022	3,412,000	-	-	-	-	3,412,000	366.33
2023	2,872,000	-	-	-	-	2,872,000	308.35
2024	2,259,000	-	-	-	-	2,259,000	242.54
2025	1,767,000	-	-	-	-	1,767,000	189.71

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 calcuated using personal income and population for the prior calendar year.

N/A Not available at the time of audit

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value[a] of Property	Per Capita[b]
2016	6,155,000	-	6,155,000	0.50%	655.48
2017	5,720,000	-	5,720,000	0.47%	609.94
2018	5,290,000	-	5,290,000	0.35%	579.28
2019	4,840,000	-	4,840,000	0.32%	532.75
2020	4,390,000	-	4,390,000	0.26%	484.28
2021	3,875,000	-	3,875,000	0.23%	425.45
2022	3,412,000	-	3,412,000	0.18%	376.89
2023	2,872,000	-	2,872,000	0.13%	318.44
2024	2,259,000	-	2,259,000	0.10%	475.98
2025	1,767,000	-	1,767,000	0.07%	386.23

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

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

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

N/A Not available at the time of audit.

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-12

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Atlantic Highlands			$ N/A
Highlands			N/A
County of Monmouth			N/A
Subtotal, Overlapping Debt			
Henry Hudson Regional School District Direct Debt			$ 1,767,000
Total Direct and Overlapping Debt			$ 1,767,000

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

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis

(Atlantic Highlands & Highlands Combined)	2024		$ 2,623,968,200
	2023		$ 2,260,180,200
	2022		$ 1,944,686,149
	(A)		$ 6,828,834,549
Average Equalized Valuation of Taxable Property	(A/3)		$ 2,276,278,183
Debt Limit (4% of Average Equalization Value)	(B)		$ 91,051,127
Total Net Debt Applicable To Limit	(C)		4
Legal Debt Margin	(B-C)		$ 91,051,123

Fiscal Year

	2016	2017	2018	2019	2020
Debt Limit	$ 53,192,072	$ 50,997,902	$ 49,245,282	$ 49,245,282	$ 62,291,889
Total Net Debt Applicable To Limit	6,155,000	5,720,000	5,290,000	5,290,000	4,390,000
Legal Debt Margin	$ 47,037,072	$ 45,277,902	$ 43,955,282	$ 43,955,282	$ 57,901,889
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.57%	11.22%	10.74%	10.74%	7.05%

	2021	2022	2023	2024	2025
Debt Limit	$ 64,813,578	$ 52,797,535	$ 58,702,494	$ 42,301,195	$ 91,051,127
Total Net Debt Applicable To Limit	3,875,000	3,412,000	2,872,000	2,259,000	1,767,000
Legal Debt Margin	$ 60,938,578	$ 49,385,535	$ 55,830,494	$ 40,042,195	$ 89,284,127
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.98%	6.46%	4.89%	5.34%	1.94%

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

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Exhibit J-14

HENRY HUDSON REGIONAL SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Atlantic Highlands

Year	Population	County Per Capita	Unemployment Rate
2015	4,385	42,021	5.5%
2016	4,393	42,269	5.3%
2017	4,311	42,749	3.6%
2018	4,316	45,626	7.0%
2019	4,322	40,976	2.8%
2020	4,429	57,984	5.8%
2021	4,417	86,091	4.8%
2022	4,399	118,194	3.1%
2023	4,363	118,008	6.2%
2024	4,409	122,727	4.1%

Highlands

2015	5,005	42,021	5.5%
2016	4,985	42,269	3.7%
2017	4,821	42,749	5.4%
2018	4,769	45,626	5.7%
2019	4,743	40,976	3.5%
2020	4,679	54,987	10.2%
2021	4,636	86,091	6.7%
2022	4,620	118,194	3.6%
2023	4,746	118,008	4.3%
2024	4,575	122,727	4.1%

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Exhibit J-15

HENRY HUDSON REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

BOROUGH OF ATLANTIC HIGHLANDS

	2025			2016		
Employer	Employees	Rank (Optional)	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

BOROUGH OF HIGHLANDS

	2025			2016		
Employer	Employees	Rank (Optional)	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Information not available at time of ACFR preparation

Exhibit J-16

HENRY HUDSON REGIONAL SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS*
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Instruction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.0
2 Regular	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.0
3 Student and Instruction Related Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35.0
4 General Administration Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.0
5 School Administrative Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.0
6 Business Administrative Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.0
7 Pupil Transportation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.0
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	160.0

Source: District Personnel Records

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS*
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures[a]	Cost Per Pupil	Percentage Change	Student Teacher Ratio All School	Average Daily Enrollment (ADE)[c]	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025	734	21,268,603	28,976	NA	1:13	N/A	N/A	N/A	N/A

Source: District records

Note: Enrollment based on annual October District count.

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

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS*
(UNAUDITED)

School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Henry Hudson Regional										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	94,733
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	563
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	283
Atlantic Highlands Elemantary										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,842
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	370
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	301
Highlands Elementary										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	32,231
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	252
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	150
Henry Hudson Regional District Total										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	190,806
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,185
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	734

Source: District Records

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-19

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS*
(UNAUDITED)

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

	*School Facilities Project # (s)	Henry Hudson Regional School District
2015	N/A	N/A
2016	N/A	N/A
2017	N/A	N/A
2018	N/A	N/A
2019	N/A	N/A
2020	N/A	N/A
2021	N/A	N/A
2022	N/A	N/A
2023	N/A	N/A
2024	N/A	N/A
2025	N/A	842,308

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

Source: District records

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

Exhibit J-20

HENRY HUDSON REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2025
(UNAUDITED)

		Coverage	Deductible	
Property		$ 350,000,000	$ 5,000	
	Extra	50,000,000		
Comprehensive General Liability	Occurrence	16,000,000		
	Aggregate	16,000,000		
Employee Benefits Liability	Occurrence	16,000,000	1,000	
	Aggregate	16,000,000		
Automobile	Liability	16,000,000	1,000	(Comprehensive)
	Uninsured Motorist	25,000	1,000	(Collision)
Board Legal Liability	Occurrence	16,000,000	5,000	
	Annual Aggregate	16,000,000		
Workers Compensation	Each Accident	3,000,000		
Performance Bonds:				
Board Secretary/Business Administrator		200,000		

Source: District records

On July 1, 2024, the Henry Hudson Regional School District was expanded to included the Atlantic Highlands School District and the Highlands School District to form the Pre-12 Henry Hudson Regional School District. The 2024-2025 school year is the first year the Pre-K-12 Henry Hudson Regional School District is reporting statistics as a regionalized district for grades Pre-K-12. Some historic statistics will not applicable (NA).

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 19, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do no express an opinion on the effectiveness of the Henry Hudson Regional Board of Education, County of Monmouth, State of New Jersey's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 19, 2025

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

K-2

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Henry Hudson Regional Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Henry Hudson Regional Board of Education's major state programs for the year ended June 30, 2025. The Henry Hudson Regional 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 Henry Hudson Regional 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, 2025.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Henry Hudson Regional Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Henry Hudson Regional Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Henry Hudson Regional Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 19, 2025

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Project Title	Federal CFDA Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2025 (Accounts Receivable)	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor
U.S. Department of Agriculture															
Passed Through State Department of Education:															
National School Lunch Program	10.555	241NJ304N1099	N/A	$ 115,387	07/01/2024	06/30/2025	$ -			108,849	(115,387)		(6,538)		
National School Lunch Program	10.555	231NJ304N1099	N/A	17,780	07/01/2023	06/30/2024	(599)			599					
PEBT Lunch Program	10.555	241NJ304N1099	N/A	643	07/01/2024	06/30/2025				643	(643)				
School Breakfast Program	10.553	241NJ304N1099	N/A	52,563	07/01/2024	06/30/2025				49,210	(52,563)		(3,353)		
School Breakfast Program	10.553	231NJ304N1099	N/A	2,844	07/01/2023	06/30/2024	(213)			213					
Food Distribution Program	10.550	241NJ304N1099	N/A	21,301	07/01/2024	06/30/2025				21,301	(21,301)				
Total U.S. Department of Agriculture							(812)	-	-	180,815	(189,894)	-	(9,891)	-	-
U.S. Department of Education															
Passed Through State Department of Education:															
Title I	84.010	S010A240030	NCLB24	51,817	08/31/2023	09/01/2024	(41,837)			41,837					
Title I	84.010	S010A250030	NCLB25	110,596	08/31/2024	09/01/2025				42,713	(93,677)		(50,964)		
Title IIA	84.367	S367A240029	NCLB25	14,585	08/31/2024	09/01/2025				14,585	(14,585)				
Title IIA	84.367	S367A250029	NCLB24	8,885	08/31/2023	09/01/2024	(4,514)			4,514					
Title IV	84.424	S424A250031	NCLB25	16,025	08/31/2024	09/01/2025				13,625	(16,025)		(2,400)		
Title IV	84.424	S424A240031	NCLB24	13,460	08/31/2023	09/01/2024	(7,346)			7,346					
IDEA Part B Basic	84.027	H027A250100	IDEA25	260,412	08/31/2024	09/01/2025				260,412	(260,412)				
IDEA Preschool	84.027	H173A250100	IDEA24	10,630	08/31/2024	09/01/2025				10,630	(10,630)				
High Impact Tutoring				36,737	08/31/2024	09/01/2025					(36,737)		(36,737)		
ARP ESSER	84.425U	S425U210027	NA	479,223	03/13/2020	09/30/20024				81,430	(81,430)				
ARP Accelerated Learning	84.425U	S425U210027	NA	45,200	03/13/2020	09/30/20024	(6,114)			15,100	(8,986)				
ARP Summer	84.425U	S425U210027	NA	40,000	05/13/2020	09/30/20024	(15,151)			53,969	(38,818)				
ARP Beyond School	84.425U	S425U210027	NA	88,501	03/13/2020	09/30/20024	(1,960)			51,275	(49,315)				
ARP Mental Health	84.425U	S425U210027	NA	88,501	03/13/2020	09/30/20024	(19,511)			51,777	(32,266)				
Total U.S. Department of Education							(96,433)	-	-	649,213	(642,881)	-	(90,101)	-	-
Total Federal Financial Assistance							$ (97,245)	-	-	830,028	(832,775)	-	(99,992)	-	-

See Accompanying Notes to Schedules of Financial Assistance.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

Schedule B
K-4

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Grantor/Program	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024 Deferred Revenue Accounts Receivable	Balance at June 30, 2024 Due To Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Year Balances	Balance at June 30, 2025 (Accounts Receivable)	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:																
Special Education Aid	25-495-034-5120-089	$ 706,178	07/01/2024	06/30/2025	$ -			706,178	(706,178)						(124,076)	706,178
Transportation Aid-Non Public	24-495-034-5120-014	17,745	07/01/2023	06/30/2024	(17,745)			17,745								
Transportation Aid-Non Public	25-495-034-5120-014	30,131	07/01/2024	06/30/2025					(30,131)			(30,131)				30,131
Transportation Aid	25-495-034-5120-014	245,687	07/01/2024	06/30/2025				245,687	(245,687)						(43,172)	245,687
Extraordinary Aid	25-495-034-5120-044	185,267	07/01/2024	06/30/2025					(185,267)			(185,267)				185,267
Extraordinary Aid	24-495-034-5120-044	117,835	07/01/2023	06/30/2024	(117,835)			117,835								
Security Aid	25-495-034-5120-084	142,061	07/01/2024	06/30/2025				142,061	(142,061)						(24,969)	142,061
Menstrual Products	N/A	3,700	07/01/2024	06/30/2025				3,700	(3,700)							3,700
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	25-495-034-5094-001	389,875	07/01/2024	06/30/2025				930,155	(930,155)							930,155
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	25-495-034-5094-002	1,334,273	07/01/2024	06/30/2025				3,183,272	(3,183,272)							3,183,272
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	25-495-034-5094-004	637	07/01/2024	06/30/2025				1,233	(1,233)							1,233
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	25-495-034-5095-003	718,630	07/01/2024	06/30/2025				683,606	(718,630)			(35,024)				718,630
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	24-495-034-5095-003	295,395	07/01/2023	06/30/2024	(14,264)			14,264								
					(149,844)	-	-	6,045,736	(6,146,314)	-	-	(250,422)	-	-	(192,217)	6,146,314
Special Revenue Fund:																
Veer Grant - Henry Hudson	N/A	606,000	07/01/2023	06/30/2024	(556,305)			556,305								
Veer Grant - Highlands	N/A	1,478,934	12/19/2022	12/19/2024	(816,078)					169,196		(646,882)				
Veer Grant - HVAC	N/A	42,195	07/01/2024	06/30/2025					(11,461)			(11,461)				11,461
Preschool		760,529	07/01/2024	06/30/2025				760,529	(760,529)							760,529
					(1,372,383)	-	-	1,316,834	(771,990)	169,196	-	(658,343)	-	-	-	771,990
State Department of Agriculture:																
National School Lunch Program (State Share)	24-100-010-3350-023	629	07/01/2023	06/30/2024	(18)			18								
National School Breakfast Program (State Share)	25-100-010-3350-023	381	07/01/2024	06/30/2025				357	(381)			(24)				381
National School Breakfast Program (State Share)	24-100-010-3350-023	116	07/01/2023	06/30/2024	(11)			11								
After The Bell	25-100-010-3350-023	4,833	07/01/2024	06/30/2025				4,528	(4,833)			(305)				4,833
NJEIE - Breakfast	24-100-010-3350-023	338	07/01/2024	06/30/2025				334	(338)			(4)				338
NJEIE	24-100-010-3350-023	512	07/01/2023	06/30/2024	(15)			15								
NJEIE - Lunch	25-100-010-3350-023	1,231	07/01/2024	06/30/2025				1,175	(1,231)			(56)				1,231
National School Lunch Program (State Share)	25-100-010-3350-023	4,775	07/01/2024	06/30/2025				4,506	(4,775)			(269)				4,775
					(44)	-		10,944	(11,558)		-	(658)	-	-	-	11,558
Total State Financial Assistance					$ (1,522,271)	-	-	7,373,514	(6,929,862)	169,196	-	(909,423)	-	-	(192,217)	6,929,862
Less: State Financial Assistance Not Subject to Major Program Determination:																
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	25-495-034-5094-001		07/01/2024	06/30/2025					389,875							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	25-495-034-5094-002		07/01/2024	06/30/2025					1,334,273							
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	25-495-034-5094-004		07/01/2024	06/30/2025					637							
Total State Financial Assistance Subject to Major Program Determination									$ (5,205,077)							

BOARD OF EDUCATION

K-5

HENRY HUDSON SCHOOL DISTRICT

NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

JUNE 30, 2025

NOTE 1: General

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

NOTE 3: Relationship to General Purpose Financial Statements

	General Fund	Special Revenue Fund	Food Service	Total
State Assistance				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	$ 6,146,314	771,990	11,558	6,929,862
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	(101,393)			(101,393)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 6,044,921	771,990	11,558	6,828,469

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

	Special Revenue Fund	Food Service	Total
Federal Assistance			
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	$ 642,881	189,894	832,775
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized			
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	$ 642,881	189,894	832,775

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2025. 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, 2025.

HENRY HUDSON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 1 - Summary of Auditor's Results

Financial Statement Section
Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

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

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

Noncompliance material to general purpose financial statements noted? ___ Yes x No

Federal Awards
Internal control over compliance:

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

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

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

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

Identification of major programs:

AL Number(s)	Fain Number	Name of Federal Program or Cluster
84.027	H027A250100	IDEA Basic (Special Education Cluster)
84.173	H173A250114	IDEA Preschool (Special Education Cluster)
84.425U		ARP ESSER
84.425U		ARP Accelerated Learning
84.425U		ARP Summer
84.425U		ARP Beyond School
84.425U		ARP Mental Health

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

Auditee qualified as low-risk auditee? ___ Yes x No

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

State Awards Section

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

(O) Identification of major programs:

GMIS Number(s)	Name of State Program
25-495-034-5120-089	Special Education Aid (Public Cluster)
25-495-034-5120-084	Security Aid (Public Cluster)
25-495-034-5095-003	Reimbursed TPAF Social Security Contributions

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 1 - Summary of Auditor's Results

Financial Statement Section

(A) Type of auditor's report issued:	Unmodified
(B) Internal control over financial reporting:	
1) Material weakness(es) identified?	___ Yes ___x___ No
2) Were reportable conditions(s) identified that were not considered to be material weaknesses?	___ Yes ___x___ No
(C) Noncompliance material to general purpose financial statements noted?	___ Yes ___x___ No

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 2 - Schedule of Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

FEDERAL AWARDS

N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

HENRY HUDSON REGIONAL SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Prior Audit Findings:

N/A