

SCHOOL DISTRICT

OF

BAY HEAD



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

BAY HEAD BOARD OF EDUCATION

BAY HEAD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY

**BAY HEAD BOARD OF EDUCATION
FINANCE DEPARTMENT**

BAY HEAD SCHOOL DISTRICT

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	1 to 4.
Roster of Officials	5.
Consultants and Advisors	6.
Organizational Chart	7.

FINANCIAL SECTION

Independent Auditor's Report	8 to 11.
------------------------------	----------

Required Supplementary Information – Part I

Management's Discussion and Analysis	12 to 17.
--------------------------------------	-----------

Basic Financial Statements

A. District-wide Financial Statements:

A-1 Statement of Net Position	18.
A-2 Statement of Activities	19 & 20.

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	21.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22 & 23.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24.

Proprietary Funds:

B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

Notes to Financial Statements	25 to 50.
-------------------------------	-----------

BAY HEAD SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	51 to 60.
C-2 Budgetary Comparison Schedule – Special Revenue Fund	61 & 62.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	63.
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of Net Pension Liability – PERS	64.
L-2 Schedule of District Contributions – PERS	65.
L-3 Schedule of the District's Proportionate Share of Net Pension Liability – TPAF	66.
L-4 Schedule of the School District's Contributions – Teacher's Pension and Annuity Fund (TPAF)	67.
L-5 Notes to Required Supplementary Information – Part III	68.
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	69.
M-2 Notes to Required Supplementary Information	70.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

BAY HEAD SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
E. Special Revenue Fund:	
E-1 Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	71 & 72.
E-2 Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures and Changes in Fund Balance	73.
F-1a Schedule of Project Revenues, Expenditures, Project Balance, And Project Status – Pre-Kindergarten Improvements – Elementary School	74.
F-1b Schedule of Project Revenues, Expenditures, Project Balance, And Project Status – Crawl Space – Elementary School	75.
F-1c Schedule of Project Revenues, Expenditures, Project Balance, And Project Status – Vestibule Change Orders	76.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

BAY HEAD SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
H. Fiduciary Funds:	
H-1 Statement of Fiduciary Net Position	N/A
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Changes in Assets and Liabilities	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	77.
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	78.
 STATISTICAL SECTION	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	79.
J-2 Changes in Net Position	80.
J-3 Fund Balances – Governmental Funds	81.
J-4 Changes in Fund Balances – Governmental Funds	82.
J-5 General Fund Other Local Revenue by Source	83.
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	84.
J-7 Direct and Overlapping Property Tax Rates	85.
J-8 Principal of Property Taxpayers	86.
J-9 Property Tax Levies and Collections	87.
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	88.
J-11 Ratios of General Bonded Debt Outstanding	89.
J-12 Direct and Overlapping Governmental Activities Debt	90.
J-13 Legal Debt Margin Information	91.
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	92.
J-15 Principal Employers	93.
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	94.
J-17 Operating Statistics	95.
J-18 School Building Information	96.
J-19 Schedule of Required Maintenance Expenditures by School Facility	97.
J-20 Insurance Schedule	98.

BAY HEAD SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	99 & 100.
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	101 to 103.
K-3 Schedule of Expenditures of Federal Awards, Schedule A	104.
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	105.
K-5 Notes to Schedules of Awards and Financial Assistance	106 to 108.
K-6 Schedule of Findings and Questioned Costs	109 to 111.
K-7 Summary Schedule of Prior Audit Findings	112.

INTRODUCTORY SECTION

Bay Head Board of Education

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

Adam L. Angelozzi
Superintendent

Laurie M. Considine
Board Secretary

Christopher J. Mullins
Business Administrator

December 5, 2024

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

Dear Board Members:

The comprehensive annual financial report of the Bay Head School District (District) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

1. REPORTING ENTITY (Continued)

The District provides a full range of educational services appropriate to grade levels K through 8, and has a sending-receiving relationship with the Point Pleasant Beach Board of Education for grades 9 through 12. Classes offered are regular, vocational, and special education for disabled youngsters. The District completed the 2024 fiscal year with an average daily enrollment of 120 students, a decrease of 2 students from June 2023. The following details the changes in the student enrollment over the last ten years:

Average Daily Enrollment, K-8

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	120	-1.6%
2022-2023	122	-7.5%
2021-2022	131.9	3.37%
2020-2021	127.6	6.67%
2019-2020	119.6	-2.2%
2018-2019	122.4	-4.3%
2017-2018	127.9	-2.4%
2016-2017	131.0	-10.7%
2015-2016	146.7	0.4%
2014-2015	146	6.6%

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

3. MAJOR INITIATIVES: Students continue to meet and/or exceed objectives set by the educational administration as reported to the New Jersey Department of Education. The Bay Head Elementary School continues to perform on achievement scores reported for math, science, reading and writing on standardized tests. Programming during the 23-24 school year focused on a continuation of the Board of Education's emphasis on technology in the classrooms and enrichment education through the STEAM program.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The local tax levy increased year-to-year \$57,580 which was around 6.9%.

The allocation of expenditures reflects the Board's and Superintendent's objective to provide the best education possible at the least cost, a factor in maintaining the Borough of Bay Head's enviable position as one of the state's lowest school taxpaying districts. During 2023 Bay Head taxpayers were assessed one of the lowest general school tax rates for an operating school district in Ocean County.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$1,458,741 in cash and temporary investments at June 30, 2024.

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

10. OTHER INFORMATION:

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

12. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

Adam L. Angelozzi
Superintendent

Christopher J. Mullins
School Business Administrator

BAY HEAD BOARD OF EDUCATION

BAY HEAD, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2024

Members of the Board of Education:Term Expires:

Shannon Curtis, President

2025

Sandra Antognoli, Vice President

2027

Barry K. Pearce, Board Member

2025

Christine Hesse, Board Member

2026

Eric Pritchard, Board Member

2027

Other Officials:

Steven Corso, Superintendent

Christina M. Galvao, School Business Administrator

Laurie M. Considine, Board Secretary

Patricia A. Wojcik, Treasurer

BAY HEAD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm:

Robert A. Hulsart and Company

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

Attorney:

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

Official Depository:

Manasquan Savings Bank

89 Bridget Avenue
Bay Head, NJ 08742

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

BOARD OF EDUCATION

SUPERINTENDENT

School Business Administrator

Principal

Board Secretary

School Secretary

Teaching Staff:

K-8

Head Custodian

School Nurse

Custodial Staff

Foreign Language

Physical Education

Attendance Officer

Resource

Treasurer

Basic Skills

Speech

Media Center

Music

Art

Student Resources

Aides

FINANCIAL SECTION

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

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
Bay Head School District
County of Ocean
Bay Head, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bay Head Board of Education, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bay Head Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated December 5, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322

Robert A. Hulsart and Company
Wall Township, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BAY HEAD PUBLIC SCHOOL DISTRICT

BOROUGH OF BAY HEAD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The discussion and analysis of the Bay Head Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. 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 2023-2024 fiscal year are as follows:

- General revenues accounted for \$4,844,362 in revenue or 88% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$641,439 or 12% percent to total revenues of \$5,485,801.
- Total assets of governmental activities were \$6,218,683 primarily made up of Capital assets and Cash.
- The School District had \$5,190,045 in expenses; only \$641,439 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,844,362 were adequate to provide for these programs.
- The General Fund had \$4,990,648 in revenues and \$4,742,184 in expenditures. The General Fund's balance increased by \$23,464 over 2022-2023, which included a \$225,000 transfer to capital projects.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2023-2024 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position.

Table 1
Net Position

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current and Other Assets	\$ 1,691,618	1,426,144
Capital Assets, Net	<u>6,748,487</u>	<u>6,967,864</u>
Total Assets	<u>\$ 8,440,105</u>	<u>8,394,008</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 70,109</u>	<u>108,096</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 121,823</u>	<u>131,349</u>
<u>Liabilities</u>		
Current Liabilities	\$ 189,725	363,092
Long-Term Liabilities	<u>1,979,983</u>	<u>2,084,736</u>
Total Liabilities	<u>\$ 2,169,708</u>	<u>2,447,828</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 5,223,487	5,217,864
Restricted	1,241,112	898,622
Unrestricted	<u>(245,916)</u>	<u>(193,559)</u>
Total Net Position	<u>\$ 6,218,683</u>	<u>5,922,927</u>

Table 2 shows the changes in net position.

Table 2
Changes in Net Position

	<u>2024</u>	<u>2023</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 429,227	421,912
Operating Grants and Contributions	212,212	390,895
General Revenues		
Property Taxes	3,872,310	3,762,499
Grants and Entitlements	898,469	875,241
Other	<u>73,583</u>	<u>100,705</u>
Total Revenues	<u>5,485,801</u>	<u>5,551,252</u>
<u>Program Expenses</u>		
Instruction	1,661,061	1,636,198
Support Services		
Tuition	505,383	566,851
Pupils and Instructional Staff	474,262	554,535
General Administration, School Administration,		
Business	1,692,696	1,565,599
Operations and Maintenance of Facilities	541,839	533,698
Pupil Transportation	68,211	49,274
Capital Outlay	199,996	
Debt Service	<u>46,597</u>	<u>52,104</u>
Total Expenses	<u>5,190,045</u>	<u>4,958,259</u>
Increase/ (Decrease) in Net Position	<u>\$ 295,756</u>	<u>592,993</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 70% percent of revenues for governmental activities for the Bay Head Public School District for fiscal year 2024. The District's total revenues were \$5,485,801 fiscal year ended June 30, 2024 Federal, state, local grants and other local revenues accounted for another 30%.

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

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

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

Governmental Activities (Continued)

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School Board' Funds

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

As the School Board completed the fiscal year ended June 30, 2024, it reported a combined net position balance of \$6,218,683. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

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

Capital Assets

At June 30, 2024, the School Board had approximately \$9,007,219 million invested in a broad range of capital assets, including land, buildings, furniture, computers, instructional equipment and other equipment. Table II below shows the net book value of capital assets at the end of the 2024 fiscal year.

	<u>Governmental Activities</u>
Table II	
Capital Assets at June 30, 2024	
Buildings and Sites	\$ 5,278,884
Machinery and Equipment	1,213,054
Land	<u>256,549</u>
Total	<u>\$ 6,748,487</u>

Debt Administration

At June 30, 2024, the School District had outstanding debt of \$1,979,983 consisting of serial bonds at \$1,525,000 and a pension liability of \$454,983.

Economic Factors and Next Year’s Budget

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

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

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

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

Contacting the School District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Christopher Mullins, Business Administrator of the Bay Head Board of Education, 145 Grove Street, Bay Head, N.J. 08742.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BAY HEAD SCHOOL DISTRICT**STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Total</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 410,412	410,412
Accounts Receivables, Net	232,877	232,877
Restricted Cash	1,048,329	1,048,329
Capital Assets Not Being Depreciated	256,549	256,549
Capital Assets Being Depreciated, Net	6,491,938	6,491,938
Total Assets	<u>8,440,105</u>	<u>8,440,105</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>70,109</u>	<u>70,109</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferral	<u>121,823</u>	<u>121,823</u>
<u>Liabilities</u>		
Deferred Revenue	158,794	158,794
Accounts Payable	2	2
Accrued Interest	19,258	19,258
Payroll Deductions and Withholdings Payable	11,671	11,671
Long Term Debt:		
Due Within One Year	235,000	235,000
Long-Term	1,744,983	1,744,983
Total Liabilities	<u>2,169,708</u>	<u>2,169,708</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	5,223,487	5,223,487
Restricted For:		
Other Purposes	1,241,112	1,241,112
Unrestricted	<u>(245,916)</u>	<u>(245,916)</u>
Total Net Position	<u>\$ 6,218,683</u>	<u>6,218,683</u>

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

BAY HEAD SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES**JUNE 30, 2024**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Total
<u>Functions/Programs</u>	<u>Expenses</u>				
Governmental Activities:					
Instruction:					
Regular	\$ 1,236,354			(1,236,354)	(1,236,354)
Special Education	181,230		68,290	(112,940)	(112,940)
Other Instruction	243,477			(243,477)	(243,477)
Support Services:					
Tuition	505,383	429,227		(76,156)	(76,156)
Student & Instruction Related Services	474,262		50,711	(423,551)	(423,551)
Other Administration Services	251,567			(251,567)	(251,567)
Plant Operations and Maintenance	541,839			(541,839)	(541,839)
Pupil Transportation	68,211			(68,211)	(68,211)
Unallocated Benefits	1,144,599			(1,144,599)	(1,144,599)
Capital Outlay	199,996		93,211	(106,785)	(106,785)
Depreciation	296,530			(296,530)	(296,530)
Interest on Debt	46,597			(46,597)	(46,597)
Total Government Activities	<u>5,190,045</u>	<u>429,227</u>	<u>212,212</u>	<u>(4,548,606)</u>	<u>(4,548,606)</u>
Total Primary Government	<u>5,190,045</u>	<u>429,227</u>	<u>212,212</u>	<u>(4,548,606)</u>	<u>(4,548,606)</u>

BAY HEAD SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

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

JUNE 30, 2024

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
	<u>Expenses</u>			
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purpose, Net			3,642,799	3,642,799
Property Taxes Levied for Debt Service			229,511	229,511
Federal and State Aid Not Restricted			898,469	898,469
Miscellaneous Revenue			73,583	73,583
Total General Revenues			<u>4,844,362</u>	<u>4,844,362</u>
Change in Net Position			295,756	295,756
Net Position - Beginning			<u>5,922,927</u>	<u>5,922,927</u>
Net Position - Ending			<u>\$ 6,218,683</u>	<u>6,218,683</u>

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

FUND FINANCIAL STATEMENTS – B

BAY HEAD SCHOOL DISTRICT**Exhibit B-1****BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents:				
Restricted	\$ 708,740	94,314	245,275	1,048,329
Unrestricted	410,412			410,412
Federal and State Receivables	45,918	186,959		232,877
Interfund Receivable	28,165			28,165
Total Assets	<u>\$ 1,193,235</u>	<u>281,273</u>	<u>245,275</u>	<u>1,719,783</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Deferred Revenue	\$ -	158,794		158,794
Accounts Payable	2			2
Interfund Payable		28,165		28,165
Payroll Deductions and Withholdings Payable	11,671			11,671
Total Liabilities	<u>11,673</u>	<u>186,959</u>	<u>-</u>	<u>198,632</u>
Fund Balance:				
Restricted For:				
Designated For Subsequent Years Expenditure BOE	31,798			31,798
Capital Reserve	440,080			440,080
Maintenance Reserve	159,050			159,050
Excess Surplus - Current Year	34,607			34,607
Unemployment Compensation	35,685			35,685
Scholarships		93,112		93,112
Student Activities		1,202		1,202
Committed To:				
Other Purposes	208,052		237,526	445,578
Unassigned:				
General Fund	272,290			272,290
Capital Projects Fund			7,749	7,749
Total Fund Balance	<u>1,181,562</u>	<u>94,314</u>	<u>245,275</u>	<u>1,521,151</u>
Total Liabilities and Fund Balance	<u>\$ 1,193,235</u>	<u>281,273</u>	<u>245,275</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,007,219 and the accumulated depreciation is \$2,258,732.

6,748,487

Accrued Interest

(19,258)

Deferred outflow of resources - contributions to the pension plan

70,109

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

(121,823)

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

(1,979,983)

Net Position of governmental activities

\$ 6,218,683

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

BAY HEAD SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSJUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,642,799			229,511	3,872,310
Tuition	429,227				429,227
Interest Earned	67,690				67,690
Miscellaneous	5,893	47,384			53,277
Total Local Sources	4,145,609	47,384	-	229,511	4,422,504
State Sources	845,039	5,895		44,408	895,342
Federal Sources		167,955			167,955
Total Revenues	4,990,648	221,234	-	273,919	5,485,801
Expenditures:					
Current:					
Regular Instruction	1,236,354				1,236,354
Special Education Instruction	112,940	68,290			181,230
Other Instruction	243,477				243,477
Support Services and Undistributed Costs:					
Tuition	505,383				505,383
Student and Instruction Related Services	423,551	50,711			474,262
Other Administration Services	251,567				251,567
Plant Operations and Maintenance	541,839				541,839
Pupil Transportation	68,211				68,211
Unallocated Benefits	1,220,891				1,220,891
Capital Outlay	137,971	93,211	45,967		277,149
Debt Service:					
Bond Principal				225,000	225,000
Interest and Other Charges				48,919	48,919
Total Expenditures	4,742,184	212,212	45,967	273,919	5,274,282

BAY HEAD SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**GOVERNMENTAL FUNDS****JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>248,464</u>	<u>9,022</u>	<u>(45,967)</u>	<u>-</u>	<u>211,519</u>
Other Financing Sources (Uses):					
Transfer from Capital Reserve to Capital Projects	<u>(225,000)</u>		<u>225,000</u>		<u>-</u>
Total Financing Sources (Uses)	<u>(225,000)</u>	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>23,464</u>	<u>9,022</u>	<u>179,033</u>	<u>-</u>	<u>211,519</u>
Net Change in Fund Balances	<u>23,464</u>	<u>9,022</u>	<u>179,033</u>	<u>-</u>	<u>211,519</u>
Fund Balance, July 1	<u>1,158,098</u>	<u>85,292</u>	<u>66,242</u>		<u>1,309,632</u>
Fund Balance, June 30	<u>\$ 1,181,562</u>	<u>94,314</u>	<u>245,275</u>	<u>-</u>	<u>1,521,151</u>

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

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

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	211,519
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.		
Adjustment to Accumulated Depreciation	77,153	
Depreciation	<u>(296,530)</u>	(219,377)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		225,000
Some Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds. That Liability Consists of Pension Liability Payable		104,753
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(37,987)
Pension related deferrals		9,526
Accrued Interest		<u>2,322</u>
Change in Net Position of Governmental Activities	\$	<u>295,756</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION**BAY HEAD SCHOOL DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2024****NOTE 1: Summary of Significant Accounting Policies**

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

A. Reporting Entity:

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Borough of Bay Head. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Governmental Fund Types

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

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

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

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

Fiduciary Fund Types

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2024 were insignificant.

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

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

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

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

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

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

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

I. Capital Assets and Depreciation

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

The District contracted with an outside service company during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2004-2005 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2005, fiscal year 2005 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. The District has updated the records since 2004-2005 and the service company provides the District with an updated report. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital Assets that are Not being Depreciated:				
Land	\$ 256,549	_____	_____	256,549
Total Capital Assets Not Being Depreciated	256,549	_____	_____	256,549
Depreciable Assets:				
Buildings and Sites	7,191,100			7,191,100
Equipment	1,559,570	_____	_____	1,559,570
Totals at Historical Cost	8,750,670	_____	_____	8,750,670
Less: Accumulated Depreciation:				
Buildings and Sites	(1,693,564)	(218,649)	(3)	(1,912,216)
Equipment	(345,791)	(77,881)	77,156	(346,516)
Total Accumulated Depreciation	(2,039,355)	(296,530)	77,153	(2,258,732)
Net Depreciable Assets	6,711,315	(296,530)	77,153	6,491,938
Governmental Activities Capital Assets, Net	\$ 6,967,864	(296,530)	77,153	6,748,487

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 296,530
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J. Compensated Absences

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

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

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

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

As of June 30, 2024 cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts	<u>\$ 1,458,741</u>

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2024 was \$1,458,741 and the bank balance was \$1,558,351. Of the bank balance, \$344,688 was covered by federal depository insurance and \$1,177,978 as covered by a collateral pool maintained by the banks as required by New Jersey statutes and \$35,685 was uninsured.

Credit Risk Categories

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

As of June 30, 2024, the District did not hold any long-term investments.

Insured:	
FDIC	\$ 344,688
GUDPA	1,177,978
Uninsured:	
NJ Cash Management	<u>35,685</u>
	<u>\$ 1,558,351</u>

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Long-Term</u> <u>Portion</u>	<u>2024-2025</u> <u>Payment</u>
Bonds Payable	\$ 1,750,000		(225,000)	1,525,000	1,290,000	235,000
Pension Liability	<u>559,736</u>		<u>(104,753)</u>	<u>454,983</u>	<u>454,983</u>	
	<u>\$ 2,309,736</u>		<u>(329,753)</u>	<u>1,979,983</u>	<u>1,744,983</u>	<u>235,000</u>

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds, and the interest rates vary from 4.00% to 4.25%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2025	\$ 235,000	43,134	278,134
2026	240,000	36,450	276,450
2027	250,000	29,100	279,100
2028	260,000	21,450	281,450
2029-2030	<u>540,000</u>	<u>17,713</u>	<u>557,713</u>
	<u>\$ 1,525,000</u>	<u>147,847</u>	<u>1,672,847</u>

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

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

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

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

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

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

The following represents the membership tiers for PERS:

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

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

Basis of Presentation

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

NOTE 4: Pension Plans (Continued)**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, 2022 through June 30, 2023. 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.

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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

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, 2023 State special funding situation net pension liability amount of \$122.1 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, 2023, 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 \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. 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 2023, the State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

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.

For the year ended June 30, 2024, the District recognized pension expense of \$41,983. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 4,350	1,860
Changes of Assumptions	1,000	27,574
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,095	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	20,681	92,389
District Contributions Subsequent to the Measurement Date	<u>41,983</u>	<u> </u>
Total	<u>\$ 70,109</u>	<u>121,823</u>

\$41,983 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, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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,**

2024	\$ (23,821)
2025	(13,296)
2026	18,580
2027	(3,325)
2028	<u>57</u>
	<u>\$ (21,805)</u>

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

Collective balances at June 30, 2023 and 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective Deferred Outflows of Resources	\$ 70,109	108,096
Collective Deferred Inflows of Resources	121,823	131,349
Collective Net Pension Liability	454,983	559,736
District's Proportion	0.00311%	0.00368%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2023 were as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,889,262,049	42,006,927,506	71,896,189,555
Plan Fiduciary Net Position	<u>7,431,214,496</u>	<u>27,400,438,440</u>	<u>34,831,652,936</u>
Net Pension Liability	<u>\$ 22,458,047,553</u>	<u>14,606,489,066</u>	<u>37,064,536,619</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.86%	65.23%	48.45%

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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.

NOTE 4: Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2023, 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:

	2023		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 592,291</u>	<u>454,983</u>	<u>338,116</u>

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

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

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

The following represents the membership tiers for TPAF:

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

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.

NOTE 4: Pension Plans (Continued)

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2023. 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 2023, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

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

The components of the net pension liability of the State as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Total Pension Liability	\$ 78,240,143,092	76,317,117,835
Plan Fiduciary Net Position	<u>27,130,181,268</u>	<u>24,640,530,532</u>
Net Pension Liability	<u>\$ 51,109,961,824</u>	<u>51,676,587,303</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2023</u>	<u>2022</u>
District's Liability	<u>\$ 5,491,774</u>	<u>5,219,847</u>
District's Proportion	.01075%	.01010%

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:	
2024	\$ (421,063)
2025	(370,275)
2026	(172,381)
2027	(187,247)
2028	(179,743)
Thereafter	<u>6,082</u>
Total	<u>\$ (1,324,627)</u>

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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% - 4.25%
	Based on years of service
Investment Rate of Return	7.00%

NOTE 4: Pension Plans (Continued)

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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023) 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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:

	2023		
	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	<u>6,475,798</u>	<u>5,491,774</u>	<u>4,662,992</u>
	<u>\$ 6,475,798</u>	<u>5,491,774</u>	<u>4,662,992</u>

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)

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

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

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

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

Total OPEB Liability

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 20, 2022, with was rolled forward to June 30, 2023. 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 \$52,361,668,239

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

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

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The discount rate for June 30, 2023 was 3.65%. 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, 2022	\$ 50,646,462,966
Changes for the Year:	
Service Cost	2,136,235,476
Interest	1,844,113,951
Change of Benefit Terms	
Difference Between Expected and Actual Experience	(980,424,863)
Changes in Assumptions or Other Inputs	105,539,463
Member Contributions	47,258,104
Benefit Payments	<u>(1,437,516,858)</u>
Balance at June 30, 2023	<u>\$ 52,361,668,239</u>

There were no changes in benefit terms between the June 30, 2022 measurement date and the June 30, 2023 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% percent in 2022 to 3.65% percent in 2023.

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 <u>(2.65%)</u>	Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 61,385,066,712</u>	<u>52,361,668,239</u>	<u>45,116,926,835</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 43,468,257,358</u>	<u>52,361,668,239</u>	<u>63,998,719,320</u>

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

For the year ended June 30, 2023, the Board of Education recognized OPEB expense of \$11,369 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 7,639,717,639	13,791,541,217
Assumption Changes	7,445,895,322	14,449,948,556
Changes in Proportion	<u>2,262,198,933</u>	<u>2,262,198,933</u>
Total	<u>\$ 17,347,811,894</u>	<u>30,503,688,706</u>

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

Year Ended June 30:	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
	<u>\$ (13,155,876,812)</u>

NOTE 6: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2023-2024	\$ 0	1,838	0	35,685
2022-2023	0	1,193	0	33,847
2021-2022	0	67	0	32,654

NOTE 7: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2024 financial statements.

NOTE 8: Economic Dependency

The District receives approximately 23% of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 9: Contingent Liabilities

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

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$1,189,611 General Fund fund balance at June 30, 2024, \$159,050 is reserved for maintenance reserve; \$440,080 is capital reserve; \$208,052 is reserve for encumbrances; \$280,339 is undesignated; \$31,798 is designated for subsequent year’s expenditures; \$34,607 is excess surplus – current year; and \$35,685 is reserved for unemployment claims.

NOTE 11: 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures Per the ACFR	\$ 4,742,184
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(723,535)</u>
Adjusted 2023-24 General Fund Expenditures	<u>\$ 4,018,649</u>
2% of Adjusted 2023-24 General Fund Expenditures	<u>\$ 80,373</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>30,339</u>
Maximum Unassigned/Undesignated – Unreserved Fund Balance	<u>\$ 280,339</u>

Section 2

Total General Fund – Fund Balance @ 6-30-24	\$ 1,189,611
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Decreased by:

Restricted Fund Balance:

Other Reserves	(599,130)
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Encumbrances	(208,052)
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Unemployment Compensation	(35,685)
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Assigned Fund Balance:

Designated for Subsequent Years Expenditures	<u>(31,798)</u>
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Total Unassigned Fund Balance	<u>\$ 314,946</u>
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Reserved Fund Balance -- Excess Surplus	<u>\$ 34,607</u>
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Section 3

Reserved Fund Balance – Excess Surplus	\$ 34,607
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Designated for Subsequent Years Expenditures – Excess Surplus	<u>0</u>
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	<u>\$ 34,607</u>
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Detail of Allowable Adjustment

Extraordinary Aid	<u>\$ 30,339</u>
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Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 159,050
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Capital Reserve	<u>440,080</u>
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Total Other Restricted Fund Balance	<u>\$ 599,130</u>
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NOTE 12: Interfund Receivables and Payables

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

There were interfunds as of June 30, 2024 as follows:

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 28,165	
General Fund	<u> </u>	<u>28,165</u>
	<u>\$ 28,165</u>	<u>28,165</u>

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

NOTE 13: Subsequent Events

Subsequent events have been evaluated through December 5, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required with the exception of the following:

A referendum was voter approved on September 17, 2024, for facility improvements in the amount of \$2,990,000.00.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 1 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,642,799		3,642,799	3,642,799	-
Tuition From Individuals	345,000		345,000	421,233	76,233
Aftercare	10,000		10,000	7,994	(2,006)
Interest Earned	19,974		19,974	67,690	47,716
Restricted Miscellaneous				1,838	1,838
Unrestricted Miscellaneous			-	4,055	4,055
Total Local Sources	<u>4,017,773</u>	<u>-</u>	<u>4,017,773</u>	<u>4,145,609</u>	<u>127,836</u>
State Sources:					
Extraordinary Aid	10,000		10,000	40,339	30,339
Special Education Aid	66,675		66,675	66,675	-
Security Aid	5,569		5,569	5,569	-
Transportation Aid	9,449		9,449	9,449	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	113,256	113,256
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)				130,506	130,506
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)				479,511	479,511
On-Behalf T.P.A.F Pension Contributions - Long Tern Disability				262	262
Total State Sources	<u>91,693</u>	<u>-</u>	<u>91,693</u>	<u>845,567</u>	<u>753,874</u>
Total Revenues	<u>4,109,466</u>	<u>-</u>	<u>4,109,466</u>	<u>4,991,176</u>	<u>881,710</u>

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 2 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of Teachers	103,587	(3,067)	100,520	99,133	1,387
Grades 1-5 - Salaries of Teachers	501,400	(8,475)	492,925	492,828	97
Grades 6-8 - Salaries of Teachers	416,348	26,665	443,013	441,914	1,099
Regular Program - Undistributed Instruction:					
Other Salaries For Instruction	68,658	2,825	71,483	71,452	31
Purchased Technical Services	6,000	100	6,100	6,060	40
Other Purchased Services	18,004	(86)	17,918	15,043	2,875
General Supplies	79,908	(4,426)	75,482	69,587	5,895
Textbooks	20,300	(17,766)	2,534	2,534	-
Other Objects	23,500	14,303	37,803	37,803	-
Total Regular Programs - Instruction	<u>1,237,705</u>	<u>10,073</u>	<u>1,247,778</u>	<u>1,236,354</u>	<u>11,424</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries	107,599	4,675	112,274	112,162	112
General Supplies	1,500	(568)	932	778	154
Total Resource Room/Resource Center	<u>109,099</u>	<u>4,107</u>	<u>113,206</u>	<u>112,940</u>	<u>266</u>
Total Special Education - Instruction	<u>109,099</u>	<u>4,107</u>	<u>113,206</u>	<u>112,940</u>	<u>266</u>

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 3 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	162,652	(1,230)	161,422	161,419	3
Total Basic Skills/Remedial - Instruction	162,652	(1,230)	161,422	161,419	3
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	35,010	6	35,016	35,016	-
School Sponsored Athletics - Instruction:					
Salaries	25,000	230	25,230	25,228	2
Purchased Services	8,000	(1,929)	6,071	5,981	90
Supplies and Materials	5,000	(3,511)	1,489	1,393	96
Total School Sponsored Athletics - Instruction	38,000	(5,210)	32,790	32,602	188
Before/After School Programs - Instruction:					
Salaries of Teachers	10,000	4,525	14,525	14,440	85
Total Instructional Programs	1,592,466	12,271	1,604,737	1,592,771	11,966
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	399,055		399,055	399,055	-
Tuition to Other LEA's Within the State - Special	29,634	(15,239)	14,395	14,171	224
Tuition to County Vocational School-Regular	2,500	(2,500)	-	-	-
Tuition to Private Schools for the Disabled Within State	77,861	15,525	93,386	92,157	1,229
Total Undistributed Expenditures - Instruction	509,050	(2,214)	506,836	505,383	1,453

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 4 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	29,915		29,915	29,915	-
Undistributed Expenditures - Health Services:					
Salaries	51,184	40	51,224	51,224	-
Purchased Professional and Technical Services	2,500		2,500	2,500	-
Supplies and Materials	4,000	(2,519)	1,481	1,480	1
Total Undistributed Expenditures - Health Services	57,684	(2,479)	55,205	55,204	1
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Purchased Professional Educational Services	35,000	16,957	51,957	50,353	1,604
Total Undistributed Expenditures - Other Support Services					
Students - Related Services	35,000	16,957	51,957	50,353	1,604
Undistributed Expenditures-Other Support Services-Extra:					
Salaries of Other Professional Staff	19,784		19,784	19,784	-
Other Salaries	27,446	(876)	26,570	26,569	1
Total Undistributed Expenditures-Other Support Services-Extra	47,230	(876)	46,354	46,353	1
Undistributed Expenditures - Guidance:					
Salaries	67,749	(3,779)	63,970	63,963	7
General Supplies	1,500	(1,420)	80	80	-
Total Undistributed Expenditures - Guidance	69,249	(5,199)	64,050	64,043	7

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 5 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Support Services -					
Students - Child Study Teams					
Salaries-Secretarial and Clerical	19,570	(354)	19,216	19,215	1
Purchased Professional Educational Services	17,296	(6,331)	10,965	10,965	-
Total Undistributed Expenditures - Other Support					
Services - Students - Extra Services	36,866	(6,685)	30,181	30,180	1
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	39,568		39,568	39,568	-
Other Salaries	12,570	1	12,571	12,571	-
Other Purchased Professional and Technical Services	2,500	(2,500)	-	-	-
Total Undistributed Expenditures - Improvement of Instructional	54,638	(2,499)	52,139	52,139	-
Undistributed Expenditures - Educational Media Services/					
School Library:					
Purchased Professional and Technical Services	70,710	(8,356)	62,354	59,204	3,150
Other Purchased Services	6,000	(1,000)	5,000	2,756	2,244
Supplies and Materials	500	(500)	-	-	-
Total Undistributed Expenditures - Educational Media					
Services/School Library	77,210	(9,856)	67,354	61,960	5,394
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	23,741		23,741	23,740	1
Salaries of Secretarial and Clerical	6,285		6,285	6,285	-
Purchased Professional Educational Services	5,000	(2,981)	2,019	1,955	64
Other Purchased Services	2,625	(2,625)	-	-	-
Other Services	1,350	74	1,424	1,424	-
Total Undistributed Expenditures - Instr. Staff Training Services	39,001	(5,532)	33,469	33,404	65

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 6 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	2,266	34	2,300	2,300	-
Legal Services	9,000	10,000	19,000	14,770	4,230
Audit Fees	7,200	(366)	6,834	6,700	134
Other Purchased Professional Services	50,924	246	51,170	51,170	-
Communications/Telephone	4,200	105	4,305	4,305	-
Other Purchased Services (400-500 Series)	17,450	2,003	19,453	19,452	1
BOE Meeting/Training Supplies	200	(200)	-		
Miscellaneous Expenditures	650	350	1,000	996	4
BOE Membership Dues and Fees	2,177	326	2,503	2,503	-
Total Undistributed Expenditures - Support Services - General Administration	94,067	12,498	106,565	102,196	4,369
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	48,800		48,800	48,800	-
Salaries of Secretarial and Clerical Assistants	8,514	(2,200)	6,314	6,285	29
Total Undistributed Expenditures - Support Services - School Administration	57,314	(2,200)	55,114	55,085	29
Undistributed Expenditures - Central Services:					
Salaries	60,000	15,367	75,367	72,819	2,548
Purchased Technical Services	7,025	2,503	9,528	9,528	-
Purchased Services (400-500 Series)	31,827	(29,000)	2,827	2,753	74
Total Undistributed Expenditures - Central Services	98,852	(11,130)	87,722	85,100	2,622

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 7 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Admin Info Technology					
Purchased Technical Services	8,500	686	9,186	9,186	-
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	46,485	42,746	89,231	89,187	44
Cleaning, Repair and Maintenance Services	49,000	61,144	110,144	92,672	17,472
General Supplies	11,000	2,121	13,121	12,408	713
Other Objects	925		925	625	300
Total Undistributed Expenditures - Required Maintenance - School Facilities	107,410	106,011	213,421	194,892	18,529
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	14,722	(2,869)	11,853	11,601	252
Purchased Professional and Technical Services	9,400	(1,939)	7,461	6,449	1,012
Cleaning, Repair and Maintenance Services	9,800	9,071	18,871	18,871	-
General Supplies	2,750	(1,950)	800		800
Total Undistributed Expenditures - Care & Upkeep of Grounds	36,672	2,313	38,985	36,921	2,064
Undistributed Expenditures - Security:					
Salaries	31,817	(3,365)	28,452	28,355	97
Purchased Professional and Technical Services	43,325	4,664	47,989	47,437	552
Supplies	7,000	8,225	15,225	15,033	192
Total Undistributed Expenditures - Security	82,142	9,524	91,666	90,825	841

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 8 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Operations and Maintenance of Plant Services:					
Salaries	67,442	(7,870)	59,572	58,714	858
Salaries of Non-Instructional Aides	11,443	(1,195)	10,248	9,964	284
Purchased Professional and Technical Services	9,800	3,038	12,838	11,938	900
Other Purchased Professional Services	11,000	7,014	18,014	16,166	1,848
Insurance	61,400	(320)	61,080	60,981	99
Miscellaneous Purchased Services	4,950	4,603	9,553	9,553	-
Supplies	7,500	1,500	9,000	7,646	1,354
Energy (Natural Gas)	22,450	(4,060)	18,390	16,979	1,411
Energy (Electric)	28,000		28,000	27,260	740
Total Undistributed Expenditures - Other Operations and Maintenance of Plant Services	<u>223,985</u>	<u>2,710</u>	<u>226,695</u>	<u>219,201</u>	<u>7,494</u>
 Total Undistributed Expenditures - Operations and Maintenance of School Facilities	 <u>450,209</u>	 <u>120,558</u>	 <u>570,767</u>	 <u>541,839</u>	 <u>28,928</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	6,862		6,862	6,642	220
Salaries for Pupil Transportation - (Between Home & School) Reg.	12,081		12,081	12,081	-
Contracted Services (Between Home & School) - Vendors	15,000	7,300	22,300	21,404	896
Contracted Services (Special Education Students) Jointures	41,250	1,452	42,702	28,084	14,618
Total Undistributed Expenditures - Student Transportation Services	<u>75,193</u>	<u>8,752</u>	<u>83,945</u>	<u>68,211</u>	<u>15,734</u>

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 9 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	47,000	4,298	51,298	49,042	2,256
Other Retirement Contributions - PERS	47,000	(5,017)	41,983	41,983	-
Other Retirement Contributions - DCPR	1,000	3,300	4,300	4,209	91
Workers Compensation	25,000	(765)	24,235	23,157	1,078
Health Benefits	398,900	(37,027)	361,873	360,867	1,006
Tuition Reimbursement	2,000		2,000	1,525	475
Other Employee Benefits	20,000	(3,383)	16,617	16,573	44
Total Unallocated Benefits	<u>540,900</u>	<u>(38,594)</u>	<u>502,306</u>	<u>497,356</u>	<u>4,950</u>
Reimbursed TPAF Social Security Contributions - (Non-Budgeted)				113,256	(113,256)
On-Behalf T.P.A.F Pension Contributions -					
Post Retirement Medical (Non-Budgeted)				130,506	(130,506)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)				479,511	(479,511)
On-Behalf T.P.A.F Pension Contributions - Long Term Disability				262	(262)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>723,535</u>	<u>(723,535)</u>
Total Undistributed Expenditures	<u>2,280,878</u>	<u>72,187</u>	<u>2,353,065</u>	<u>3,011,442</u>	<u>(658,377)</u>
Capital Outlay:					
Equipment-Grades 6-8	52,324	6,900	59,224	59,224	-
Equipment-Technology	16,000	(3,462)	12,538	12,538	-
Care and Upkeep of Grounds	10,200	(3,438)	6,762	2,478	4,284
Security		7,075	7,075	7,075	-
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		15,167	15,167	10,848	4,319
Construction Services	220,000	24,959	244,959	44,601	200,358
Debt Service Assessment	1,207		1,207	1,207	-
Total Capital Outlay	<u>299,731</u>	<u>47,201</u>	<u>346,932</u>	<u>137,971</u>	<u>208,961</u>

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 10 of 10

GENERAL FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total General Fund Expenditures	<u>4,173,075</u>	<u>131,659</u>	<u>4,304,734</u>	<u>4,742,184</u>	<u>(437,450)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(63,609)</u>	<u>(131,659)</u>	<u>(195,268)</u>	<u>248,992</u>	<u>444,260</u>
Other Financing Sources (Uses):					
Transfer Capital Reserve to Capital Projects		<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	
Total Other Financing Sources (Uses)	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(63,609)</u>	<u>(356,659)</u>	<u>(420,268)</u>	<u>23,992</u>	<u>444,260</u>
Fund Balance July 1	<u>1,165,619</u>		<u>1,165,619</u>	<u>1,165,619</u>	
Fund Balance, June 30	<u>\$ 1,102,010</u>	<u>(356,659)</u>	<u>745,351</u>	<u>1,189,611</u>	<u>444,260</u>
Recapitulation:					
Restricted Fund Balance:					
Designated for Subsequent Years Expenditures - By the BOE				\$ 31,798	
Excess Surplus - Current Year				34,607	
Maintenance Reserve				159,050	
Capital Reserve				440,080	
Unemployment Compensation				35,685	
Assigned Fund Balances:					
Reserved For Encumbrances				208,052	
Unassigned Fund Balance				<u>280,339</u>	
				1,189,611	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(8,049)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,181,562</u>	

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
Sheet 1 of 2

SPECIAL REVENUE FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ 65,000	117,240	182,240	180,377	1,863
Federal Sources:					
Title IIA, Part A	2,320	(499)	1,821	1,821	-
IDEA Part B, Basic	26,304	5,641	31,945	31,945	-
IDEA Part B, Preschool	694	102	796	796	-
GEER High Impact Tutoring		27,845	27,845	7,940	19,905
ARP ESSER II		7,476	7,476	7,476	-
ARP Instruction		6,385	6,385	6,385	-
ARP Summer		30,672	30,672	30,179	493
ARP Beyond School		40,000	40,000	35,315	4,685
ARP Mental Health		5,965	5,965	5,965	-
Total Federal Sources	<u>29,318</u>	<u>123,587</u>	<u>152,905</u>	<u>127,822</u>	<u>25,083</u>
State Sources:					
SDA Grants		5,895	5,895	5,895	-
Total Revenues	<u>94,318</u>	<u>246,722</u>	<u>341,040</u>	<u>314,094</u>	<u>26,946</u>
Expenditures:					
Instruction:					
Salaries of Teachers		38,748	38,748	19,865	18,883
Purchased Professional Educational Services		10,000	10,000	9,810	190
Other Purchased Services		6,180	6,180	6,180	-
Instructional Supplies		68,507	68,507	62,150	6,357
Total Instruction	<u>-</u>	<u>123,435</u>	<u>123,435</u>	<u>98,005</u>	<u>25,430</u>

BAY HEAD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
Sheet 2 of 2

SPECIAL REVENUE FUND

JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Employee Benefits		9,612	9,612	8,097	1,515
Purchased Technical Services	26,998	7,024	34,022	34,022	-
Other Purchased Services	2,320	11,504	13,824	13,373	451
General Supplies		10,185	10,185	10,185	-
Scholarships Awarded		4,000	4,000	4,000	-
Student Activities		3,320	3,320	3,320	-
Total Support Services	<u>29,318</u>	<u>45,645</u>	<u>74,963</u>	<u>72,997</u>	<u>1,966</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		134,070	134,070	134,070	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>134,070</u>	<u>134,070</u>	<u>134,070</u>	<u>-</u>
Total Expenditures	<u>29,318</u>	<u>303,150</u>	<u>332,468</u>	<u>305,072</u>	<u>27,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65,000</u>	<u>(56,428)</u>	<u>8,572</u>	<u>9,022</u>	<u>(450)</u>
Fund Balance, July 1				<u>85,292</u>	
Fund Balance, June 30				<u>\$ 94,314</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 93,112	
Student Activities				<u>1,202</u>	
Total Fund Balance				<u>\$ 94,314</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BAY HEAD SCHOOL DISTRICT**Exhibit C-3****REQUIRED SUPPLEMENTARY INFORMATION****BUDGET-TO-GAAP-RECONCILIATION****NOTE TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 4,991,176	314,094
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(92,860)
Prior Year Delayed Payment	7,521	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)	<u>(8,049)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	<u>\$ 4,990,648</u>	<u>221,234</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,742,184	305,072
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(92,860)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,742,184</u>	<u>212,212</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

BAY HEAD SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-1

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.00311%	0.00000%	0.00365%	0.00346%	0.00372%	0.00412%	0.00403%	0.00285%	0.00355%	0.00372%
District's Proportionate Share of the Net Pension Liability	<u>\$ 454,983</u>	<u>559,736</u>	<u>437,144</u>	<u>568,415</u>	<u>674,092</u>	<u>811,055</u>	<u>937,726</u>	<u>844,622</u>	<u>797,857</u>	<u>696,573</u>
District's Covered-Employee Payroll	\$ 259,452	217,044	273,348	265,004	244,120	265,848	284,068	253,593	243,181	244,243
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	57.02%	38.78%	62.53%	46.62%	36.21%	32.78%	30.29%	30.02%	30.48%	35.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.45%	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%

BAY HEAD SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 46,772	43,215	45,179	36,664	41,311	38,381	25,502	25,502	30,671	25,495
Contributions in Relation to the Contractually Required Contribution	46,772	43,215	45,179	36,664	41,311	38,381	25,502	25,502	30,671	25,495
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 259,452	217,044	273,348	265,004	244,120	265,848	284,068	253,593	243,181	244,243
Contributions as a Percentage of Covered-Employee Payroll	18.03%	19.91%	16.53%	13.84%	16.92%	14.44%	8.98%	10.06%	12.61%	10.44%

BAY HEAD SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>5,491,774</u>	<u>5,219,847</u>	<u>5,308,347</u>	<u>6,999,199</u>	<u>6,119,590</u>	<u>6,350,250</u>	<u>5,705,542</u>	<u>7,204,325</u>	<u>5,696,417</u>	<u>5,109,031</u>
Total	<u>\$ 5,491,774</u>	<u>5,219,847</u>	<u>5,308,347</u>	<u>6,999,199</u>	<u>6,119,590</u>	<u>6,350,250</u>	<u>5,705,542</u>	<u>7,204,325</u>	<u>5,696,417</u>	<u>5,109,031</u>
District's Covered-Employee Payroll	\$ 1,368,247	1,262,782	1,152,974	1,180,072	1,189,387	1,132,714	1,048,826	988,044	889,148	929,694
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	24.91%	24.19%	21.72%	16.86%	19.44%	17.84%	18.38%	13.71%	15.61%	18.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

L-4

This schedule is not applicable.

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

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

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

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 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, 2022, and as of June 30, 2023, 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, 2022, and as of June 30, 2023, in accordance with Paragraph 44 of GASB Statement No. 67.

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

BAY HEAD SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST EIGHT FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>								
Service Cost	244,893	314,203	376,268	212,373	217,825	259,139	313,094	*
Interest	182,613	133,567	178,880	180,727	224,855	240,844	206,652	*
Change in Benefit Terms			(7,340)					*
Benefit Payments	(142,350)	(132,302)	(140,907)	(143,304)	(154,103)	(151,519)	(151,500)	*
Member Contributions	4,680	4,244	4,573	4,344	4,568	5,237	5,579	*
Difference between Expected and Actual Experience	(155,228)	(823,255)	(1,754,143)	1,453,613	(1,014,302)	(577,843)		*
Change of Assumptions	10,451	(1,352,040)	6,803	1,503,613	74,851	(650,253)	(843,288)	*
Net Change in Total OPEB Liability	145,059	(1,855,583)	(1,335,866)	3,211,366	(646,306)	(874,395)	(469,463)	*
Total Attributable OPEB Liability - Beginning	5,040,055	6,895,638	8,231,504	5,020,138	5,666,444	6,540,839	7,010,302	*
Total Attributable OPEB Liability - Ending	\$ 5,185,114	5,040,055	6,895,638	8,231,504	5,020,138	5,666,444	6,540,839	7,010,302
District's Covered Payroll	\$ 1,627,699	1,479,826	1,426,322	1,445,076	1,433,507	1,398,563	1,332,894	1,241,637
District's Contribution	None	None	None	None	None	None	None	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%
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%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	318.55%	340.58%	483.46%	569.62%	350.20%	405.16%	490.72%	564.60%

* - Information not available

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

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

BAY HEAD SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2022 to June 30, 2023 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BAY HEAD SCHOOL DISTRICTExhibit E-1
Sheet 1 of 2**SPECIAL REVENUE FUND****SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS****JUNE 30, 2024**

	High Impact Tutoring	ARP Mental Health	ARP ESSER	ARP Accelerated Learning	ARP Summer Enrichment	ARP Beyond School
Revenues:						
Federal Sources	\$ 7,940	5,965	7,476	6,385	30,179	35,315
State Sources						
Local Sources						
Total Revenues	<u>\$ 7,940</u>	<u>5,965</u>	<u>7,476</u>	<u>6,385</u>	<u>30,179</u>	<u>35,315</u>
Expenditures:						
Instruction:						
Salaries	\$ -	3,868			15,997	
Purchased Professional Educational Services						9,810
Other Purchased Services				6,180		
Instructional Supplies	5,440				8,182	15,505
Total Instruction	<u>5,440</u>	<u>3,868</u>	<u>-</u>	<u>6,180</u>	<u>24,179</u>	<u>25,315</u>
Support Services:						
Salaries						
Employee Benefits		2,097			6,000	
Purchased Professional & Technical Services			1,281			
Other Purchased Services	2,500		6,010	205		
General Supplies			185			10,000
Scholarships Awarded						
Student Activities						
Total Support Services	<u>2,500</u>	<u>2,097</u>	<u>7,476</u>	<u>205</u>	<u>6,000</u>	<u>10,000</u>
Facilities Acquisition and Construction Services:						
Building Improvements						
Instructional Equipment						
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>7,940</u>	<u>5,965</u>	<u>7,476</u>	<u>6,385</u>	<u>30,179</u>	<u>35,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1						
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BAY HEAD SCHOOL DISTRICT

Exhibit E-1
Sheet 2 of 2

SPECIAL REVENUE FUND

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2024

	IDEA Preschool	IDEA Part B Basic	Title IIA	Bay Head Foundation	SDA Emergent	DCA Tennis	DCA Playground	Sustainable Jersey	Student Activity /Athletic Funds	Scholarship Funds	Total June 30, 2024
Revenues:											
Federal Sources	796	31,945	1,821								127,822
State Sources					5,895						5,895
Local Sources				34,366		65,000	63,000	1,669	3,403	12,939	180,377
Total Revenues	796	31,945	1,821	34,366	5,895	65,000	63,000	1,669	3,403	12,939	314,094
Expenditures:											
Instruction:											
Salaries											19,865
Purchased Professional Educational Services											9,810
Tuition											6,180
Instructional Supplies				31,354				1,669			62,150
Total Instruction	-	-	-	31,354	-	-	-	1,669	-	-	98,005
Support Services:											
Salaries											-
Employee Benefits											8,097
Purchased Professional & Technical Services	796	31,945									34,022
Other Purchased Services			1,821		2,837						13,373
General Supplies											10,185
Scholarships Awarded										4,000	4,000
Student Activities									3,320		3,320
Total Support Services	796	31,945	1,821	-	2,837	-	-	-	3,320	4,000	72,997
Facilities Acquisition and Construction Services:											
Building Improvements						65,000	63,000				128,000
Instructional Equipment				3,012	3,058						6,070
Total Facilities Acquisition and Construction Services	-	-	-	3,012	3,058	65,000	63,000	-	-	-	134,070
Total Expenditures	796	31,945	1,821	34,366	5,895	65,000	63,000	1,669	3,320	4,000	305,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	83	8,939	9,022
Fund Balance, July 1									1,119	84,173	85,292
Fund Balance, June 30	-	-	-	-	-	-	-	-	1,202	93,112	94,314

CAPITAL PROJECTS FUND – F

BAY HEAD SCHOOL DISTRICT**CAPITAL PROJECTS FUND****Exhibit F-1****SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES****IN FUND BALANCE - BUDGETARY BASIS****FOR THE YEAR ENDED JUNE 30, 2024**

Fund Balance - Beginning	\$ 66,242
Expenditures	<u>(45,967)</u>
	20,275
Other Financing Sources\Uses:	
Transfer from Capital Reserve	<u>225,000</u>
Total Other Financing Sources\Uses	<u>225,000</u>
Excess (Deficiency) of Revenues Over/(Under)	
Expenditures and Other Financing Sources (Uses)	<u>245,275</u>
Fund Balance - Ending	<u>\$ 245,275</u>

BAY HEAD SCHOOL DISTRICT**Exhibit F-1a****CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****PRE-KINDERGARTEN IMPROVEMENTS - ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods/ Adjustments</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from Capital Reserve	\$ 246,800		246,800	246,800
Total Revenues	<u>246,800</u>	<u>-</u>	<u>246,800</u>	<u>246,800</u>
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional and Technical Services		20,419	20,419	22,925
Construction Services				223,875
Total Expenditures	<u>-</u>	<u>20,419</u>	<u>20,419</u>	<u>246,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 246,800</u>	<u>(20,419)</u>	<u>226,381</u>	<u>-</u>

Additional Project Information

Project Number	NA
Grant Date	NA
Original Authorized Cost	\$ 246,800
Additional Authorized Cost	
Revised Authorized Cost	246,800
Percentage Completion	8%
Original Target Completion Date	9/1/2024
Revised Target Completion Date	9/1/2024

BAY HEAD SCHOOL DISTRICT**Exhibit F-1b****CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****CRAWL SPACE - ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods/ Adjustments</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from Capital Reserve	\$ -	25,000	25,000	25,000
Total Revenues	-	25,000	25,000	25,000
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		13,300	13,300	25,000
Total Expenditures	-	13,300	13,300	25,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	11,700	11,700	-

Additional Project Information

Project Number	NA
Grant Date	NA
Original Authorized Cost	\$ 25,000
Additional Authorized Cost	
Revised Authorized Cost	25,000
Percentage Completion	53%
Original Target Completion Date	9/1/2024
Revised Target Completion Date	9/1/2024

BAY HEAD SCHOOL DISTRICT

Exhibit F-1c

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****VESTIBULE CHANGE ORDERS****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods/ Adjustments</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from Capital Reserve	\$ 37,592		37,592	37,592
Total Revenues	37,592	-	37,592	37,592
<u>Expenditures and Other Financing Uses</u>				
Construction Services	18,150	12,248	30,398	37,592
Total Expenditures	18,150	12,248	30,398	37,592
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,442	(12,248)	7,194	-
<u>Additional Project Information</u>				
Project Number	NA			
Grant Date	NA			
Original Authorized Cost	\$ 37,592			
Additional Authorized Cost				
Revised Authorized Cost	37,592			
Percentage Completion	81%			
Original Target Completion Date	9/1/2023			
Revised Target Completion Date	9/1/2024			

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

BAY HEAD SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Retired</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>July 1, 2023</u>		<u>June 30, 2024</u>
Gym and Elementary School Classrooms	8/1/2015	\$ 3,300,000	8/1/24	\$ 235,000	2.625%	\$ 1,750,000	225,000	1,525,000
			8/1/25	240,000	3.000%			
			8/1/26	250,000				
			8/1/27	260,000				
			8/1/28	265,000	3.250%			
			8/1/29	275,000				
						<u>\$ 1,750,000</u>	<u>225,000</u>	<u>1,525,000</u>

BAY HEAD SCHOOL DISTRICT

Exhibit I-3

LONG-TERM DEBT**BUDGETARY COMPARISON SCHEDULE****DEBT SERVICE FUND****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 229,511		229,511	229,511	
State Sources:					
Debt Service Aid Type II	44,408		44,408	44,408	
Total Revenues	<u>273,919</u>	<u>-</u>	<u>273,919</u>	<u>273,919</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	48,919		48,919	48,919	-
Redemption of Principal	225,000		225,000	225,000	-
Total Expenditures	<u>273,919</u>	<u>-</u>	<u>273,919</u>	<u>273,919</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

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

J-1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets, net of related debt	(1,133,614)	2,186,313	2,979,486	3,548,393	3,777,707	3,926,376	3,726,848	4,294,523	5,217,864	5,223,487
Restricted = Capital Purposes	-	-	-	-	-	-	-	-	-	-
Restricted = Other	3,584,247	1,907,215	1,391,540	1,223,460	996,249	1,004,194	1,246,710	621,979	898,622	1,241,112
Unrestricted	(333,304)	(996,197)	(471,873)	(863,371)	(772,922)	(494,256)	68,191	413,432	(193,559)	(245,916)
Total governmental activities net assets	<u>2,117,329</u>	<u>3,097,331</u>	<u>3,899,153</u>	<u>3,908,482</u>	<u>4,001,034</u>	<u>4,436,314</u>	<u>5,041,749</u>	<u>5,329,934</u>	<u>5,922,927</u>	<u>6,218,683</u>
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District-wide										
Invested in capital assets, net of related debt	(1,133,614)	2,186,313	2,979,486	3,548,393	3,777,707	3,926,376	3,726,848	4,294,523	5,217,864	5,223,487
Restricted	3,584,247	1,907,215	1,391,540	1,223,460	996,249	1,004,194	1,246,710	621,979	898,622	1,241,112
Unrestricted	(333,304)	(996,197)	(471,873)	(863,371)	(772,922)	(494,256)	68,191	413,432	(193,559)	(245,916)
Total district net assets	<u>2,117,329</u>	<u>3,097,331</u>	<u>3,899,153</u>	<u>3,908,482</u>	<u>4,001,034</u>	<u>4,436,314</u>	<u>5,041,749</u>	<u>5,329,934</u>	<u>5,922,927</u>	<u>6,218,683</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	845,812	968,206	961,712	1,122,538	1,020,425	1,062,345	916,902	1,160,052	1,166,900	1,236,354
Special Education	53,000	176,573	187,767	124,464	185,219	134,550	136,947	173,144	309,723	112,940
Other Instruction	59,894	138,800	111,405	41,124	190,300	133,366	154,867	122,965	159,675	243,477
Support Services										
Tuition	684,922	491,013	542,360	733,573	677,445	794,504	629,405	560,691	666,651	76,155
Student & Instruction related services	252,439	263,600	309,617	312,762	304,416	343,838	362,738	465,445	654,535	423,651
School Administrative services	32,043	135,920	55,824	73,573	210,375	220,340	51,748	99,701		
General Administration	80,978	79,113	180,391	136,320	418,060	365,321	177,536	155,196	259,504	251,667
Plant operations and maintenance	293,024	348,311	351,492	382,787	100,416	90,778	431,382	511,674	633,998	641,839
Pupil transportation	77,028	106,547	111,788	103,284			58,534	59,010	49,274	65,211
Other support services	-									
Depreciation net of fixed asset increases	56,217	147,547	144,400	160,645	174,766	23,763	229,343	167,065	285,925	298,530
Capital Outlay	-	540,681		219,805	1,207	202,432		229,248		108,785
Interest on long-term debt	69,539	55,298	85,175	74,619	69,194	85,202	61,100	56,019	52,104	45,507
Unallocated benefits	531,039	685,822	697,174	744,073	865,114	864,893	968,855	981,609	1,021,110	1,144,599
Total governmental activities expenses	3,074,935	4,185,331	3,722,293	4,210,832	4,218,867	4,327,158	4,170,392	4,823,317	4,059,259	4,549,606
Business-type activities										
Food service	-	-	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district expenses	-	-	-	-	-	-	-	-	-	-
Program revenues										
Governmental activities										
Charges for services										
Instruction	49,726	302,444	309,817	305,485	329,477	347,456	379,552	435,266	421,912	420,227
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	66,115	75,164		72,878	10,000	103,402	254,539	360,695	212,212
Capital grants and contributions	49,726	371,559	384,981	305,485	402,355	357,456	462,954	669,879	812,607	641,430
Total governmental activities program revenues	49,726	371,559	384,981	305,485	402,355	357,456	462,954	669,879	812,607	641,430
Business-type activities										
Charges for services										
Food service	-	-	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	-
Total district program revenues	49,726	371,559	384,981	305,485	402,355	357,456	462,954	669,879	812,607	641,430
Net (expense) Revenue										
Governmental activities	3,025,209	\$ 3,783,772	\$ 3,337,312	\$ 3,905,347	\$ 3,816,502	\$ 3,969,702	3,687,438	\$ 4,133,438	4,145,452	3,907,167
Business-type activities	-	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-	-
Total district-wide net expense	3,025,209	\$ 3,783,772	\$ 3,337,312	\$ 3,905,347	\$ 3,816,502	\$ 3,969,702	3,687,438	\$ 4,133,438	4,145,452	3,907,167
General Revenues and Other Changes in Net Assets										
Governmental activities										
Property taxes levied for general purpose, net	2,715,250	2,950,946	3,009,965	3,070,104	3,131,567	3,194,198	3,266,062	3,387,582	3,632,842	3,042,799
Taxes levied for debt service	163,721	236,821	239,000	169,238	222,724	223,693	215,599	222,773	229,657	229,811
Grants and contributions, Federal & state aid	263,043	648,398	844,734	543,602	620,771	620,656	673,792	826,587	875,241	895,460
Investment & Miscellaneous Income	23,783	809,769	46,434	47,698	33,992	216,623	33,321	13,524	100,705	73,583
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Transfers	-	(2,070)	-	-	-	-	-	-	-	-
Total governmental activities	3,206,607	4,743,774	4,139,133	3,827,002	3,990,054	4,204,580	4,182,004	4,430,466	4,738,445	4,644,362
Business-type activities										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Fixed Asset Adjustments	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide revenue	3,206,607	4,743,774	4,139,133	3,827,002	3,990,054	4,204,580	4,182,004	4,430,466	4,738,445	4,644,362
Change in Net Assets	(62,961)	980,002	801,821	(77,745)	92,552	435,280	605,435	297,026	592,993	265,769
Ending Total district	251,636	3,067,332	3,869,153	3,821,408	4,001,034	4,436,314	5,041,749	5,329,934	5,922,927	6,218,683

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

J-3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund Balance										
Maintenance reserve	81,309	156,309	213,959	221,623	221,623	209,367	209,367	169,418	194,000	159,050
Reserved for Subsequent Years' Expenditures	1,690	6,996	12,996	253,869	9,930	14,548	151,895	32,030	64,659	31,798
Capital Reserve	284,869	334,869	334,869	196,869	220,526	197,158	174,679	308,291	514,080	440,080
Emergency reserve	99,133	174,133	174,133	59,133	59,133					
Excess Surplus	23,075	77,934	54,859							34,607
Capital Projects Fund	3,093,441	379,665	422,884	422,884	422,884	373,282				7,749
Committed to other purposes	47,448	78,196	126,549		54,653	255,707	217,849	88,883	77,235	539,892
Unemployment Fund							32,587	32,654	33,847	35,685
Lease Purchase-Boiler		477,383								
Debt service fund		221,730	51,291	-	7,500	9,839				
Unreserved, reported in:										
General Fund	251,109	256,379	257,133	259,930	257,377	261,542	282,030	314,659	281,798	272,290
Total all other governmental funds	3,882,074	2,163,594	1,648,673	1,414,308	1,253,626	1,321,443	1,068,407	945,935	1,165,619	1,521,151

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	3,131,113	3,187,767	3,247,965	3,236,402	3,354,291	3,417,801	3,474,981	3,590,355	3,762,499	3,872,310
Tuition	283,382	302,444	309,817	305,485	329,477	347,456	379,552	435,296	421,912	429,227
Miscellaneous	39,388	80,199	46,434	47,698	33,992	226,823	35,402	21,421	51,148	120,967
Contribution		529,570								
State Sources	355,808	948,308	844,734	467,782	520,771	561,227	673,792	821,762	837,147	895,342
Federal Sources	37,381	69,115	75,164	75,555	72,878	68,729	101,321	251,691	428,989	167,955
Total Revenue	3,847,072	5,117,403	4,524,114	4,132,922	4,311,409	4,622,036	4,665,048	5,120,525	5,501,695	5,485,801
General Fund Expenditures										
Instruction:										
Regular	904,303	988,206	961,712	1,046,983	1,020,425	1,052,345	1,056,389	1,160,682	1,186,900	1,236,354
Special	125,988	175,573	187,757	177,055	186,219	134,550	139,947	173,144	309,723	181,230
Other	123,186	138,800	111,405	116,679	190,300	133,386	154,897	122,965	159,575	243,477
Support Services and Undistributed Costs:										
Tuition	517,485	461,013	542,360	733,678	677,445	794,504	629,408	580,561	566,851	505,383
Student & Instruction Related Services	302,863	283,500	309,817	335,786	304,416	343,638	352,738	466,446	554,535	474,262
School & General Administration	212,394	215,033	216,215	209,893	210,375	226,346	229,286	254,897	258,564	251,567
Operations and Maintenance	311,376	348,311	351,492	362,787	418,960	395,321	431,382	511,574	533,698	641,839
Student Transportation	106,657	106,547	111,786	103,284	100,416	90,778	58,534	89,010	49,274	68,211
Unallocated Employee Benefits	673,477	659,222	676,993	744,973	834,254	852,021	1,001,734	1,057,512	1,109,822	1,220,891
Capital Outlay	1,388,083	2,903,816	1,006,819	219,805	320,307	202,432	253,743	660,693	546,346	277,149
Debt Service:										
Principal	275,000	508,598	472,000	185,000	195,000	200,000	205,000	210,000	220,000	225,000
Interest and other charges	36,848	65,194	90,679	74,619	70,819	66,869	62,819	58,569	54,094	48,919
Total General Fund Expenditures	4,977,660	6,833,813	5,039,035	4,310,442	4,528,936	4,492,190	4,575,877	5,345,153	5,529,382	5,274,282
Excess (Deficiency) of revenues over (under) expenditures	(1,130,588)	(1,716,410)	(514,921)	(177,520)	(217,527)	129,846	89,171	(224,628)	(27,687)	211,519
Other Financing sources (uses)										
Other Sources							110,789			
Transfers In						(62,029)				225,000
Transfers Out		(2,070)				2,339				(225,000)
Sandy related sources (uses) net						(2,339)				
Total Other Financing Sources (uses)	-	(2,070)	-	-	-	(62,029)	110,789	-	-	-
Net change in fund balance	(1,130,588)	(1,718,480)	(514,921)	(177,520)	(217,527)	67,817	199,960	(224,628)	(27,687)	211,519

Source: District Records

BAY HEAD SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Interest				6,695	7,900	8,433	3,593	4,142	51,148	67,690
Tuition	283,382	302,444	309,817	305,485	392,477	347,456	379,552	435,295	421,912	429,227
Miscellaneous	39,388	80,199	46,434	41,003	26,092	220,390	15,738	17,099	26,660	53,277
	<u>322,770</u>	<u>382,643</u>	<u>356,251</u>	<u>350,837</u>	<u>426,469</u>	<u>574,279</u>	<u>398,883</u>	<u>456,536</u>	<u>499,720</u>	<u>550,194</u>

Source: District records

Exhibit J-6

BAY HEAD SCHOOL DISTRICT

LAST TEN FISCAL YEARS

UNAUDITED

<u>Year</u>	<u>Net Taxable Value (CI 6)</u>	<u>Net Valuation for Apportionment (11)</u>	<u>County Equal Ratio R.S.:54:3-17-19</u>
2015	1,586,865,100	1,597,112,490	101.65%
2016	1,572,878,600	1,549,939,495	98.54%
2017	1,588,756,100	1,523,528,055	95.89%
2018	1,600,762,700	1,611,574,738	100.68%
2019	1,606,483,200	1,610,222,322	100.23%
2020	1,618,686,600	1,721,716,411	106.37%
2021	1,625,624,100	1,704,669,171	104.86%
2022	1,642,367,500	1,828,900,431	111.36%
2023	1,659,556,000	2,207,600,185	133.02%
2024	1,672,804,200	2,478,642,895	148.17%

Source: Abstract of Ratables

County Board of Taxation

Exhibit J-7

BAY HEAD SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Bay Head School District	Borough of Bay Head	Ocean County	Total
2015	0.203	0.208	0.422	0.833
2016	0.206	0.207	0.423	0.836
2017	0.204	0.212	0.432	0.848
2018	0.21	0.217	0.408	0.835
2019	0.212	0.226	0.410	0.848
2020	0.215	0.231	0.430	0.876
2021	0.221	0.244	0.413	0.878
2022	0.229	0.250	0.354	0.833
2023	0.233	0.260	0.402	0.895
2024	0.236	0.271	0.503	1.010

Source: Ocean County Board of Taxation

Bay Head Board of Education
Ten Highest Taxpayers
2024

Exhibit J-8

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of District's Net Assessed Value</u>
BAY HEAD YACHT CLUB	\$ 13,500,000	.807%
8 HOWE STREET LLC	8,350,000	.499%
HARTINGTON J TRUST C/O N JENCARELLI	8,117,700	.485%
DENIHAN, B C/O DENIHAN HOSPITALITY	7,738,700	.463%
RDCC LLC	7,675,400	.459%
COFSKY, LAWRENCE D & BETH	7,507,500	.449%
BHPC-OCEAN LLC C/O W & M SMITH	7,300,000	.436%
FARRIS, JILL E	7,183,900	.429%
SMATCO LTD C/O Q MCCOY	7,179,700	.429%
HINDELONG IVESTMENT L P	7,161,300	.428%
Total of 10 highest	\$ <u>81,714,200</u>	<u>4.885%</u>
Total Assessed Value	\$ <u>1,672,804,200</u>	

Source: Municipal Finance Officer

Exhibit J-9

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

<u>Fiscal Year Ended June 30,</u>	<u>School Levy</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Current Tax Collections</u>	<u>Percentage of Levy</u>
2015	3,431,946	13,120,024	12,957,080	98.75%
2016	3,187,767	13,083,597	12,878,311	98.43%
2017	3,247,965	13,035,096	12,922,332	99.13%
2018	3,236,402	13,519,185	13,411,602	99.42%
2019	3,417,801	13,723,394	N/A	N/A
2020	3,474,981	13,723,394	13,603,875	99.12%
2021	3,590,355	14,250,780	14,138,438	99.21%
2022	3,590,355	14,375,473	14,218,494	98.90%
2023	3,762,499	14,874,183	14,744,708	99.12%
2024	3,948,697	16,968,343	16,764,091	98.79%

Source: Municipal Finance Officer
Abstract of Ratables

* - year ending 12/31/2024

Exhibit J-10

BAY HEAD SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS*
UNAUDITED

Fiscal Year Ended <u>June 30</u>	<u>Governmental Activities</u>		<u>Capital Leases</u>	Business - Type <u>Activities</u>		
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>		<u>Bonded Debt Anticipation Notes (BANs)</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2015	\$ 3,892,000	NONE	\$31,475	NONE	NO DATA TO REPORT	
2016	\$ 3,437,800	NONE	\$ 560,779	NONE	NO DATA TO REPORT	
2017	\$ 2,965,000	NONE	\$ 446,000	NONE	NO DATA TO REPORT	
2018	\$ 2,780,000	NONE	\$ 340,000	NONE	NO DATA TO REPORT	
2019	\$ 2,585,000	NONE	\$ 230,000	NONE	NO DATA TO REPORT	
2020	\$ 2,385,000	NONE	\$ 117,000	NONE	NO DATA TO REPORT	
2021	\$ 2,180,000	NONE	\$ -	NONE	NO DATA TO REPORT	
2022	\$ 1,970,000	NONE	\$ -	NONE	NO DATA TO REPORT	
2023	\$ 1,750,000	NONE	\$ -	NONE	NO DATA TO REPORT	
2024	\$ 1,525,000	NONE	\$ -	NONE	NO DATA TO REPORT	

Exhibit J-11

BAY HEAD SCHOOL DISTRICT

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended <u>June 30</u>	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>	Percentage of Actual Taxable Value # of <u>Property</u>
2015	\$ 3,892,000		\$ 3,892,000	0.245%
2016	\$ 3,437,800		\$ 3,437,800	0.219%
2017	\$ 2,965,000		\$ 2,965,000	0.185%
2018	\$ 2,780,000		\$ 2,780,000	0.174%
2019	\$ 2,585,000		\$ 2,585,000	0.161%
2020	\$ 2,385,000		\$ 2,385,000	0.147%
2021	\$ 2,180,000		\$ 2,180,000	0.134%
2022	\$ 1,970,000		\$ 1,970,000	0.120%
2023	\$ 1,750,000		\$ 1,750,000	0.105%
2024	\$ 1,525,000		\$ 1,750,000	0.105%

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

Net Direct Debt of School District as of June 30, 2024	\$ 1,525,000
Net Overlapping Debt of School District: Borough of Bay Head	<u>\$ 2,041,491</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2023	<u><u>\$ 3,566,491</u></u>

Exhibit J-13

Legal Debt Margin For Fiscal Year 2024
Equalized valuation basis

2024	2,478,642,895
2023	2,207,600,185
2022	1,828,900,431
	<u>6,515,143,511</u>

Average equalized valuation of taxable property \$ 2,171,714,504

Debt limit (3% of average equalization value) 65,151,435

Total Net Debt Applicable to Limit 1,525,000

Legal debt margin \$ 63,626,435

Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debit Limit	46,719,237	47,232,323	46,719,237	46,850,423	47,933,232	52,552,860	52,552,860	52,552,860	57,411,698	65,151,435
Total net debt applicable to limit	<u>3,437,800</u>	<u>3,437,800</u>	<u>2,965,000</u>	<u>2,780,000</u>	<u>2,585,000</u>	<u>2,385,000</u>	<u>2,180,000</u>	<u>1,970,000</u>	<u>1,750,000</u>	<u>1,525,000</u>
Legal debt margin	<u>43,281,437</u>	<u>43,794,523</u>	<u>43,754,237</u>	<u>45,166,757</u>	<u>45,348,232</u>	<u>50,167,860</u>	<u>50,372,860</u>	<u>50,582,860</u>	<u>55,661,698</u>	<u>63,626,435</u>
Total net debt applicable to the limit as a percentage of debt limit	7.36%	7.28%	6.35%	5.80%	5.39%	4.54%	4.15%	3.75%	3.05%	2.34%

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

J-14

<u>Year</u>	<u>Population</u>	<u>Household</u>	<u>Unemployment Rate</u>	<u>Annual Births</u>
2015				6
2016				3
2017	1,023			1
2018				1
2019	968			2
2020	930			1
2021	930			2
2022	930			n/a
2023	930			n/a
2024	1,096			n/a

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

Exhibit J-15

BAY HEAD SCHOOL DISTRICT
Principal Employers

Current Year and Ten Years Ago
UNAUDITED

Data Unavailable

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

J-16

x

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.8
Special Education	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	3.0	3.7
Other Special Education										
Vocational										
Other Instruction	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Nonpublic school programs										
Adult/continuing education programs										
Support Services										
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0
General administration	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other administrative services	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Central Services	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Administrative Information Technology	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Plant operations & maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	22.3	22.3	22.3	22.3	22.8	22.8	22.8	22.8	27.3	28.8

Source: District Personnel Records

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

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil (c)	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Average Daily Enrollment (ADE) b	Average Daily Attendance (ADA) b	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	146	3,277,729	22,450	-6.78%	13.0	1:7	146.4	139.8	6.78%	95.49%
2016	147	3,484,775	23,754	5.81%	13.0	1:7	146.7	140.3	0.20%	95.65%
2017	131	3,621,508	27,645	16.38%	13.0	1:7	131.0	124.4	-10.70%	94.95%
2018	128	3,975,268	31,081	12.43%	13.0	1:7	127.9	121.8	-2.37%	95.20%
2019	122	4,263,117	34,829	12.06%	13.5	1:7	122.4	117.1	-4.30%	95.68%
2020	121	4,022,889	33,636	-3.43%	13.5	1:7	119.6	115.9	-2.29%	95.68%
2021	128	4,204,656	32,952	-2.03%	13.5	1:7	127.6	124.0	6.69%	97.37%
2022	132	4,287,713	32,497	-1.38%	13.5	1:7	131.9	125.1	3.40%	94.83%
2023	122	4,318,047	35,394	8.91%	13.5	1:7	122.0	115.9	-7.53%	95.01%
2024	120	4,318,047	35,984	1.67%	13.5	1:7	120.0	114.0	-1.64%	95.01%

Sources: District records, School Register Summary

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BAY HEAD ELEMENTARY SCHOOL

BUILDING INFORMATION

LAST TEN FISCAL YEARS ENDING JUNE 30

Office sq ft 190

UNAUDITED

District Building	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Elementary School and Offices</u>										
Bay Head School Square Feet	18,834	29,655	29,655	29,655	29,655	29,655	29,655	29,655	29,655	29,655
Bay Head School Library Square Feet	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	-
Bay Head PreSchool Square Feet	-	-	-	-	-	-	-	-	-	2,348
FES Capacity (students)	151	168	168	168	168	168	168	168	168	168
Enrollment	146	147	131	128	122	120	128	132	122	122

Exhibit J-19

BAY HEAD SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 UNAUDITED

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

	Library	Bay Head Elementary	Preschool	Total School Facilities
2015	637	5,673	N/A	6,310
2016	637	8,481	N/A	9,274
2017	637	8,481	N/A	9,274
2018	637	8,481	N/A	9,274
2018	637	8,481	N/A	9,274
2019	637	8,481	N/A	9,274
2020	637	8,481	N/A	9,274
2021	686	9,050	N/A	9,736
2022	686	9,050	N/A	9,736
2023	686	9,050	N/A	9,736
2024	0	9,050	686	9,736

* School facilities as defined under EFCFA.

(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

BAY HEAD SCHOOL DISTRICT

EXHIBIT J-20

Insurance Schedule

June 30, 2024- Unaudited

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

SINGLE AUDIT SECTION

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

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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
Bay Head School District
County of Ocean
Bay Head, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bay Head Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Bay Head Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated December 5, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 5, 2024

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1958-1992)
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
Bay Head School District
County of Ocean
Bay Head, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Bay Head Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Bay Head Board of Education's major state programs for the year ended June 30, 2024. The Bay Head 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 Bay Head Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 5, 2024

BAY HEAD SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/	Federal C.F.D.A.	Federal Fain	Grant or State Project	Award	Grant Period		Balance June 30, 2023	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2024		
											(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue:													
Title IIA	84.367A	S367A230029	N/A	\$ 1,821	07/01/2023	09/30/2024	\$ -		1,821	(1,821)			
Special Education Cluster:													
IDEA Part B Basic	84.027A	H027A220100	N/A	30,975	07/01/2022	09/30/2023	(30,975)		30,975				
IDEA Part B Basic	84.027A	H027A230100	N/A	31,945	07/01/2023	09/30/2024				(31,945)	(31,945)		
IDEA Preschool	84.173	H173A220114	N/A	816	07/01/2022	09/30/2023	(816)		816				
IDEA Preschool	84.173	H173A230114	N/A	796	07/01/2023	09/30/2024				(796)	(796)		
American Rescue Plan:													
ACSERS	21.027	SLRFDOE1SES	N/A	164,248	07/01/2022	09/30/2023	(81,559)		81,559				
Elementary and Secondary School Emergency Relief Fund (ESSER II)													
ARP ESSER	84.425U	S425U220027	N/A	226,405	03/13/2020	09/30/2024	(134,292)		140,487	(7,476)	(1,281)		
ARP Learning	84.425U	S425U220027	N/A	50,000	03/13/2020	09/30/2024	(1,944)		8,329	(6,385)			
ARP Mental Health	84.425U	S425U220027	N/A	45,000	03/13/2020	09/30/2024	(18,795)		22,663	(5,965)	(2,097)		
ARP Enrichment	84.425U	S425U220027	N/A	40,000	03/13/2020	09/30/2024			23,359	(30,179)	(6,820)		
ARP Beyond School	84.425U	S425U220027	N/A	40,000	03/13/2020	09/30/2024			27,984	(35,315)	(7,331)		
Coronavirus Response and Relief Supplemental Act													
CRRSA Mental Health	84.425D	S425D220027	N/A	45,000	03/13/2020	09/30/2024	(1,551)		1,551				
CRRSA Response	84.425D	S425D220027	N/A	100,739	03/13/2020	09/30/2023	(2,018)		2,018				
CRRSA Learning	84.425D	S425D221027	N/A	25,000	03/13/2020	09/30/2023	(81)		81				
Governors Emergency Education Relief:													
High Impact Tutoring	84.425V	S425V210031	N/A	27,845	10/11/2023	8/31/2024				(7,940)	(7,940)		
Total Federal Financial Assistance							\$ (272,031)	-	341,643	(127,822)	(58,210)	-	-

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

BAY HEAD SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule B
K-4

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment of Prior Years Balances	Balance at June 30, 2024			MEMO	
					Deferred Revenue Accts. Receivable	Due To Grantor					(Accounts Receivable)	Deferred Revenue Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
			From	To											
General Fund:															
Extraordinary Aid	23-495-034-5120-044	\$ 41,798	07/01/2022	06/30/2023	\$ (41,798)			41,798							
Extraordinary Aid	24-495-034-5120-044	40,339	07/01/2023	06/30/2024					(40,339)		(40,339)				40,339
Special Education Categorical Aid	24-495-034-5120-089	66,675	07/01/2023	06/30/2024				60,106	(66,675)					(6,569)	66,675
Security Aid	24-495-034-5120-084	5,569	07/01/2023	06/30/2024				5,020	(5,569)					(549)	5,569
Transportation Aid	24-495-034-5120-014	9,449	07/01/2023	06/30/2024				8,518	(9,449)					(931)	9,449
Reimbursed TPAF Social															
Security Contr. (Nonbudgeted)	24-495-034-5094-003	113,256	07/01/2023	06/30/2024				107,677	(113,256)		(5,579)				113,256
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	24-495-034-5094-001	130,506	07/01/2023	06/30/2024				130,506	(130,506)						130,506
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	24-495-034-5094-002	479,511	07/01/2023	06/30/2024				479,511	(479,511)						479,511
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	24-495-034-5094-004	262	07/01/2023	06/30/2024				262	(262)						262
Total General					(41,798)	-	-	833,398	(845,567)	-	(45,918)	-	-	(8,049)	845,567
Special Revenue Fund:															
SDA Emergent	N/A	2,837	07/01/2023	06/30/2024				2,837	(2,837)						2,837
SDA Emergent	N/A	3,058	07/01/2022	06/30/2023	3,058				(3,058)						3,058
Total Special Revenue					3,058	-	-	2,837	(5,895)	-	-	-	-	-	5,895
Debt Service:															
Debt Service Aid Type II	24-495-034-5120-017	44,408	07/01/2023	06/30/2024				44,408	(44,408)						44,408
Total State Financial Assistance					\$ (38,740)	-	-	880,643	(895,870)	-	(45,918)	-	-	(8,049)	895,870
Less: State Financial Assistance Not Subject to Major Program Determination:															
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	24-495-034-5094-001	130,506	07/01/2023	06/30/2024					130,506						
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	24-495-034-5094-002	479,511	07/01/2023	06/30/2024					479,511						
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	24-495-034-5094-004	262	07/01/2023	06/30/2024					262						
Total State Financial Assistance Subject to Major Program Determination									(285,591)						

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

BOARD OF EDUCATION**K-5****BAY HEAD SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2024****NOTE 1: General**

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

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of State				
Financial Assistance	\$ 845,567	5,895	44,408	895,870
 Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP				
in that Encumbrances are				
Recognized as Expenditures				
and the Related Revenue				
is Recognized				
 The Last State Aid Payment				
Is Recognized as Revenue				
for Budgetary Purposes,				
and Differs from GAAP				
Which does not Recognize				
This Revenue Until the				
Subsequent Year When the				
State Recognizes the Related				
Expense (GASB 33)	<u>(528)</u>	<u>—</u>	<u>—</u>	<u>(528)</u>
 Total State Revenue as Reported				
on the Statement of Revenues,				
Expenditures and Changes in				
Fund Balances	<u>\$ 845,039</u>	<u>5,895</u>	<u>44,408</u>	<u>895,342</u>

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

	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Federal Assistance</u>		
Actual Amounts (Budgetary)		
"Revenues" from the Schedule		
of Expenditures of Federal		
Awards	\$ 127,822	127,822
 Difference – Budget to "GAAP"		
Grant Accounting Budgetary		
Basis Differs from GAAP in that		
Encumbrances are Recognized as		
Expenditures and the Related		
Revenue is Recognized	<u>40,133</u>	<u>48,073</u>
 Total Federal Revenue as		
Reported on the Statement		
of Revenue, Expenditures,		
and Changes in Fund		
Balances	<u>\$ 167,955</u>	<u>175,895</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2024. 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, 2024.

BAY HEAD SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2024*Part I - Summary of Auditor's Results*Financial Statement SectionDescription

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

Unmodified

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

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

Noncompliance material to basic financial statements noted?

 Yes x NoFederal Awards

NOT APPLICABLE

State Awards

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

\$750,000

Auditee qualified as low-risk auditee?

 x Yes No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

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

Identification of major programs:

GMIS Number(s)24-495-034-5094-00324-495-034-5120-08424-495-034-5120-089Name of State ProgramReimbursed TPAF Social Security ContributionsSecurity Aid (State Aid - Public Cluster)Special Education Categorical Aid (State Aid - Public Cluster)

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2024***Part II - Schedule of Financial Statement Findings***

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2024***Part III - Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

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

Current Year Federal Awards

Not Applicable

Current Year State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

BAY HEAD SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Status of Prior Year Findings

There were none.