

**SCHOOL DISTRICT
OF
MORRIS HILLS REGIONAL**



**Morris Hills Regional School District
Board of Education
Rockaway, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

**Annual Comprehensive
Financial Report**

of the

**Morris Hills Regional School District
Board of Education**

Rockaway, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Morris Hills Regional School District
Board of Education**

Business Office

MORRIS HILLS REGIONAL SCHOOL DISTRICT
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**INTRODUCTORY SECTION
(UNAUDITED)**



MORRIS HILLS REGIONAL DISTRICT

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Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

December 13, 2024

To the Citizens, President, and Board Members of the Morris Hills Regional District

As the Superintendent and the Business Administrator of the Morris Hills Regional District (the "District"), we are pleased to submit to you this Annual Comprehensive Financial Report (ACFR) issued by the District. This ACFR for the fiscal year ended June 30, 2024, was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities.

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm, Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of the ACFR. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to be read in conjunction with the MD&A. The MD&A section provides an overview of factors that impact the District's financial position.

The ACFR 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 Independent Auditors' Report, the Management's Discussion and Analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

- The statistical section includes selected financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis.
- The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

Profile of the Morris Hills Regional District

The Morris Hills Regional District is a comprehensive regional public school district that provides academic, technological, and vocational programs for grades 9, 10, 11 and 12 as well as adult education programs. The District serves the communities of Denville Township, Rockaway Borough, Rockaway Township, and Wharton Borough over approximately 58 square miles. The District hosts two academy programs for the Morris County School of Technology (MCST) which serves all Morris County students. In addition, the District is a Choice District which accepts students from all New Jersey communities through a lottery system.

Population estimates for 2019 from the United States Census Bureau reflect a relatively small increase of 2.26% in total population for the four communities served as compared to the census in 2010. Rockaway Township, which represents 47% of the District's total population, saw the largest projected increase of 1,720 residents. Denville, representing 29% of the serviced population saw a small projected decrease of 189. Rockaway Borough and Wharton Borough that are very similar in population and size, each representing approximately 11.5% of the population reflected a decline in projected population, 162 and 153 respectively.

Enrollment

The District's enrollment reported on the Application for State School Aid (ASSA) in October 2023 was 2,672 resident students compared to 2,783 resident students the prior year. The ASSA does not reflect students enrolled in the academy programs which are programs located at Morris Hills Regional District under a collaboration agreement with the Morris County School of Technology. On October 15, 2023 Morris Knolls enrolled 146 students in the Academy for the Performing Arts (APA) and Morris Hills enrolled 180 students in the Academy for Math, Science and Engineering (MSE).

School Buildings and Capital Improvements

The District's buildings, Morris Hills High School and Morris Knolls High School were built in 1953 and 1964, respectively. Both buildings are exceptionally well maintained. However, after an energy audit, the District found that additional improvements could reduce operating costs. The District applied to the state for the approval of an energy savings improvement plan and received approval in January 2019. In April 2019, bonds were sold to support the improvements. The ESIP program is discussed in the Management's Discussion and Analysis section of this report. Annual deposits into the District's Capital Reserve have funded additional improvements to classroom space, athletic fields and gymnasium renovations. During the 2023-2024 school year the district resurfaced the tennis courts, upgraded a classroom into a kitchen for life skills classes, removed an underground storage tank and upgraded bathrooms at the Morris Knolls High School campus. At the Morris Hills High School Campus bathrooms were upgraded and several classrooms had ceilings replaced and lighting upgrades.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal *For the Fiscal Year Ended June 30, 2024*

Curriculum Offerings

The District has enhanced program offerings that make it unique among other high schools in the state; in fact, school choice applications have grown drastically because of the enhanced opportunities available to students. In 2023-2024, applications for the school choice program continue to exceed available seats. Some of the unique offerings include:

- AP Program: The District offers 27 Advanced Placement options for students. AP offers students the opportunity to earn college credits while in high school, a major NJDOE initiative. The District has no minimum grade requirement to enter an AP course. In 2024, 85.8% of the students taking 1902 AP exams scored 3 or higher, scores high enough to earn college credit. 31.8% of exams taken earned a perfect score of 5.
- International Baccalaureate: The District is one of only 14 schools in New Jersey to offer the International Baccalaureate Diploma Program, an extremely competitive, internationally-recognized program for juniors and seniors. IB courses are as rigorous, if not more than AP courses and provide students the opportunity to earn college credit while in high school, a major NJDOE initiative. Our graduating classes in the IB Diploma Program continue to outperform graduates of established IB Programs around the world, including areas in which the United States is considered weak, such as world language.
- Magnet Program for Math and Science: We are in our fifteenth year of offering a specialized program that emphasizes statistical analysis and scientific research, which includes coursework that is offered by no other high school in the state and typically seen only at the collegiate level. The Magnet Program utilizes the College Board's AP Capstone Program, combined with our specialized Magnet coursework, we offer a 3-year sequence in Research Methods and provides students with training and skills to conduct collegiate level research and advanced STEM coursework. The NJDOE has been emphasizing the incorporation of STEM into high school curriculum; the Magnet Program exemplifies the type of STEM curricula that is going on in the best schools in the country. The Magnet Program has been expanded to Morris Knolls High School to keep up with demand.
- AVID Program: The District is in our thirteenth year of implementing the AVID Program (Advancement Via Individual Determination), a national and international program that helps students in the academic middle take more rigorous coursework and provides access to college for historically underrepresented groups. Teachers are trained in research-based instructional strategies to work with this population, and students are provided access to upper level coursework traditionally reserved for the academic elite.
- Gifted and Talented Program: Unlike many high schools in the state, that only offer "gifted" programs through honors and AP coursework, the District also address the other areas of giftedness that are recognized by the National Association for Gifted Children through seminars, pull out programs and a vast independent study program.
- Aviation and Aerospace Program: In the 2017-18 school year, the District partnered with the Aircraft Owners and Pilots Association (AOPA) and has since offered two career pathways (Pilot and Unmanned Aircraft Systems) in the aviation/aerospace industry. The program affords students the opportunity to earn industry credentials while still in high school.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

Curriculum Offerings

- **School Choice Program:** The District continued two school choice programs that began in 2011-2012. The first, an intradistrict school choice program allowed resident students to apply to either high school regardless of their address. Approximately 46 new students participated in 2023-2024. Also in 2011-2012, Morris Hills Regional District was approved by the New Jersey Department of Education as a Choice School District. There were 128 students enrolled in the District in the 2023-2024 school year. Funding is received directly from the State of New Jersey for these students.
- **General Education Program:** Our general education program provides all students with access to a truly comprehensive curriculum, including technology education, computer science, world languages, the academic core, and visual and performing arts. Both high schools are consistently ranked in the top 100 high schools in the state.

Economic Condition and Financial Outlook

The District relies on local property taxes and state aid to support its budget. In the 2023-2024 school year, the District saw a decrease in state aid but the predominant source to support its budget is local property taxes.

New Jersey law limits the increase in New Jersey school districts' tax levies to 2% annually although adjustments are allowed for increased enrollments and increased pension and health benefit costs. If a district wishes to exceed the 2% limit for other reasons, a public vote is required. The Morris Hills Regional District Board of Education is committed to limiting tax increases and has sought alternate funding sources. In 2011, Morris Hills became a School Choice District which created a new source of aid for the District. In 2018, the District modified its tuition agreement with the Morris County School of Technology and increased enrollment for the hosted programs. The District is also committed to sharing resources with our elementary school districts through shared services. There is a commitment from the elementary districts as well as the high school districts to continue these cost saving measures.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that 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). This internal control system 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 awards, the District is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described above, testing is performed to determine the adequacy of the internal control, including that portion related to major federal and state award programs, as well as to determine that the District is in compliance with applicable laws, regulations, contracts and grants.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

Accounting System and Budgetary Controls

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Morris Hills Regional District and all its schools constitute the District's reporting entity.

The District's accounting records include an expanded minimum chart of accounts using dimensions to define area and location. Board approval for budgetary transfers is required at the state minimum level, which is the dimension object within program. Additional approval from the New Jersey State Department of Education is required in the case of General Fund transfers to certain administration accounts that on a cumulative basis exceed 10% of the amount included in the original budget, any transfer to capital outlay from current expense except for equipment, transfers from undesignated fund balance, and all transfers that on a cumulative basis exceeds 10% from the advertised appropriation as established by the New Jersey Department of Education, Division of Finance.

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

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

The District's budget is developed annually by the administration with input from all stakeholders in the District. Once compiled, it is presented to the District's Board of Education and the New Jersey Department of Education's Executive County Superintendent of Schools in March of each year. It is then advertised for public input and a budget hearing is scheduled. Public comment at the hearing may result in modifications. The final budget must be posted to the District's website forty-eight hours after the public hearing.

In addition to internal accounting controls, the District maintains budgetary controls. The objective of the controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, special revenue fund and 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 of the report.

Major Initiatives For The Future

During the 2024-2025 school year Morris Hills High School will see the complete renovation of its library. This project will also include the creation of three instructional spaces. Additionally, the initiative to upgrade ceiling and lighting in the building will continue. For the 2025-2026 school year the field and track will be replaced at Gifford Field located at the Morris Hills High School campus and the following year, the same will be done at Caruso Field located at the Morris Knolls High School campus.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2024

Awards

The Association of School Business Officials International (“ASBO”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Morris Hills Regional District for its Annual Comprehensive Financial Report (“ACFR”) for the fiscal years ended June 30, 2012, through June 30, 2023. This program contributes to the enhancement of credibility of financial management, the adoption of accounting principles generally accepted in the United States of America, and sound budgetary and reporting purposes. In order to be awarded the Certificate of Excellence, the District must prepare the ACFR in a fashion that strictly conforms to generally accepted accounting principles and program requirements. The Certificate of Excellence is valid for a period of one year, and the District feels confident that it will continue to meet the program requirements and will apply for the award for the fiscal year ended June 30, 2024.

Acknowledgements

We would like to express our appreciation to the members of the Morris Hills Regional School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

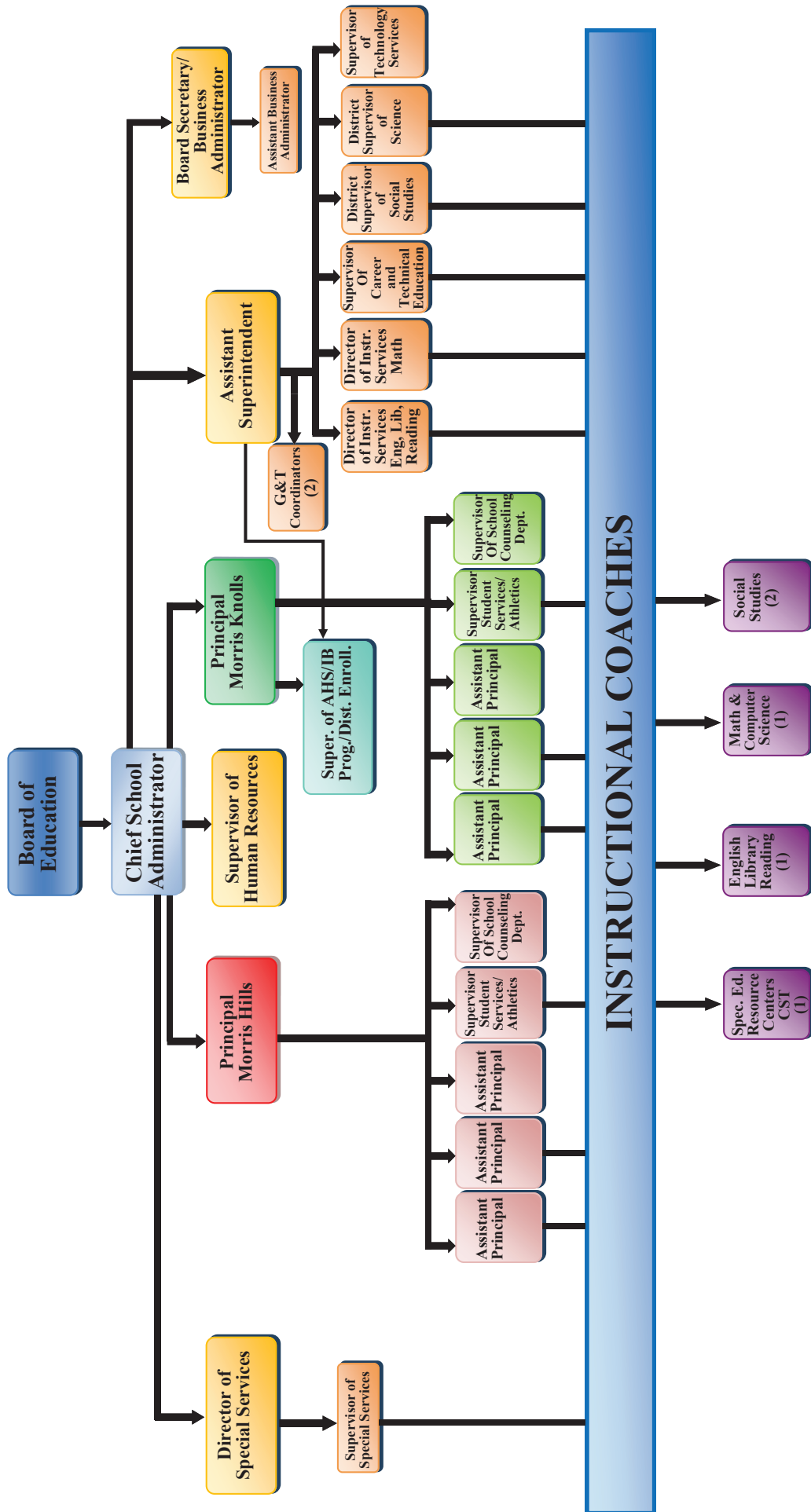


Nicholas J. Norcia
Superintendent

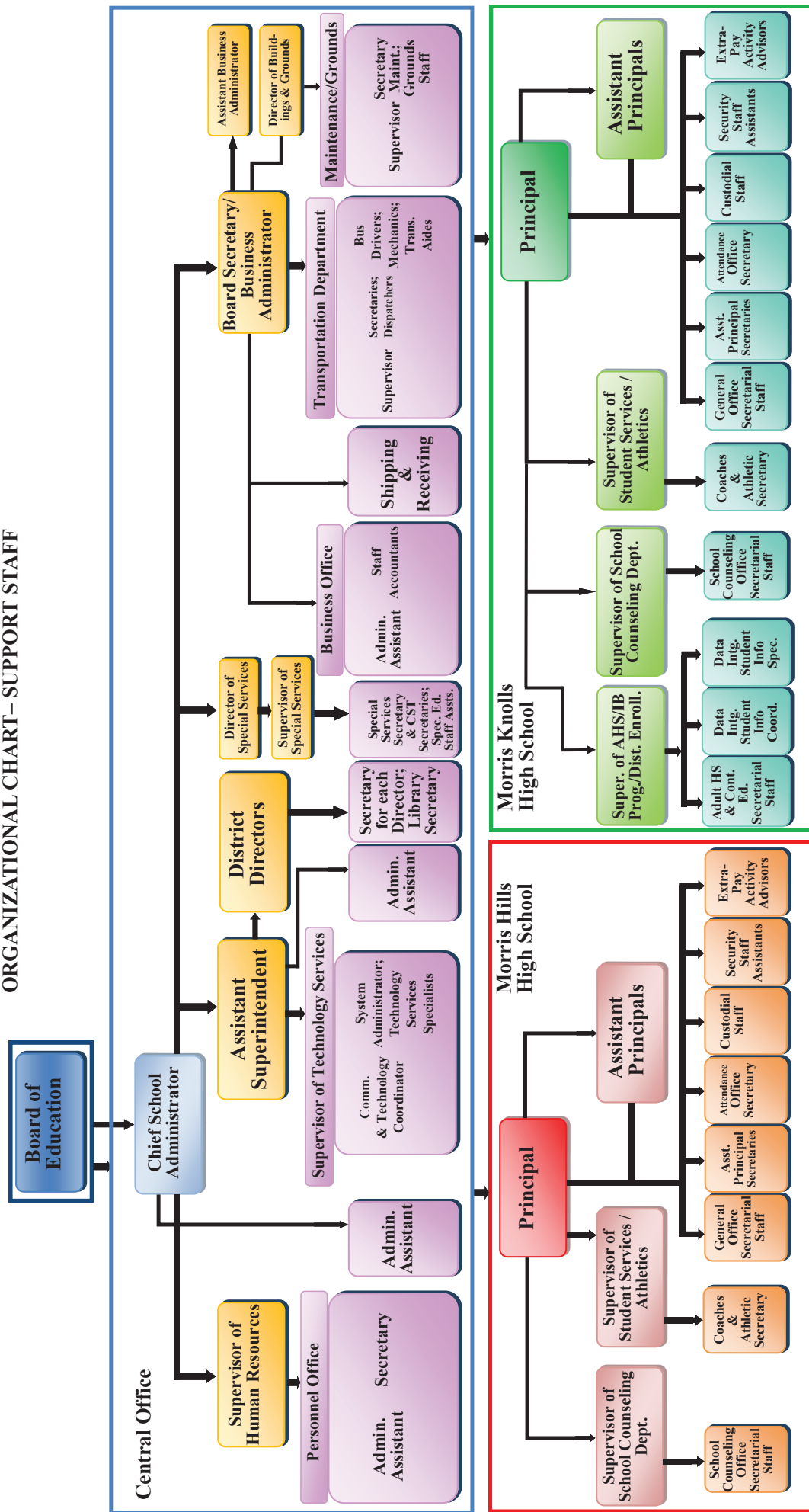


Gail M. Libby
Board Secretary/Business Administrator

**MORRIS HILLS REGIONAL DISTRICT
ORGANIZATIONAL CHART – CERTIFIED STAFF**



MORRIS HILLS REGIONAL DISTRICT ORGANIZATIONAL CHART- SUPPORT STAFF



MORRIS HILLS REGIONAL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William Serafin, President	2025
Michael Wieczerszak, Vice President	2026
Michael Bertram	2025
Robert Crocetti	2027
Christie D'Asti	2026
Barbara Levy	2026
William Maher	2027
Patrick Napolitano	2027
Theresa Yeager	2025

<u>Other Officials</u>	<u>Title</u>
Nicholas J. Norcia	Superintendent
Gail M. Libby	Board Secretary/School Business Administrator
Daniel Haug	Supervisor of Human Resources

**MORRIS HILLS REGIONAL DISTRICT
CONSULTANTS AND ADVISORS**

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55 West Main Street
Rockaway, New Jersey 07866



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Morris Hills Regional District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
County of Morris, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Morris Hills Regional School District (the “District”) in the County of Morris as of and for the fiscal 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 District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 the 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, 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 of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
December 13, 2024

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This section of Morris Hills Regional School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District’s basic financial statements, which immediately follow this section.

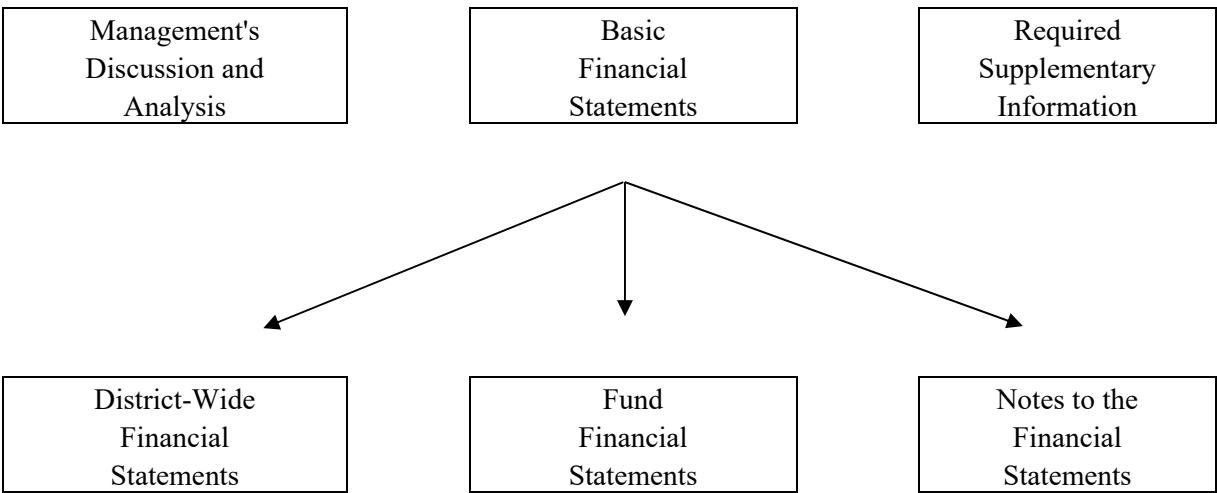
Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short- and long-term* financial information about the activities the District operates like a business, such as food services, the academy for technology and shared services (special education and custodial).

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Morris Hills Regional School District’s Financial Report



**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities of the District that operate similar to private businesses for food services, academy for technology and shared services (for special education and custodial services)
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used and liabilities that come due during the fiscal year or soon thereafter; capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after year-end; expenditures when goods or services have been received and the related liability is due & payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid

MORRIS HILLS REGIONAL SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service, academy for technology, and shared services (special education, and custodial) are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Fund Financial Statements

Notes to the basic financial statements: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2024 and 2023. The District's *combined* net position was \$33,800,424 on June 30, 2024, \$9,379,540 or 38.41% more than it was the fiscal year before. The net position of the governmental activities increased by \$9,247,687 and the net position of the business-type activities increased by \$113,853.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change 2023/24
Current and Other Assets	\$ 17,146,067	\$ 11,215,496	\$ 595,719	\$ 547,399	\$ 17,741,786	\$ 11,762,895	
Capital Assets, Net	59,018,676	56,929,277	884,316	804,904	59,902,992	57,734,181	
Total Assets	76,164,743	68,144,773	1,480,035	1,352,303	77,644,778	69,497,076	11.72%
Deferred Outflows of Resources	3,917,334	5,022,987			3,917,334	5,022,987	-22.01%
Other Liabilities	5,241,707	2,407,559	67,849	71,970	5,309,556	2,479,529	
Long-Term Liabilities	40,602,639	44,866,130			40,602,639	44,866,130	
Total Liabilities	45,844,346	47,273,689	67,849	71,970	45,912,195	47,345,659	-3.03%
Deferred Inflows of Resources	1,849,493	2,753,520			1,849,493	2,753,520	-32.83%
Net Position:							
Net Investment in Capital Assets	37,899,925	33,864,986	884,316	804,904	38,784,241	34,669,890	
Restricted	7,235,803	5,654,663			7,235,803	5,654,663	
Unrestricted (Deficit)	(12,747,490)	(16,379,098)	527,870	475,429	(12,219,620)	(15,903,669)	
Total Net Position	\$ 32,388,238	\$ 23,140,551	\$ 1,412,186	\$ 1,280,333	\$ 33,800,424	\$ 24,420,884	38.41%

Figure A-4 represents the *Changes in Net Position*.

Net investment in capital assets increased \$4,114,351 due to \$5,682,964 in capital assets additions, \$285,733 of bond issuance premiums amortized and the retirement of \$2,260,000 of bonds payable and \$285,000 of ESIP bonds payable, offset by \$550,073 financed purchases, \$3,514,153 of depreciation expense and amortized deferred amount on refunding of \$335,120.

Restricted net position increased \$1,581,140 primarily due to net increases in the capital reserve, maintenance reserve, and debt service fund balance, offset by a net decrease in combined student activities and scholarships.

Unrestricted net position increased (deficit decreased) \$3,684,049 primarily due to changes in the net pension liability and deferred inflows and outflows and net decreases in accrued interest and compensated absences and a decrease in the net pension liability.

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Analysis of the District as a Whole

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 442,338	\$ 436,327	\$ 5,239,439	\$ 5,050,053	\$ 5,681,777	\$ 5,486,380	
Grants and Contributions:							
Operating	17,199,171	17,431,542	668,263	740,665	17,867,434	18,172,207	
Capital	145,142				145,142		
General Revenue:							
Property Taxes	71,563,195	66,257,079			71,563,195	66,257,079	
Unrestricted Federal and							
State Aid	8,236,263	5,871,956			8,236,263	5,871,956	
Other	754,719	658,081			754,719	658,081	
Total Revenue	98,340,828	90,654,985	5,907,702	5,790,718	104,248,530	96,445,703	8.09%
Expenses:							
Instruction	43,543,693	42,279,029			43,543,693	42,279,029	
Pupil and Instruction							
Services	20,990,508	19,618,557			20,990,508	19,618,557	
Administration and							
Business	7,217,597	6,963,820			7,217,597	6,963,820	
Maintenance and							
Operations	6,877,528	6,311,555			6,877,528	6,311,555	
Transportation	7,282,851	7,013,809			7,282,851	7,013,809	
Other	3,180,964	3,205,583	5,775,849	5,678,555	8,956,813	8,884,138	
Total Expenses	89,093,141	85,392,353	5,775,849	5,678,555	94,868,990	91,070,908	4.17%
Increase in Net Position	\$ 9,247,687	\$ 5,262,632	\$ 131,853	\$ 112,163	\$ 9,379,540	\$ 5,374,795	

Governmental Activities

The financial position of the District improved significantly from the prior year. However, maintaining existing programs with increased enrollment, the provision of a multitude of special programs/services for disabled pupils and the cost of employee benefits has placed great demands on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the *Total and Net Cost of Services - Governmental Activities* by the District's six major functions/programs (instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other). The Net Cost of Services is the Total Cost of Services offset by charges for services and federal and state operating grants and contributions provided for each major function/program and represents the financial burden placed on the District's taxpayers for each major function/program.

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Governmental Activities

**Figure A-5
Total and Net Cost of Services - Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 43,543,693	\$ 42,279,029	\$ 30,133,136	\$ 29,554,112
Pupil and Instruction Services	20,990,508	19,618,557	17,940,203	15,706,906
Administration and Business	7,217,597	6,963,820	6,690,128	6,392,505
Maintenance and Operations	6,877,528	6,311,555	6,732,386	6,306,383
Transportation	7,282,851	7,013,809	6,699,355	6,433,780
Other	3,180,964	3,205,583	3,111,282	3,130,798
	<u>\$ 89,093,141</u>	<u>\$ 85,392,353</u>	<u>\$ 71,306,490</u>	<u>\$ 67,524,484</u>

Business-Type Activities

The net position of the District's Business-Type Activities increased \$131,853 during the fiscal year. (Refer to Figure A-4).

This increase is comprised of a \$151,425 increase in the net position of the District's Food Service Fund and a \$19,572 decrease in the net position of the District's Academy for Technology Fund.

The increase in the net position of the District's Food Service Fund is attributed to the increase in operating revenue from sales offset by reductions in non-operating revenue from federal and state subsidies as well as the acquisition and depreciation of its capital assets. The decrease in the net position of the District's Academy for Technology Fund is due to the annual depreciation of its capital assets.

Financial Analysis of the District's Funds

The financial position of the District's funds increased \$3,194,594 on the GAAP basis during the fiscal year.

The fund balance of General Fund increased \$3,869,173 due to excess Extraordinary Aid and Nonpublic Transportation Aid, unexpended budget appropriations and the transfer of unexpended balances from the Capital Projects Fund, offset by withdrawals from the Capital and Maintenance Reserves for capital projects and maintenance expenditures, respectively, during the fiscal year.

The fund balance of the Special Revenue Fund decreased \$35,788 due to a decrease in the Student Activities balance and a decrease in the Scholarship balance during the fiscal year.

The fund balance of the Capital Projects Fund decreased \$710,992 due to expenditures for current year projects and the transfer of unexpended project balances to the General Fund Capital Reserve offset by transfers from the General Fund Capital Reserve.

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Analysis of the District's Funds

The fund balance of the Debt Service Fund decreased \$72,201 due to miscellaneous revenue offset by the appropriation of fund balance in the current year budget.

The State imposes spending and tax levy limits on the District in its budget process. The financial condition has been directly affected in recent years by legislation titled "S1701" which reduced the amount of allowable General Fund unassigned fund balance to 2% of adjusted expenditures. This amount was increased to 4% for the 2021 and 2022 fiscal years.

At June 30, 2024 the District's 2% limit is \$1,602,517 plus allowable adjustments for Extraordinary Aid and additional Nonpublic Transportation Aid of \$870,612, for a total of \$2,473,129 as allowable General Fund unassigned fund balance.

The District made deposits to the capital and maintenance reserves during the fiscal year and appropriated \$1,665,274 of fund balance as revenue in its 2024-2025 budget; therefore, the District has \$2,473,129 (or 2.00%) as unassigned at June 30, 2024 on the budgetary basis and \$1,298,483 on the GAAP basis due to the \$1,174,646 June state aid payments which are not recognized until the fiscal year ended June 30, 2025.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget between budgetary line items for changes in school-based needs and has highlighted the most significant transfers and variances.

	Original Budget	Budget Transfers	Final Budget	Actual	Variance to Actual
Expenditures:					
Total Regular Programs - Instruction	\$ 24,298,565	\$(166,911)	\$ 24,131,654	\$ 23,082,079	\$ 1,049,575
Total Special Education Instruction	3,842,771	(241,915)	3,600,856	3,393,899	206,957
Total Undistributed Expenditures -					
Instruction	6,994,806	(398,371)	6,596,435	5,594,743	1,001,692
Health Services	1,160,855	191,977	1,352,832	1,281,885	70,947
Other Support Services Students -					
Extraordinary Services	913,735	357,078	1,270,813	1,179,659	91,154
Total Central Services	1,152,807	148,389	1,301,196	1,256,316	44,880
Total Custodial Services	4,238,654	236,472	4,475,126	4,004,687	470,439
Total Student Transportation Services	6,162,844	150,963	6,313,807	5,685,643	628,164
Total Allocated Benefits	14,243,918	(193,669)	14,050,249	13,223,066	827,183
Total On-Behalf TPAF Contributions				17,099,492	(17,099,492)
Total Expenditures	\$ 83,336,676	\$ 12,304	\$ 83,348,980	\$ 94,145,825	\$(10,796,845)

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

General Fund Budgetary Highlights

Overall, the District's General Fund budget increased \$186,913 due to a \$174,609 Board-approved withdrawal from the capital reserve account and \$12,304 appropriation of fund balance during the fiscal year. Transfers were made from undistributed expenditures – instruction, required maintenance for school facilities, security, and allocated benefits to regular instruction, special education instruction, central services, custodial services, student extraordinary services, custodial services, and student transportation services. Also, the District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations. The District transferred \$3,629,609 (\$3,455,000 budgeted and \$174,609 added by Board resolution) from the capital reserve account to the Capital Projects Fund for athletic field repairs/tennis court replacement, HVAC upgrades, oil tank removal, classroom upgrades, roofing, lavatory remodeling, bell/clock/sound system/security camera upgrades, cafeteria kitchen upgrades, water and sewer upgrades, auditorium and band lighting, and room C-38 renovation and transferred \$717,988 from the Capital Projects Fund for unexpended balances of completed projects.

Capital Asset and Long-term Liabilities

The District's capital assets (net of depreciation) increased \$2,168,811, or 3.76%, during the fiscal year. (More detailed information about the District's capital assets is presented in Note 6 to the Basic Financial Statements).

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change 2023/24
Sites (Land)	\$ 288,500	\$ 288,500			\$ 288,500	\$ 288,500	
Construction in Progress	7,826,190	6,577,870			7,826,190	6,577,870	
Buildings and Building Improvements	41,535,891	42,335,995			41,535,891	42,335,995	
Land Improvements	5,445,777	4,778,512			5,445,777	4,778,512	
Machinery & Equipment	3,922,318	2,948,400	\$ 884,316	\$ 804,904	4,806,634	3,753,304	
Total Capital Assets, Net of Depreciation	<u>\$ 59,018,676</u>	<u>\$ 56,929,277</u>	<u>\$ 884,316</u>	<u>\$ 804,904</u>	<u>\$ 59,902,992</u>	<u>\$ 57,734,181</u>	3.76%

The District invested \$5,682,964 in capital assets - \$5,558,985 from governmental activities (which includes \$3,622,613 from capital projects and \$1,936,372 from capital outlay for equipment purchases) and \$123,979 from business-type activities. The District incurred \$3,469,586 and \$44,567 of depreciation related to governmental and business-type capital assets, respectively.

Long-term Liabilities

The District's long-term liabilities decreased by \$4,263,491, or 9.50%, during the fiscal year. At fiscal year-end, the District had \$20,865,000 in bonds outstanding (\$14,075,000 refunding bonds and \$6,790,000 ESIP bonds), \$3,756,740 in compensated absences payable, \$550,073 financed purchases payable, \$1,714,398 in unamortized bond issuance premiums and \$13,716,428 in net pension liability as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the Basic Financial Statements).

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Percentage
	2023/24	2022/23	Change 2023/24
General Obligation Bonds (Financed with Property Taxes), Net	\$ 20,865,000	\$ 23,410,000	
Net Pension Liability	13,716,428	15,125,615	
Other Long-Term Liabilities	6,021,211	6,330,515	
	<u>\$ 40,602,639</u>	<u>\$ 44,866,130</u>	-9.50%

During the fiscal year, \$2,260,000 of the District’s general obligation bonds and \$285,000 of its ESIP bonds matured, \$285,733 of bond issuance premiums were amortized, the net pension liability decreased \$1,409,187, compensated absences decreased \$573,644 and financed purchases payable increased \$550,073.

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District is committed to remaining within the 2% cap increase permitted on school levy plus any allowable adjustments for enrollment or health care costs. State Aid decreased in the 2024-2025 budget cycle due to an adjustment to the student count in the 2022 ASSA. The majority of the District’s K-8 sending districts continue to see growth, and that growth is expected to flow into the Morris Hills Regional District over the next several years. The District will continue to monitor costs by implementing best practices which result in efficient operations including sharing services with our local K-8 districts and municipalities in the areas of services and purchasing.
- The District has an agreement with the Morris County School of Technology to host two academy programs in exchange for tuition. These students are not counted on the District’s ASSA for state aid and instead are funded by tuition proceeds. These programs are operated in the financial records as a proprietary fund.
- In an effort to avoid raising taxes for capital improvements, the District has been funding a capital reserve account each year with unexpended appropriations and unanticipated revenue. Those funds are used in subsequent budgets for various capital projects.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 48 Knoll Drive, Rockaway, New Jersey 07866-4088.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,267,183	\$ 525,900	\$ 7,793,083
Internal Balances	150,580	(150,580)	
Receivables from Federal Government	698,449	7,445	705,894
Receivables from State Government	1,689,509	465	1,689,974
Receivables from Other Governments	34,906	151,124	186,030
Other Receivables	183,187	48,724	231,911
Tax Levy Receivable	92,990		92,990
Inventories		12,641	12,641
Restricted Assets - Cash and Cash Equivalents	7,029,263		7,029,263
Capital Assets, Net:			
Sites (Land) and Construction in Progress	8,114,690		8,114,690
Depreciable Buildings and Building Improvements, Land Improvements, and Machinery & Equipment	50,903,986	884,316	51,788,302
Total Assets	76,164,743	1,480,035	77,644,778
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Debt Refunding	2,010,720		2,010,720
Deferred Outflows of Resources Related to Pensions	1,906,614		1,906,614
Total Deferred Outflows of Resources	3,917,334		3,917,334
LIABILITIES			
Current Liabilities:			
Payable to Federal Government	10		10
Payable to State Government	23,747		23,747
Accounts Payable	4,974,035	25,948	4,999,983
Accrued Interest Payable	186,782		186,782
Unearned Revenue	57,133	41,901	99,034
Noncurrent Liabilities:			
Due Within One Year	3,032,660		3,032,660
Due Beyond One Year	37,569,979		37,569,979
Total Liabilities	45,844,346	67,849	45,912,195
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	1,849,493		1,849,493
Total Deferred Inflows of Resources	1,849,493		1,849,493
NET POSITION			
Net Investment in Capital Assets	37,899,925	884,316	38,784,241
Restricted for:			
Capital Projects	5,751,566		5,751,566
Debt Service	206,540		206,540
Maintenance	200,040		200,040
Unemployment Compensation	432,302		432,302
Scholarships	348,534		348,534
Student Activities	296,821		296,821
Unrestricted (Deficit)	(12,747,490)	527,870	(12,219,620)
Total Net Position	\$ 32,388,238	\$ 1,412,186	\$ 33,800,424

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues				Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 32,248,908		\$ 5,447,511		\$ (26,801,397)		\$ (26,801,397)
Special Education	6,820,793		7,211,474		390,681		390,681
Other Special Instruction	561,290		117,129		(444,161)		(444,161)
School-Sponsored Other Instruction	3,912,702		634,443		(3,278,259)		(3,278,259)
Support Services:							
Tuition	5,594,743				(5,594,743)		(5,594,743)
Student & Instruction Related Services	15,395,765	\$ 442,338	2,607,967		(12,345,460)		(12,345,460)
General Administration Services	1,655,307				(1,655,307)		(1,655,307)
School Administration Services	3,088,628		527,469		(2,561,159)		(2,561,159)
Central Services	1,536,548				(1,536,548)		(1,536,548)
Administrative Information Technology	937,114				(937,114)		(937,114)
Plant Operations and Maintenance	6,877,528			\$ 145,142	(6,732,386)		(6,732,386)
Pupil Transportation	7,282,851		583,496		(6,699,355)		(6,699,355)
Special Schools	375,561		69,682		(305,879)		(305,879)
Interest on Long-Term Debt	237,852				(237,852)		(237,852)
Unallocated Depreciation*	2,567,551				(2,567,551)		(2,567,551)
Total Governmental Activities	89,093,141	442,338	17,199,171	145,142	(71,306,490)		(71,306,490)

* - Excludes direct depreciation expenses of the various programs.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,809,304	\$ 1,292,466	\$ 668,263		\$ 151,425	\$ (19,572)	\$ 151,425 (19,572)
Academy for Technology	2,781,092	2,761,520					
Shared Services	1,185,453	1,185,453					
Total Business-Type Activities	5,775,849	5,239,439	668,263			131,853	131,853
Total Primary Government	<u>\$ 94,868,990</u>	<u>\$ 5,681,777</u>	<u>\$ 17,867,434</u>	<u>\$ 145,142</u>	<u>\$ (71,306,490)</u>	<u>131,853</u>	<u>(71,174,637)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					69,210,821		69,210,821
Taxes Levied for Debt Service					2,352,374		2,352,374
Federal and State Aid Not Restricted					8,236,263		8,236,263
Tuition Charges					277,169		277,169
Investment Earnings					301,027		301,027
Miscellaneous Income					176,523		176,523
Total General Revenues					80,554,177	- 0 -	80,554,177
Change in Net Position					9,247,687	131,853	9,379,540
Net Position - Beginning					23,140,551	1,280,333	24,420,884
Net Position - Ending					<u>\$ 32,388,238</u>	<u>\$ 1,412,186</u>	<u>\$ 33,800,424</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

MORRIS HILLS REGIONAL SCHOOL DISTRICT

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,870,224		\$ 3,190,419	\$ 206,540	\$ 7,267,183
Interfund Receivable	677,264				677,264
Receivables from Federal Government	5,190	\$ 693,259			698,449
Receivables from State Government	1,682,000	7,509			1,689,509
Receivables from Other Governments	34,906				34,906
Tax Levy Receivable	92,990				92,990
Other Receivables	180,208	2,979			183,187
Restricted Cash and Cash Equivalents	6,383,908	645,355			7,029,263
Total Assets	<u>\$ 12,926,690</u>	<u>\$ 1,349,102</u>	<u>\$ 3,190,419</u>	<u>\$ 206,540</u>	<u>\$ 17,672,751</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 526,684			\$ 526,684
Payable to Federal Government		10			10
Payable to State Government		23,747			23,747
Accounts Payable	\$ 3,141,959	130,354	\$ 329,394		3,601,707
Unearned Revenue	34,181	22,952			57,133
Total Liabilities	<u>3,176,140</u>	<u>703,747</u>	<u>329,394</u>		<u>4,209,281</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	5,751,566				5,751,566
Maintenance Reserve Account	200,040				200,040
Unemployment Compensation	432,302				432,302
Scholarships		348,534			348,534
Student Activities		296,821			296,821
Debt Service Fund				\$ 206,540	206,540
Committed			2,861,025		2,861,025
Assigned:					
Encumbrances	402,885				402,885
For Subsequent Year's Expenditures	1,665,274				1,665,274
Unassigned	1,298,483				1,298,483
Total Fund Balances	<u>9,750,550</u>	<u>645,355</u>	<u>2,861,025</u>	<u>206,540</u>	<u>13,463,470</u>
Total Liabilities and Fund Balances	<u>\$ 12,926,690</u>	<u>\$ 1,349,102</u>	<u>\$ 3,190,419</u>	<u>\$ 206,540</u>	<u>\$ 17,672,751</u>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different because:

Total Fund Balances (Per Above)	\$ 13,463,470
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	59,018,676
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows of Resources Related to Pensions	1,906,614
District Contributions Subsequent to the Measurement Date are not paid with current economic resources and are therefore reported as a liabilities in the funds, but are included in the accounts Payable in the Statement of Net Position.	(1,372,328)
Deferred Inflows of Resources Related to Pensions	(1,849,493)
Long-Term Liabilities, including Bonds and the Net PERS Pension Liability Payable, are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(40,602,639)
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.	2,010,720
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(186,782)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 32,388,238</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 69,210,821			\$ 2,352,374	\$ 71,563,195
Tuition Charges	277,169				277,169
Restricted Miscellaneous Revenue		\$ 442,338			442,338
Unrestricted Miscellaneous Revenue	305,348	3,076	\$ 172,202		480,626
Total - Local Sources	69,793,338	445,414	172,202	2,352,374	72,763,328
State Sources	30,578,018	541,077			31,119,095
Federal Sources	5,190	2,152,125			2,157,315
Total Revenues	100,376,546	3,138,616	172,202	2,352,374	106,039,738
EXPENDITURES					
Current:					
Regular Instruction	23,082,079	187,631			23,269,710
Special Education Instruction	3,393,899	1,689,733			5,083,632
Other Special Instruction	459,329				459,329
School-Sponsored Other Instruction	3,360,170				3,360,170
Support Services and Undistributed Costs:					
Tuition	5,594,743				5,594,743
Student & Instruction Related Services	9,276,169	1,151,898			10,428,067
General Administration Services	1,018,277				1,018,277
School Administration Services	2,089,502				2,089,502
Central Services	1,256,316				1,256,316
Administrative Information Technology	829,199				829,199
Plant Operations and Maintenance	5,519,387				5,519,387
Pupil Transportation	5,685,643				5,685,643

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Current:					
Allocated Benefits	\$ 13,186,737				\$ 13,186,737
Unallocated Benefits	17,099,492				17,099,492
Capital Outlay	1,979,980	\$ 145,142	\$ 3,622,613		5,747,735
Special Schools	314,903				314,903
Debt Service:					
Principal				\$ 2,260,000	2,260,000
Interest and Other Charges				192,375	192,375
Total Expenditures	94,145,825	3,174,404	3,622,613	2,452,375	103,395,217
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	6,230,721	(35,788)	(3,450,411)	(100,001)	2,644,521
OTHER FINANCING SOURCES/(USES)					
Financed Purchases (Non-Budgeted)	550,073				550,073
Transfers In	717,988		3,629,609	172,202	4,519,799
Transfers Out	(3,629,609)		(890,190)		(4,519,799)
Total Other Financing Sources/(Uses)	(2,361,548)	- 0 -	2,739,419	172,202	550,073
Net Change in Fund Balances	3,869,173	(35,788)	(710,992)	72,201	3,194,594
Fund Balance—July 1	5,881,377	681,143	3,572,017	134,339	10,268,876
Fund Balance—June 30	\$ 9,750,550	\$ 645,355	\$ 2,861,025	\$ 206,540	\$ 13,463,470

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 3,194,594
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit 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 depreciation differs from capital outlays.	
	2,089,399
Financed purchases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.	(550,073)
Repayment of debt service 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.	2,545,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	8,490
The governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)	285,733
The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)	(335,120)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	1,409,187
Change in Deferred Outflows of Resources Related to Pensions	(877,194)
Change in Deferred Inflows of Resources Related to Pensions	904,027
In the statement of activities, certain operating expenditures, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	573,644
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 9,247,687</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total Enterprise Funds
	Food Service	Academy for Technology	Shared Services	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 519,281	\$ 6,619		\$ 525,900
Receivable from:				
Federal Government	7,445			7,445
State Government	465			465
Other Governments			\$ 151,124	151,124
Other Receivable	48,724			48,724
Inventories	12,641			12,641
Total Current Assets	588,556	6,619	151,124	746,299
Non-Current Assets:				
Capital Assets	994,558	1,002,113		1,996,671
Less: Accumulated Depreciation	(423,399)	(688,956)		(1,112,355)
Total Non-Current Assets	571,159	313,157		884,316
Total Assets	1,159,715	319,776	151,124	1,630,615
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund			150,580	150,580
Accounts Payable	25,404		544	25,948
Unearned Revenue:				
Prepaid Sales	41,901			41,901
Total Current Liabilities	67,305		151,124	218,429
Total Liabilities	67,305		151,124	218,429
NET POSITION:				
Investment in Capital Assets	571,159	313,157		884,316
Unrestricted	521,251	6,619		527,870
Total Net Position	\$ 1,092,410	\$ 319,776	\$ - 0 -	\$ 1,412,186

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total
	Food	Academy	Shared	Enterprise
	Service	for	Services	Funds
		Technology		
Operating Revenue:				
Charges for Services:				
Daily Sales:				
Reimbursable Programs	\$ 611,458			\$ 611,458
Non-Reimbursable Programs	666,538			666,538
Total Daily Sales	1,277,996			1,277,996
Special Events	14,470			14,470
Tuition		\$ 2,761,520		2,761,520
Service Fees			\$ 1,185,453	1,185,453
Total Operating Revenue	1,292,466	2,761,520	1,185,453	5,239,439
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	584,394			584,394
Non-Reimbursable Programs	300,542			300,542
Total Cost of Sales	884,936			884,936
Salaries	522,222	2,105,791	746,008	3,374,021
Payroll Taxes	82,331	50,881	18,568	151,780
Employee Benefits	82,628	604,848	310,277	997,753
Purchased Professional/Educational Services			93,600	93,600
Other Purchased Services	39,537		2,000	41,537
Purchased Property Services	104,680			104,680
Supplies and Materials	67,975		15,000	82,975
Depreciation Expense	24,995	19,572		44,567
Total Operating Expenses	1,809,304	2,781,092	1,185,453	5,775,849
Operating Income/(Loss)	(516,838)	(19,572)	- 0 -	(536,410)
Non-Operating Revenue:				
Federal Sources:				
School Breakfast Program	85,237			85,237
National School Lunch Program	340,461			340,461
Food Distribution Program	106,645			106,645
COVID-19:				
Pandemic EBT Food Benefits	653			653
Supply Chain Assistance	97,156			97,156
Local Food for Schools (LFS) Cooperative	7,534			7,534
State Sources:				
School Breakfast Program	4,185			4,185
School Lunch Program	26,392			26,392
Total Non-Operating Revenue	668,263			668,263
Change in Net Position	151,425	(19,572)	- 0 -	131,853
Net Position - Beginning of Year	940,985	339,348	- 0 -	1,280,333
Net Position - End of Year	\$ 1,092,410	\$ 319,776	\$ - 0 -	\$ 1,412,186

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds				
	Major Funds				Total Enterprise Funds
	Food Service	Academy for Technology	Shared Services	Totals	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 1,262,374	\$ 2,761,520	\$ 1,035,006	\$ 5,058,900	\$ 5,058,900
Payments to Employees		(2,156,672)	(764,576)	(2,921,248)	(2,921,248)
Payments to Food Service Vendor	(1,614,534)			(1,614,534)	(1,614,534)
Payments to Suppliers	(62,146)	(604,848)	(270,430)	(937,424)	(937,424)
Net Cash Provided by/(Used for) Operating Activities	(414,306)	- 0 -	- 0 -	(414,306)	(414,306)
Cash Flows from Noncapital and Related Financing Activities:					
Federal Subsidy Reimbursements	442,594			442,594	442,594
Federal Pandemic EBT Food Benefits	653			653	653
Local Food for Schools (LFS) Cooperative	6,527			6,527	6,527
COVID-19 - Supply Chain Assistance	72,830			72,830	72,830
State Subsidy Reimbursements	31,290			31,290	31,290
Net Cash Provided by Noncapital and Related Financing Activities	553,894			553,894	553,894
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets	(123,979)			(123,979)	(123,979)
Net Cash Used for Capital and Related Financing Activities	(123,979)			(123,979)	(123,979)
Net Increase/(Decrease) in Cash and Cash Equivalents	15,609	- 0 -	- 0 -	15,609	15,609
Cash and Cash Equivalents, July 1	503,672	6,619	- 0 -	510,291	510,291
Cash and Cash Equivalents, June 30	\$ 519,281	\$ 6,619	\$ - 0 -	\$ 525,900	\$ 525,900
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (516,838)	\$ (19,572)	\$ - 0 -	\$ (536,410)	\$ (536,410)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Depreciation	24,995	19,572		44,567	44,567
Federal Food Distribution Program	106,645			106,645	106,645
Changes in Assets and Liabilities:					
(Increase)/Decrease in Receivables:					
Federal Government Canceled	789			789	789
Other	(48,724)		(150,447)	(199,171)	(199,171)
(Increase) in Inventory	(908)			(908)	(908)
Increase in Accounts Payable	1,770		470	2,240	2,240
Increase in Interfund Payable			149,977	149,977	149,977
Increase in Unearned Revenue - Prepaid Sales	17,965			17,965	17,965
Net Cash Provided by/(Used for) Operating Activities	\$ (414,306)	\$ - 0 -	\$ - 0 -	\$ (414,306)	\$ (414,306)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$106,645 for the fiscal year ended June 30, 2024.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Morris Hills Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences, and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

The District reports the following proprietary funds:

Enterprise (Food Service, Academy for Technology, and Shared Services) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria, academy for technology and shared services (special education and custodial) operations. The food service, academy for technology and shared services (special education and custodial) funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or other school districts on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases are reported as other financing sources.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, except for 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that it recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of the June State Aid payments for the current fiscal year. Since the State is recording the June State Aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 100,671,722	\$ 3,157,453
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Current Year Encumbrances		(18,837)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	879,470	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,174,646)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 100,376,546</u>	<u>\$ 3,138,616</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 94,145,825	\$ 3,193,241
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, not in the Year the Supplies are Received for GAAP Reporting Purposes:		
Current Year Encumbrances		(18,837)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 94,145,825</u>	<u>\$ 3,174,404</u>

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments: (Cont'd)

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed, or assigned 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 unearned revenue at fiscal year-end.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are recorded at their acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Land Improvements	10 to 20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 to 10 years

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages for this purpose as of June 30, 2024.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Leases Payable:

In the District-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the Governmental Fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscriptions Payable:

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the Governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the General and Special Revenue Funds represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

T. Fund Balance Appropriated:

General Fund: Of the \$9,750,550 General Fund balance at June 30, 2024, \$5,751,566 is restricted in the capital reserve account; \$200,040 is restricted in the maintenance reserve account; \$432,302 is restricted for unemployment compensation; \$1,665,274 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2025; \$402,885 is assigned for year-end encumbrances, and \$1,298,483 is unassigned which is \$1,174,646 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: Of the \$645,355 Special Revenue Fund balance at June 30, 2024, \$348,534 is restricted for scholarships and \$296,821 is restricted for student activities.

Capital Projects Fund: The \$2,861,025 Capital Projects Fund balance at June 30, 2024 is committed.

Debt Service Fund: The Debt Service Fund balance at June 30, 2024 of \$206,540 is restricted, of which \$34,338 is included as anticipated budget revenue for the fiscal year ending June 30, 2025.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District did not have excess surplus at June 30, 2024.

N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record those state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications.

In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established in the General Fund for capital reserve, maintenance reserve and unemployment compensation, in the Special Revenue Fund for student activities and scholarships and for the Debt Service Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion, or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designation for the subsequent fiscal year's expenditures in the General Fund at June 30, 2024.

V. Deficit Net Position:

The District has a \$12,747,490 deficit in unrestricted net position primarily due to the accrual of compensated absences payable, interest payable, deferred inflows related to pensions, and the net PERS pension liability, offset by deferred outflows related to pensions and Governmental Funds unassigned, committed and assigned fund balances. The deficit balance does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2024 related to pensions and for the deferred amount on refunding of debt related to the District's 2020 refunding school bonds.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2024 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. For the School District, these revenues are sales for food service, tuition for the academy for technology and fees for shared services (special education and custodial). Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions:

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

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.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute and are detailed in the section of this note on Investments.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Custodial Credit Risk – The District’s policy with respect to custodial credit risk ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30,
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 7,793,083</u>	<u>\$ 7,029,263</u>	<u>\$ 14,822,346</u>
	<u>\$ 7,793,083</u>	<u>\$ 7,029,263</u>	<u>\$ 14,822,346</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$14,822,346 and the bank balance was \$15,456,459.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board on September 25, 2000, by inclusion of \$1,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023		\$ 4,237,119
Interest Earnings	\$ 200	
Increase by Board Resolution - June 17, 2024	4,425,868	
Unexpended Funds Returned - Capital Projects Fund	<u>717,988</u>	
		5,144,056
Budgeted Withdrawals	(3,455,000)	
Withdrawals by Board Resolution	<u>(174,609)</u>	
		<u>(3,629,609)</u>
Ending Balance, June 30, 2024		<u>\$ 5,751,566</u>

The balance in the capital reserve account at June 30, 2024 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$200,000 was established by Board resolution on June 20, 2011. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023		\$ 200,030
Interest Earnings	\$ 10	
Increase by Board Resolution - June 17, 2024	<u>200,000</u>	
		<u>200,010</u>
		400,040
 Budgeted Withdrawals		 <u>(200,000)</u>
 Ending Balance, June 30, 2024		 <u>\$ 200,040</u>

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 288,500			\$ 288,500
Construction in Progress	<u>6,577,870</u>	<u>\$ 3,622,613</u>	<u>\$(2,374,293)</u>	<u>7,826,190</u>
Total Capital Assets Not Being Depreciated	<u>6,866,370</u>	<u>3,622,613</u>	<u>(2,374,293)</u>	<u>8,114,690</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$115,234,934		\$ 1,559,126	\$116,794,060
Land Improvements	8,893,971	\$ 12,951	815,167	9,722,089
Machinery and Equipment	17,371,318	1,923,421		19,294,739
Total Capital Assets Being Depreciated	141,500,223	1,936,372	2,374,293	145,810,888
Governmental Activities Capital Assets	148,366,593	5,558,985		153,925,578
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(72,898,939)	(2,359,230)		(75,258,169)
Land Improvements	(4,115,459)	(160,853)		(4,276,312)
Machinery and Equipment	(14,422,918)	(949,503)		(15,372,421)
	(91,437,316)	(3,469,586)		(94,906,902)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 56,929,277</u>	<u>\$ 2,089,399</u>	<u>\$ - 0 -</u>	<u>\$ 59,018,676</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 910,890			\$ 910,890
Machinery and Equipment	961,802	\$ 123,979		1,085,781
Total Capital Assets Being Depreciated	1,872,692	123,979		1,996,671
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(450,161)	(19,572)		(469,733)
Machinery and Equipment	(617,627)	(24,995)		(642,622)
	(1,067,788)	(44,567)		(1,112,355)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 804,904</u>	<u>\$ 79,412</u>	<u>\$ - 0 -</u>	<u>\$ 884,316</u>

The increases totaling \$5,682,964, including \$3,622,613 towards construction projects in progress, represent current fiscal year capitalized expenditures in the General and Capital Projects Funds and Business-Type Activities. As of June 30, 2024, the District had active construction projects balances totaling \$2,861,025. The District had \$703,837 in outstanding construction commitments at June 30, 2024.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged directly to governmental functions as follows:

Regular Instruction	\$ 65,180
Student and Instruction Related Services	65,763
General Administrative Services	507,982
Plant Operations and Maintenance	26,161
Pupil Transportation	236,949
Unallocated (Not Associated with an Identifiable Function or Program)	<u>2,567,551</u>
	<u><u>\$ 3,469,586</u></u>

NOTE 7: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred \$309,332 to facilities acquisition and construction services which required County Superintendent approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Added	Retired	Balance 6/30/2024	Balance Due Within One Year
School Refunding Bonds Payable	\$16,335,000		\$2,260,000	\$14,075,000	\$ 2,275,000
ESIP Bonds Payable	7,075,000		285,000	6,790,000	295,000
Compensated Absences Payable	4,330,384	\$ 27,773	601,417	3,756,740	59,683
Unamortized Bond Issuance					
Premiums	2,000,131		285,733	1,714,398	285,733
Net Pension Liability	15,125,615		1,409,187	13,716,428	
Financed Purchases Payable		550,073		550,073	117,244
	<u>\$44,866,130</u>	<u>\$ 577,846</u>	<u>\$4,841,337</u>	<u>\$40,602,639</u>	<u>\$ 3,032,660</u>

A. Bonds Payable:

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

On July 16, 2020, the District issued refunding bonds of \$17,615,000 with annual interest rates ranging from 0.446% to 1.662% to refund \$15,475,000 of 2012 refunding school bonds with an interest rate of 5% for the construction of renovations to the District's two high schools.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The District had refunding bonds outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2020 Refunding Bonds	10/01/2029	0.893%-1.662%	<u>\$ 14,075,000</u>

Principal and interest due on the District's 2020 refunding bonds outstanding is liquidated by the Debt Service Fund as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,275,000	\$ 174,397	\$ 2,449,397
2026	2,300,000	152,360	2,452,360
2027	2,325,000	125,531	2,450,531
2028	2,360,000	94,108	2,454,108
2029	2,390,000	58,970	2,448,970
Thereafter:			
2030	<u>2,425,000</u>	<u>20,152</u>	<u>2,445,152</u>
	<u>\$ 14,075,000</u>	<u>\$ 625,518</u>	<u>\$ 14,700,518</u>

On April 3, 2019, the District issued energy savings obligation refunding bonds of \$8,230,000 with interest rates ranging from 2.0% to 5.0%. The bonds mature on July 15, 2020 through 2039. The energy savings obligation refunding bonds were issued to fund the implementation of the District's energy savings improvement plan ("ESIP"), entailing various permitted energy conservation measures under the ESIP Law. This includes installation of interior and exterior lighting upgrades and replacements, lighting occupancy sensors, energy management systems, HVAC systems and control systems, building exterior weatherization improvements and small-scale solar PV systems.

The ESIP Law (P.L. 2009, c. 4) allowed the District to issue energy savings obligation refunding bonds without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements (collectively, "ECMs"); provided that the value of the savings will cover the cost of the ECMs. The ESIP law provides, however, that notwithstanding any law to the contrary, energy savings obligation refunding bonds shall not be excepted from any budget or school levy limitation otherwise provided by law, and shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregate basis).

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The District had ESIP bonds outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
ESIP Bonds	7/15/2039	4.00%-5.00%	<u>\$ 6,790,000</u>

Principal and interest due on the District's ESIP bonds outstanding is liquidated by the General Fund as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 295,000	\$ 298,075	\$ 593,075
2026	250,000	284,450	534,450
2027	280,000	271,200	551,200
2028	305,000	256,575	561,575
2029	330,000	242,350	572,350
Thereafter:			
2030-2034	2,095,000	981,250	3,076,250
2035-2039	2,605,000	484,325	3,089,325
2040	<u>630,000</u>	<u>15,750</u>	<u>645,750</u>
	<u>\$ 6,790,000</u>	<u>\$ 2,833,975</u>	<u>\$ 9,623,975</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the District had no bonds authorized but not issued.

C. Unamortized Bond Issuance Premiums:

The liability for unamortized bond issuance premiums of the governmental fund types is recorded in current and long-term portions. The current portion of unamortized bond issuance premiums at June 30, 2024 is \$285,733 and the long-term portion is \$1,428,665.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions and is liquidated by the General Fund. The current portion of compensated absences payable at June 30, 2024 is \$59,683 and the long-term portion is \$3,697,057.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees; however, there was no liability as of June 30, 2024.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$13,716,428. See Note 9 for further information on the PERS.

F. Financed Purchases Payable:

In fiscal year 2024, the District entered a financed purchase in the amount of \$550,073 for buses. The District has one financed purchase for \$550,073 of which \$-0- has been liquidated as of June 30, 2024. The financed purchase is for five years. The schedule of the future minimum financed purchase payments under the District's financed purchase and the present value of the net minimum financed purchase payments at June 30, 2024 are detailed below.

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 121,185
2026	121,185
2027	121,185
2028	121,185
2029	121,185
	<u>605,925</u>
Less: Amount representing interest	<u>(55,852)</u>
Present value of net minimum lease payments	<u>\$ 550,073</u>

The current portion of financed purchases payable at June 30, 2024 is \$117,244 and the long-term portion is \$432,829. The General Fund will be used to liquidate financed purchases payable.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. 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 the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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.

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.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

District contributions to PERS amounted to \$1,265,666 for fiscal year 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$42,776 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$13,716,428 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0947%, which was a decrease of 0.0055% the same from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$157,403 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$42,776 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of the net pension liability attributable to the District as of June 30, 2023.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions
(Cont'd)

At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2019	5.21 years		\$ 74,507
2020	5.16 years		677,944
2021	5.13 years	\$ 30,132	
2022	5.04 years		78,823
		<u>30,132</u>	<u>831,274</u>
Changes in Proportion:			
2019	5.21 years		21,490
2020	5.16 years	309,841	
2021	5.13 years		13,947
2022	5.04 years		186,632
2023	5.08 years		740,082
		<u>309,841</u>	<u>962,151</u>
Difference Between Expected and Actual Experience:			
2019	5.21 years	5,695	
2020	5.16 years	37,771	
2021	5.13 years		23,963
2022	5.04 years		32,105
2023	5.08 years	87,681	
		<u>131,147</u>	<u>56,068</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions
(Cont'd)

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2020	5 years	\$ 212,417	
2021	5 years	(1,766,560)	
2022	5 years	2,101,778	
2023	5 years	(484,469)	
		<u>63,166</u>	
District Contribution Subsequent to the Measurement Date - 2023	1 year	<u>1,372,328</u>	
		<u>\$ 1,906,614</u>	<u>\$ 1,849,493</u>

The \$1,372,328 District contribution subsequent to the measurement date will be included as a reduction of its net pension liability in the subsequent fiscal year.

Amounts reported as deferred outflows and inflows of resources (excluding amount of employer specific District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense/(benefit) as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (727,895)
2025	(610,804)
2026	321,219
2027	(284,935)
2028	(12,791)
	<u>\$ (1,315,207)</u>

Actuarial Assumptions

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.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 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 pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the table below and on the following page.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 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 in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table on the following page presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed in this note, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 17,855,871	\$ 13,716,428	\$ 10,193,215

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' 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 contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 before age 65 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 their 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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. During the fiscal year ended 2024, the State of New Jersey contributed \$11,577,987 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$3,381,913.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$137,660,319. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.2697%, which was an increase of 0.0067% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>137,660,319</u>
Total	<u>\$ 137,660,319</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$3,381,913 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows and inflows of resources related to pensions from the following sources:

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2016	8.30 years	\$ 391,340,712	
2017	8.30 years		\$ 2,080,865,206
2018	8.29 years		1,883,063,885
2019	8.04 years		1,514,535,609
2020	7.99 years	805,517,879	
2021	7.93 years		9,179,534,541
2022	7.83 years	82,066,487	
		1,278,925,078	14,657,999,241
Difference Between Expected and Actual Experience:			
2016	8.30 years		4,866,656
2017	8.30 years	37,022,988	
2018	8.29 years	330,339,649	
2019	8.04 years		58,842,090
2020	7.99 years		4,293,040
2021	7.93 years	121,815,868	
2022	7.83 years		15,372,285
2023	7.93 years	169,161,907	
		658,340,412	83,374,071
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2020	5 years	241,395,539	
2021	5 years	(1,777,316,905)	
2022	5 years	2,489,500,994	
2023	6 years	(477,296,442)	
		476,283,186	
		\$ 2,413,548,676	\$ 14,741,373,312

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows and inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

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%

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 a 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.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 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 Markets 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 – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to projected benefit payments in determining the total pension liability.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed in this note, as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 162,326,496	\$ 137,660,319	\$ 116,885,535

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$52,162 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$70,908 for the fiscal year ended June 30, 2024.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the 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 Pensions*. The State Health Benefits 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 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payment	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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.

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

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

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement 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. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were 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.

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 decreases 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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 State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 124,569,442
Changes for Year:	
Service Cost	4,930,770
Interest Cost	4,546,721
Difference Between Expected and Actual Experience	(1,780,068)
Changes in Assumptions	260,211
Member Contributions	116,516
Gross Benefit Payments	<u>(3,544,243)</u>
Net Changes	<u>4,529,907</u>
Balance at June 30, 2023	<u>\$ 129,099,349</u>

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

The following table presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 151,346,823	\$ 129,099,349	\$ 111,237,210

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Cost Trend Rate

The following table presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 107,172,363	\$ 129,099,349	\$ 157,790,866

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$3,684,205 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2023, the State deferred outflows and inflows of resources related to OPEB attributable to the District is from the following sources:

	Year of Deferral	Original Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption	2017	9.54 years		\$ 4,651,936
	2018	9.51 years		4,815,172
	2019	9.29 years	\$ 708,387	
	2020	9.24 years	17,318,898	
	2021	9.24 years	98,574	
	2022	9.13 years		26,159,697
	2023	9.30 years	232,231	
			<u>18,358,090</u>	<u>35,626,805</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Cont'd)

	<u>Year of Deferral</u>	<u>Original Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	2018	9.51 years		\$ 4,551,836
	2019	9.29 years		8,337,763
	2020	9.24 years	\$ 16,141,892	
	2021	9.24 years		18,956,535
	2022	9.13 years	2,694,073	
	2023	9.30 years		2,157,347
			<u>18,835,965</u>	<u>34,003,481</u>
Changes in Proportion	N/A	N/A	<u>4,583,335</u>	<u>1,058,525</u>
			<u>\$ 41,777,390</u>	<u>\$ 70,688,811</u>

N/A - Not Available

Amounts reported as deferred outflows and inflows of resources excluding changes in proportion related to OPEB attributable to the District will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (6,438,059)
2025	(6,438,059)
2026	(5,595,582)
2027	(3,298,943)
2028	(675,254)
Total Thereafter	<u>(9,990,334)</u>
	<u>\$ (32,436,231)</u>

NOTE 11. 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. The District has health benefits coverage for its employees under the State of New Jersey Employees' Health Benefit Plan.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance

The Morris Hills Regional School District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

The June 30, 2024 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

	<u>New Jersey Schools Insurance Group (NJSIG)</u>
Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Member Dividends	\$ 2,599,938
Change in Net Position	\$ 16,304,414

Financial statements for the Group are available at the Group's Office or website:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
(609) 386-6060
www.njsig.org

There has been no significant reduction in insurance coverage from the previous year and there have not been any settlements in excess of insurance coverages in any of the prior three years.

New Jersey Unemployment Compensation Insurance

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of District contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the District's restricted unemployment compensation fund balance in the General Fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ - 0 -	\$ 37	\$ 133,694	\$ 103,461	\$ 432,302
2022-2023	- 0 -	37	134,428	128,889	402,032
2021-2022	- 0 -	32	175,437	129,133	396,456

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

403b

The Legend Group 4600 East Park Drive Suite 300 Palm Beach Gardens, FL 33410	Equitable Life Insurance Co. AXA Advisors, LLC 90 Woodbridge Center Drive Woodbridge, NJ 07095	Aspire Financial Services 4010 Boy Scout Boulevard Suite 450 Tampa, FL 33607
Lincoln National Life Insurance Co. PO Box 2340 Fort Wayne, IN 46801-2340	Mass Mutual Financial Group 1295 State Street Springfield, MA 01111-0001	MetLife PO Box 10356 Des Moines, IA 50303-0356
Variable Annuity Life Insurance Co. 205 E. 10th Avenue Amarillo, TX 79101	Security Benefit One Security Benefit Place Topeka, KS 66636	Lincoln Investment Planning 601 Office Center Drive Suite 300 Fort Washington, PA 19034

457

Equitable Life Insurance Co. AXA Advisors, LLC 90 Woodbridge Center Drive Woodbridge, NJ 07095	The Legend Group 4600 East Park Drive Suite 300 Palm Beach Gardens, FL 33410	MetLife PO Box 10356 Des Moines, IA 50303-0356
Security Benefit One Security Benefit Place Topeka, KS 66636		

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 677,264	
Special Revenue Fund		\$ 526,684
Proprietary Funds:		
Shared Services		150,580
	<u>\$ 677,264</u>	<u>\$ 677,264</u>

The interfund receivable balance in the General Fund represents interfund loans advanced to the Special Revenue Fund while awaiting collection of federal grant reimbursements and to the Proprietary Funds while awaiting the collection of accounts receivable.

During the fiscal year, the General Fund transferred \$3,629,609 to the Capital Projects Fund for the local share of capital projects, and the Capital Projects Fund transferred \$717,988 of unexpended balance for the local share of projects to the General Fund and \$172,202 of interest earnings to the Debt Service Fund.

NOTE 14. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2024:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Accrued Salaries and Wages	\$ 75,042	\$ 1,680			\$ 76,722	\$ 544
Payroll Deductions and Withholdings	1,174,728				1,174,728	
Vendors	1,892,189	82,341	\$ 329,394		2,303,924	25,404
Due to:						
State of New Jersey		46,333		\$ 1,372,328	1,418,661	
	<u>\$3,141,959</u>	<u>\$ 130,354</u>	<u>\$ 329,394</u>	<u>\$ 1,372,328</u>	<u>\$ 4,974,035</u>	<u>\$ 25,948</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in claims and lawsuits arising in the normal course of business, including issues regarding special education. The Board does not believe that the ultimate outcome of these claims will have a material adverse effect on the District's financial position.

Grant Programs

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

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All the governmental funds are considered to be major funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 402,885	\$ 18,837	\$ 703,837	\$ 1,125,559

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned to yearend encumbrances in the Special Revenue Fund, which is \$18,837 less than actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected either as a reduction of grants receivable or an increase in unearned revenue. The \$703,837 of encumbrances in the Capital Projects Fund are included in the \$2,861,025 committed fund balance on a GAAP and budgetary basis at June 30, 2024.

NOTE 16. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the regional school district on a predetermined mutually agreed-upon schedule.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 17. ECONOMIC DEPENDENCY

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

NOTE 18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Wharton recognized revenue in the amount of \$748,405 from two payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2023 without the abatements would have been \$1,210,058 of which \$308,581 would have been regional school taxes.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability	0.0962923203%	0.0954496502%	0.1020423880%	0.0961607878%	0.0982396375%
District's Proportionate Share of the Net Pension Liability	\$ 18,028,556	\$ 21,426,534	\$ 30,222,029	\$ 22,384,694	\$ 19,342,895
District's Covered Employee Payroll	\$ 6,627,964	\$ 6,819,569	\$ 6,608,576	\$ 6,781,784	\$ 6,639,087
District's Proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	272.01%	314.19%	457.32%	330.07%	291.35%
Plan Fiduciary Net Position as a % of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%
	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
District's Proportion of the Net Pension Liability	0.0958858628%	0.1020076279%	0.1018535970%	0.1002268730%	0.0946981060%
District's Proportionate Share of the Net Pension Liability	\$ 17,277,178	\$ 16,634,776	\$ 12,066,086	\$ 15,125,165	\$ 13,716,428
District's Covered Employee Payroll	\$ 7,093,614	\$ 7,391,394	\$ 7,356,441	\$ 7,196,765	\$ 7,136,830
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	243.56%	225.06%	164.02%	210.17%	192.19%
Plan Fiduciary Net Position as a % of the Total Pension Liability	56.27%	58.32%	70.33%	62.91%	65.23%

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 793,820	\$ 820,611	\$ 912,135	\$ 903,471	\$ 1,013,329
Contributions in relation to the Contractually Required Contribution	<u>(793,820)</u>	<u>(820,611)</u>	<u>(912,135)</u>	<u>(903,471)</u>	<u>(1,013,329)</u>
Contribution Deficiency/(Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
District's Covered Employee Payroll	\$ 6,819,569	\$ 6,608,576	\$ 6,781,784	\$ 6,639,087	\$ 7,093,614
Contributions as a % of Covered Employee Payroll	11.64%	12.42%	13.45%	13.61%	14.29%
	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 937,288	\$ 1,115,914	\$ 1,192,824	\$ 1,263,909	\$ 1,265,666
Contributions in relation to the Contractually Required Contribution	<u>(937,288)</u>	<u>(1,115,914)</u>	<u>(1,192,824)</u>	<u>(1,263,909)</u>	<u>(1,265,666)</u>
Contribution Deficiency/(Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
District's Covered Employee Payroll	\$ 7,391,394	\$ 7,356,441	\$ 7,196,765	\$ 7,136,830	\$ 7,476,765
Contributions as a % of Covered Employee Payroll	12.68%	15.17%	16.57%	17.71%	16.93%

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,					
	2014	2015	2016	2017	2018	2019
State's Proportion of the Net Pension Liability attributable to the District	0.2548739076%	0.2567333136%	0.2564323239%	0.2639141422%	0.2675915304%	0.2638701563%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 128,811,268	\$ 137,215,600	\$ 162,076,179	\$ 207,611,668	\$ 180,419,859	\$ 167,868,526
District's Covered Employee Payroll	\$ 26,259,124	\$ 26,259,124	\$ 27,301,314	\$ 27,267,601	\$ 28,035,898	\$ 27,905,288
State's Proportionate Share of the Net Pension Liability attributable to the District as a % of the District's Covered Employee Payroll	490.54%	522.54%	593.66%	761.39%	643.53%	601.57%
Plan Fiduciary Net Position as a % of the Total Pension Liability	33.76%	33.64%	28.71%	28.71%	25.41%	26.49%
	Fiscal Year Ending June 30,					
	2020	2021	2022	2023	2024	
State's Proportion of the Net Pension Liability attributable to the District	0.2646224977%	0.2636784359%	0.2621896080%	0.2630741897%	0.2697493977%	
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 162,401,325	\$ 173,629,077	\$ 126,048,149	\$ 135,731,591	\$ 137,660,319	
District's Covered Employee Payroll	\$ 28,062,499	\$ 29,580,115	\$ 30,263,633	\$ 31,297,224	\$ 33,510,017	
State's Proportionate Share of the Net Pension Liability attributable to the District as a % of the District's Covered Employee Payroll		578.71%	586.98%	416.50%	433.69%	410.80%
Plan Fiduciary Net Position as a % of the Total Pension Liability		26.95%	24.60%	35.52%	32.29%	34.68%

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 7,383,488	\$ 9,896,210	\$ 15,599,128	\$ 12,498,574	\$ 9,786,148
Contributions in relation to the Contractually Required Contribution	(1,386,367)	(2,112,999)	(2,904,636)	(3,885,876)	(5,204,484)
Contribution Deficiency/(Excess)	<u>\$ 5,997,121</u>	<u>\$ 7,783,211</u>	<u>\$ 12,694,492</u>	<u>\$ 8,612,698</u>	<u>\$ 4,581,664</u>
District's Covered Employee Payroll	\$ 27,301,314	\$ 27,267,601	\$ 28,035,898	\$ 27,905,288	\$ 28,062,499
Contributions as a % of Covered Employee Payroll	5.08%	7.75%	10.36%	13.93%	18.55%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 9,578,864	\$ 10,796,995	\$ 7,683,500	\$ 3,652,916	\$ 3,381,913
Contributions in relation to the Contractually Required Contribution	(5,783,479)	(7,621,534)	(10,829,860)	(11,027,518)	(11,577,987)
Contribution Deficiency/(Excess)	<u>\$ 3,795,385</u>	<u>\$ 3,175,461</u>	<u>\$ (3,146,360)</u>	<u>\$ (7,374,602)</u>	<u>\$ (8,196,074)</u>
District's Covered Employee Payroll	\$ 29,580,115	\$ 30,263,633	\$ 31,297,224	\$ 32,239,579	\$ 33,510,017
Contributions as a % of Covered Employee Payroll	19.55%	25.18%	34.60%	34.20%	34.55%

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Changes in the Total OPEB Liability:					
Service Cost	\$ 5,288,809	\$ 4,381,225	\$ 4,003,433	\$ 4,046,230	\$ 7,060,864
Interest Cost	4,017,148	4,646,229	4,417,056	3,632,896	3,798,172
Changes of Benefit Terms					(155,841)
Difference Between Expected and Actual Experience		(8,542,298)	(17,430,672)	26,669,194	(23,914,899)
Changes in Assumptions	(16,715,162)	(12,809,410)	1,507,552	29,660,793	144,450
Member Contributions	108,172	103,159	92,004	85,682	97,101
Gross Benefit Payments	(2,937,649)	(2,984,785)	(3,103,763)	(2,826,859)	(2,991,895)
Net Change in the Total OPEB Liability	(10,238,682)	(15,205,880)	(10,514,390)	61,267,936	(15,962,048)
Total OPEB Liability - Beginning	137,068,538	126,829,856	111,623,976	101,109,586	162,377,522
Total OPEB Liability - Ending	<u>\$ 126,829,856</u>	<u>\$ 111,623,976</u>	<u>\$ 101,109,586</u>	<u>\$ 162,377,522</u>	<u>\$ 146,415,474</u>
District's Covered Employee Payroll *	\$ 33,876,177	\$ 34,817,682	\$ 34,544,375	\$ 36,971,509	\$ 37,620,074
Total OPEB Liability as a Percentage of Covered Employee Payroll	374%	321%	293%	439%	389%

	Fiscal Year Ending June 30,	
	2022	2023
Changes in the Total OPEB Liability:		
Service Cost	\$ 6,273,578	\$ 4,930,770
Interest Cost	3,301,228	4,546,721
Difference Between Expected and Actual Experience	5,161,094	(1,780,068)
Changes in Assumptions	(33,416,870)	260,211
Member Contributions	104,902	116,516
Gross Benefit Payments	(3,269,964)	(3,544,243)
Net Change in the Total OPEB Liability	(21,846,032)	4,529,907
Total OPEB Liability - Beginning	146,415,474	124,569,442
Total OPEB Liability - Ending	<u>\$ 124,569,442</u>	<u>\$ 129,099,349</u>
District's Covered Employee Payroll *	\$ 38,493,989	\$ 40,977,782
Total OPEB Liability as a Percentage of Covered Employee Payroll	324%	315%

* - Covered payroll for the fiscal years ending June 30, 2017-2023 is based on the payroll on the June 30, 2016-2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

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 decreases 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 69,210,821		\$ 69,210,821	\$ 69,210,821	
Tuition From Other LEAs Within the State	173,378		173,378	242,691	\$ 69,313
Tuition From Summer School	38,409		38,409	34,478	(3,931)
Unrestricted Miscellaneous Revenues	245,567		245,567	305,138	59,571
Interest Earned on Maintenance Reserve	10		10	10	
Interest Earned on Capital Reserve Funds	200		200	200	
Total Revenues from Local Sources	69,668,385		69,668,385	69,793,338	124,953
Revenues from State Sources:					
School Choice Aid	1,943,680		1,943,680	1,943,680	
Categorical Transportation Aid	554,744		554,744	554,744	
Extraordinary Aid	800,000		800,000	1,641,573	841,573
Categorical Special Education Aid	3,061,117		3,061,117	3,061,117	
Equalization Aid	6,266,543		6,266,543	6,266,543	
Categorical Security Aid	277,006		277,006	277,006	
Other State Aids				29,039	29,039
TPAF Post Retirement Contributions (Non-Budgeted)				3,187,041	3,187,041
TPAF Pension Contributions (Non-Budgeted)				11,577,987	11,577,987
TPAF Non-Contributory Insurance (Non-Budgeted)				132,041	132,041
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,589	3,589
Reimbursed TPAF Social Security Contributions				2,198,834	2,198,834
Total Revenues from State Sources	12,903,090		12,903,090	30,873,194	17,970,104

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 32,411		\$ 32,411	\$ 5,190	\$ (27,221)
Total Revenues from Federal Sources	32,411		32,411	5,190	(27,221)
 TOTAL REVENUE	82,603,886		82,603,886	100,671,722	18,067,836
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	20,785,232	\$ (71,067)	20,714,165	20,510,894	203,271
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000	37,467	87,467	87,216	251
Purchased Professional-Educational Services	100,000		100,000	80,651	19,349
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services		10,000	10,000	10,000	
Other Purchased Services (400-500 series)	1,312,122	(34,325)	1,277,797	1,121,284	156,513
General Supplies	1,776,160	26,900	1,803,060	1,184,761	618,299
Textbooks	251,641	(140,737)	110,904	77,234	33,670
Other Objects	23,410	4,851	28,261	10,039	18,222
Total Regular Programs - Instruction	24,298,565	(166,911)	24,131,654	23,082,079	1,049,575
 Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	574,724	(59,460)	515,264	502,174	13,090
Other Salaries for Instruction	57,230	(5,273)	51,957		51,957
General Supplies	2,500	896	3,396	2,148	1,248
Textbooks	7,500		7,500	6,239	1,261
Other Objects		104	104	104	
Total Learning and/or Language Disabilities	641,954	(63,733)	578,221	510,665	67,556

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 420,570	\$ 170,378	\$ 590,948	\$ 527,987	\$ 62,961
Other Salaries for Instruction	61,140	(60,640)	500	285	215
Other Purchased Services (400-500 series)	4,000		4,000	1,031	2,969
General Supplies	5,000	15,500	20,500	19,307	1,193
Textbooks	5,000		5,000	4,978	22
Total Multiple Disabilities	495,710	125,238	620,948	553,588	67,360
Resource Room/Resource Center:					
Salaries of Teachers	2,453,677	(86,215)	2,367,462	2,325,530	41,932
Other Salaries for Instruction	250,430	(217,340)	33,090	3,175	29,915
Other Purchased Services (400-500 series)		135	135	93	42
General Supplies	1,000		1,000	848	152
Total Resource Room/Resource Center	2,705,107	(303,420)	2,401,687	2,329,646	72,041
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,842,771	(241,915)	3,600,856	3,393,899	206,957
Bilingual Education - Instruction:					
Salaries of Teachers	456,728	2,019	458,747	458,687	60
Other Purchased Services (400-500 series)	200	(88)	112	112	
General Supplies	200	400	600	530	70
Textbooks	200	(200)			
Total Bilingual Education - Instruction	457,328	2,131	459,459	459,329	130
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	581,453		581,453	567,920	13,533
Purchased Services (300-500 series)	108,800	(20,859)	87,941	80,896	7,045
Supplies and Materials	164,312	(53,579)	110,733	88,035	22,698
Other Objects	20,950		20,950	10,700	10,250
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	875,515	(74,438)	801,077	747,551	53,526

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 1,943,404	\$ (18,592)	\$ 1,924,812	\$ 1,916,608	\$ 8,204
Purchased Services (300-500 series)	303,728	64,541	368,269	346,086	22,183
Supplies and Materials	189,625	193	189,818	167,607	22,211
Other Objects	54,100	(17,512)	36,588	36,325	263
Total School-Sponsored Athletics - Instruction	2,490,857	28,630	2,519,487	2,466,626	52,861
Summer School - Instruction:					
Salaries of Teachers	29,715		29,715	29,715	
Other Salaries of Instruction	57,312		57,312	37,492	19,820
Total Summer School - Instruction	87,027		87,027	67,207	19,820
Summer School - Support Services:					
Salaries	54,535	30,523	85,058	72,717	12,341
Total Summer School - Support Svcs	54,535	30,523	85,058	72,717	12,341
Total Summer School	141,562	30,523	172,085	139,924	32,161
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	6,012	370	6,382	6,069	313
Total Other Suppl/at-risk Prog - Instruction	6,012	370	6,382	6,069	313
Total Other Supplemental/at-risk Programs	6,012	370	6,382	6,069	313
TOTAL INSTRUCTION	32,112,610	(421,610)	31,691,000	30,295,477	1,395,523

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 851,680	\$ (482,584)	\$ 369,096	\$ 369,096	
Tuition to County Voc. School Dist.-Regular	1,846,144		1,846,144	1,808,488	\$ 37,656
Tuition to County Voc. School Dist.-Special	74,270		74,270		74,270
Tuition to CSSD & Reg. Day Schools		208,263	208,263	193,426	14,837
Tuition to Priv. Sch. for the Handicap. W/I State	4,050,637	(188,050)	3,862,587	3,032,810	829,777
Tuition - State Facilities	41,075		41,075	41,075	
Tuition - Other	131,000	64,000	195,000	149,848	45,152
Total Undistributed Expenditures - Instruction	6,994,806	(398,371)	6,596,435	5,594,743	1,001,692
Undistributed Expend. - Attend. & Social Work:					
Salaries	264,801	(4,094)	260,707	260,707	
Unused Vacation Payment to Terminated/Retired Staff		3,838	3,838	3,838	
Supplies and Materials	3,025	1,000	4,025	1,851	2,174
Total Undist. Expend. - Attendance and Social Work	267,826	744	268,570	266,396	2,174
Undistributed Expenditures - Health Services:					
Salaries	453,975	(6,596)	447,379	422,602	24,777
Purchased Professional and Technical Services	674,530	198,479	873,009	835,314	37,695
Other Purchased Services (400-500 series)	27,475	(1,685)	25,790	18,807	6,983
Supplies and Materials	4,875	1,779	6,654	5,162	1,492
Total Undist. Expenditures - Health Services	1,160,855	191,977	1,352,832	1,281,885	70,947
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	475,263		475,263	454,456	20,807
Purchased Professional - Educational Services	718,100	93,000	811,100	715,548	95,552
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,193,363	93,000	1,286,363	1,170,004	116,359

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 898,735	\$ 316,924	\$ 1,215,659	\$ 1,134,837	\$ 80,822
Purchased Professional - Educational Services	5,000	6,850	11,850	8,959	2,891
Supplies and Materials	10,000	33,304	43,304	35,863	7,441
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	913,735	357,078	1,270,813	1,179,659	91,154
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,692,485	18,433	1,710,918	1,700,460	10,458
Salaries of Secretarial and Clerical Assistants	240,555	26	240,581	230,045	10,536
Other Purchased Services (400-500 series)	142,425	(32,270)	110,155	48,708	61,447
Supplies and Materials	8,319	(80)	8,239	4,650	3,589
Other Objects	1,840	80	1,920	1,320	600
Total Undist. Expend. - Guidance	2,085,624	(13,811)	2,071,813	1,985,183	86,630
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,324,164	(62,535)	1,261,629	1,121,660	139,969
Salaries of Secretarial and Clerical Assistants	141,175	2,081	143,256	143,256	
Other Purchased Services (400-500 series)	32,000	4,550	36,550	32,072	4,478
Supplies and Materials	8,000	10,000	18,000	16,420	1,580
Total Undist. Expend. - Child Study Team	1,505,339	(45,904)	1,459,435	1,313,408	146,027
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	849,246	290	849,536	849,535	1
Salaries of Secretarial and Clerical Assistants	297,146	2	297,148	297,147	1
Other Purchased Services (400-500 series)	31,750	912	32,662	32,657	5
Supplies and Materials	1,000	319	1,319	1,318	1
Other Objects	415	135	550	545	5
Total Undist. Expend. - Improv. of Inst. Serv.	1,179,557	1,658	1,181,215	1,181,202	13

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 503,973	\$ 15,000	\$ 518,973	\$ 518,486	\$ 487
Unused Vacation Payment to Terminated/Retired Staff		6,444	6,444	6,444	
Other Purchased Services (400-500 series)	19,324	(1,825)	17,499	14,550	2,949
Supplies and Materials	77,565	(4,701)	72,864	68,702	4,162
Other Objects	500	8	508	508	
Total Undist Expend-Edu. Media Serv./Sch. Library	601,362	14,926	616,288	608,690	7,598
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	232,526	34	232,560	232,560	
Salaries of Other Professional Staff	10,000	(34)	9,966	9,966	9,966
Salaries of Secretarial and Clerical Assistants	52,438	1	52,439	52,437	2
Other Salaries	40,000		40,000	200	39,800
Other Purchased Services (400-500 series)	4,500	(1,708)	2,792	207	2,585
Supplies and Materials	3,250	1,381	4,631	4,160	471
Other Objects		200	200	178	22
Total Undist.Expend.-Instructional Staff Training Services	342,714	(126)	342,588	289,742	52,846
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	333,365		333,365	324,661	8,704
Legal Services	120,000	50,000	170,000	97,900	72,100
Audit Fees	80,000	20,200	100,200	100,200	
Architectural/Engineering Services	5,000	9,250	14,250	11,635	2,615
Other Purchased Professional Services		2,750	2,750	2,750	
Communications / Telephone	255,600	(5,000)	250,600	170,141	80,459
BOE Other Purchased Services	2,500		2,500	1,552	948
Other Purch. Serv. (400-500 series other than 530 & 585)	276,500	(3,008)	273,492	266,444	7,048
General Supplies	15,000	(7,156)	7,844	4,498	3,346
Miscellaneous Expenditures	7,000	1,900	8,900	7,217	1,683
BOE Membership Dues and Fees	33,500		33,500	31,279	2,221
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,128,465	68,936	1,197,401	1,018,277	179,124

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 1,523,808	\$ 207	\$ 1,524,015	\$ 1,519,422	\$ 4,593
Salaries of Secretarial and Clerical Assistants	558,300		558,300	546,190	12,110
Other Purchased Services (400-500 series)	41,243	180	41,423	18,519	22,904
Supplies and Materials	26,365	(2,191)	24,174	4,111	20,063
Other Objects	1,525		1,525	1,260	265
Total Undist. Expend.-Support Serv.-School Adm.	2,151,241	(1,804)	2,149,437	2,089,502	59,935
Undist. Expend. - Central Services:					
Salaries	1,003,107	611	1,003,718	992,306	11,412
Purchased Professional Services	1,200	8,991	10,191	6,190	4,001
Miscellaneous Purchased Services (400-500 series other than 594)	121,000	134,261	255,261	235,207	20,054
Supplies and Materials	23,500	(6,039)	17,461	10,513	6,948
Other Objects	4,000	10,565	14,565	12,100	2,465
Total Undist. Expend. - Central Services	1,152,807	148,389	1,301,196	1,256,316	44,880
Undist. Expend. - Admin. Info. Technology:					
Salaries	430,299	(54,687)	375,612	344,751	30,861
Other Purchased Services (400-500 series)	355,400	145,229	500,629	424,078	76,551
Supplies and Materials	155,503	(82,435)	73,068	60,370	12,698
Total Undist. Expend. - Admin. Info. Technology	941,202	8,107	949,309	829,199	120,110
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	451,948	(59,803)	392,145	356,235	35,910
Unused Vacation Payment to Terminated/Retired Staff		5,000	5,000	4,885	115
Cleaning, Repair, and Maintenance Services	329,900	45,193	375,093	307,431	67,662
General Supplies	186,000	(18,430)	167,570	158,429	9,141
Other Objects		12,400	12,400	12,400	
Total Undist. Expend.- Required Maint. for School Facilities	967,848	(15,640)	952,208	839,380	112,828

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,572,454	\$ 64,190	\$ 1,636,644	\$ 1,523,975	\$ 112,669
Unused Vacation Payment to Terminated/Retired Staff		3,300	3,300	3,204	96
Purchased Professional and Technical Services	49,000		49,000	33,984	15,016
Cleaning, Repair, and Maintenance Services	257,000	(84,100)	172,900	130,966	41,934
Other Purchased Property Services	91,000		91,000	64,018	26,982
Insurance	324,000	139,600	463,600	452,584	11,016
Miscellaneous Purchased Services	32,100	(4,225)	27,875	12,865	15,010
General Supplies	218,100	19,707	237,807	196,860	40,947
Energy (Natural Gas)	627,000		627,000	488,987	138,013
Energy (Electricity)	447,000	98,000	545,000	499,613	45,387
Other Objects	24,500		24,500	1,481	23,019
Interest - Energy Savings Impr Prog Bonds	311,500		311,500	311,150	350
Principal - Energy Savings Impr Prog Bonds	285,000		285,000	285,000	
Total Undist. Expend.-Custodial Services	4,238,654	236,472	4,475,126	4,004,687	470,439
Care and Upkeep of Grounds:					
Salaries	238,862	25,608	264,470	259,034	5,436
Cleaning, Repair, and Maintenance Services	42,352	(7,600)	34,752	31,425	3,327
General Supplies	12,000	10,600	22,600	17,037	5,563
Total Care And Upkeep Of Grounds	293,214	28,608	321,822	307,496	14,326
Security:					
Salaries	263,320		263,320	237,155	26,165
Purchased Professional and Technical Services	280,500	(20,000)	260,500	128,719	131,781
General Supplies	4,500		4,500	1,950	2,550
Total Security	548,320	(20,000)	528,320	367,824	160,496
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	6,048,036	229,440	6,277,476	5,519,387	758,089

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 208,442	\$ 114,645	\$ 323,087	\$ 305,085	\$ 18,002
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	1,973,711	(138,972)	1,834,739	1,820,735	14,004
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	223,491	183,036	406,527	388,773	17,754
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	175,000	(34,000)	141,000	50,396	90,604
Other Purchased Professional and Technical Services	7,500	7,125	14,625	9,262	5,363
Cleaning, Repair, and Maint. Services	20,800	17,324	38,124	36,406	1,718
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	110,000		110,000	79,361	30,639
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	5,000	(3,576)	1,424		1,424
Contract. Serv.(Bet. Home & Sch.)-Vendors	28,800	(4,652)	24,148	13,850	10,298
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	250,216	22,000	272,216	203,178	69,038
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	10,000	(5,000)	5,000		5,000
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	10,458		10,458		10,458
Contract. Serv.(Reg. Students)-ESCs & CTSA's	800,000	(45,328)	754,672	747,252	7,420
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	1,900,000	56,872	1,956,872	1,677,669	279,203
Misc. Purchased Serv. - Transportation	73,207	(10,000)	63,207	48,298	14,909
General Supplies	30,219	(26,669)	3,550	2,846	704
Transportation Supplies	330,000	18,158	348,158	298,882	49,276
Other Objects	6,000		6,000	3,650	2,350
Total Undist. Expend.-Student Trans. Serv.	6,162,844	150,963	6,313,807	5,685,643	628,164
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Social Security Contributions	121,707	79,952	201,659	201,247	412
Other Retirement Contribution - Regular	76,347		76,347		76,347
Worker's Compensation	68,353		68,353	68,353	
Health Benefits	4,977,858	(877,513)	4,100,345	4,046,616	53,729
Tuition Reimbursement	103,861	(21,372)	82,489	71,721	10,768
Other Employee Benefits	186,391	8,959	195,350	163,981	31,369
Unused Sick Payment to Terminated/Retired Staff	85,000	(3,100)	81,900	65,207	16,693
Total Regular Programs - Instruction	5,619,517	(813,074)	4,806,443	4,617,125	189,318

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Programs - Instruction:					
Social Security Contributions	\$ 68,003	\$ (4,000)	\$ 64,003	\$ 39,248	\$ 24,755
Other Retirement Contributions - PERS	36,765	(3,000)	33,765		33,765
Workers Compensation	10,438		10,438	10,438	
Health Benefits	913,759	73,183	986,942	898,198	88,744
Tuition Reimbursement	15,200	8,038	23,238	20,002	3,236
Other Employee Benefits	27,000	2,500	29,500	29,000	500
Unused Sick Payment to Terminated/Retired Staff	27,000		27,000		27,000
Total Special Programs - Instruction	1,098,165	76,721	1,174,886	996,886	178,000
Other Instructional Programs - Instruction:					
Social Security Contributions	171,283	9,570	180,853	174,207	6,646
Other Retirement Contributions - PERS	18,628	938	19,566	19,566	
Workers Compensation	4,851		4,851	4,513	338
Health Benefits	80,938	74,965	155,903	148,438	7,465
Other Employee Benefits	3,800		3,800	3,300	500
Total Other Instructional Programs - Instruction	279,500	85,473	364,973	350,024	14,949
Attendance and Social Work Services:					
Social Security Contributions	20,257		20,257	18,149	2,108
Other Retirement Contributions - PERS	30,254	11,654	41,908	41,908	
Workers Compensation	7,338		7,338	7,338	
Health Benefits	138,328	(6,845)	131,483	128,570	2,913
Other Employee Benefits		800	800	800	
Total Attendance and Social Work Services	196,177	5,609	201,786	196,765	5,021

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Social Security Contributions	\$ 2,571	\$ 2,022	\$ 4,593	\$ 4,592	\$ 1
Workers Compensation	5,336		5,336	5,336	
Health Benefits	99,994	(71,894)	28,100	27,721	379
Other Employee Benefits	3,000	5,000	8,000	8,000	
Unused Sick Payment to Terminated/Retired Staff	17,000	(5,000)	12,000		12,000
Total Health Services	127,901	(69,872)	58,029	45,649	12,380
Other Support Services - Speech, OT, PT & Related Svcs:					
Social Security Contributions	1,000		1,000	423	577
Workers Compensation	1,469		1,469	1,469	
Health Benefits	107,868	16,450	124,318	124,314	4
Tuition Reimbursement	3,000		3,000	2,137	863
Other Employee Benefits	3,000		3,000	3,000	
Total Other Supp Serv - Speech, OT, PT & Related Svcs	116,337	16,450	132,787	131,343	1,444
Other Support Services - Students - Extraordinary Services:					
Social Security Contributions	66,582	20,516	87,098	80,909	6,189
Other Retirement Contributions - PERS	155,902	69,294	225,196	223,073	2,123
Health Benefits	407,160	636,787	1,043,947	957,199	86,748
Tuition Reimbursement		7,968	7,968	7,968	
Other Employee Benefits	6,000	(1,184)	4,816	4,816	
Unused Sick Payment to Terminated/Retired Staff	15,000	(7,586)	7,414		7,414
Total Other Supp Serv - Students - Extraordinary Serv	650,644	725,795	1,376,439	1,273,965	102,474

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Guidance:					
Social Security Contributions	\$ 26,851	\$ 200	\$ 27,051	\$ 27,050	\$ 1
Other Retirement Contributions - PERS	36,385	767	37,152	37,152	
Workers Compensation	8,804		8,804	8,804	
Health Benefits	318,225	77,400	395,625	395,475	150
Tuition Reimbursement	939		939		939
Other Employee Benefits	12,800		12,800	10,500	2,300
Unused Sick Payment to Terminated/Retired Staff	17,000		17,000		17,000
Total Other Supp Serv - Guidance	421,004	78,367	499,371	478,981	20,390
Other Support Services - Child Study Team:					
Social Security Contributions	11,831	3,309	15,140	14,989	151
Other Retirement Contributions - PERS	20,352		20,352	19,676	676
Workers Compensation	14,553		14,553	14,553	
Health Benefits	224,323	27,950	252,273	249,194	3,079
Tuition Reimbursement	2,200		2,200		2,200
Other Employee Benefits	15,000	(1,539)	13,461	12,000	1,461
Unused Sick Payment to Terminated/Retired Staff	17,000	(10,475)	6,525		6,525
Total Other Supp Serv - Child Study Team	305,259	19,245	324,504	310,412	14,092
Improvement of Instruction Services:					
Social Security Contributions	22,958	458	23,416	23,415	1
Other Retirement Contributions - PERS	53,229	(1)	53,228	47,027	6,201
Workers Compensation	8,804		8,804	8,804	
Health Benefits	122,877	5,095	127,972	127,972	
Tuition Reimbursement	11,000	6,138	17,138	17,138	
Other Employee Benefits	20,300	(795)	19,505	18,922	583
Total Improvement of Instructional Services	239,168	10,895	250,063	243,278	6,785

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services - School Library:					
Social Security Contributions	\$ 21,668	\$ 430	\$ 22,098	\$ 22,097	\$ 1
Other Retirement Contributions - PERS	46,226	2,284	48,510	48,510	
Workers Compensation	8,804		8,804	8,804	
Health Benefits	141,879	(14,000)	127,879	127,270	609
Tuition Reimbursement		5,000	5,000	2,988	2,012
Other Employee Benefits	3,000	3,000	6,000	6,000	
Unused Sick Payment to Terminated/Retired Staff	17,000	1,031	18,031	18,031	
Total Educational Media Services - School Library	238,577	(2,255)	236,322	233,700	2,622
Instructional Staff Training Services:					
Social Security Contributions	8,059		8,059	4,620	3,439
Other Retirement Contributions - PERS	9,393		9,393	8,299	1,094
Workers Compensation	8,804		8,804	8,804	
Health Benefits	38,452	(100)	38,352	33,800	4,552
Other Employee Benefits	3,900	100	4,000	3,950	50
Total Instructional Staff Training Services	68,608		68,608	59,473	9,135
Support Services - General Administration:					
Social Security Contributions	6,706		6,706	6,448	258
Other Retirement Contributions - PERS	13,130	587	13,717	13,717	
Workers Compensation	8,804		8,804	8,804	
Health Benefits	38,322	33,770	72,092	71,038	1,054
Other Employee Benefits	8,800	(993)	7,807	2,069	5,738
Total Support Services - General Administration	75,762	33,364	109,126	102,076	7,050

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - School Administration:					
Social Security Contributions	\$ 55,908		\$ 55,908	\$ 54,622	\$ 1,286
Other Retirement Contributions - PERS	96,597	\$ (14,000)	82,597	81,723	874
Workers Compensation	32,284		32,284	32,284	
Health Benefits	340,134	10,600	350,734	350,584	150
Tuition Reimbursement	11,000		11,000		11,000
Other Employee Benefits	30,865	10,540	41,405	41,405	
Unused Sick Payment to Terminated/Retired Staff	7,500	(7,500)			
Total Support Services - School Administration	574,288	(360)	573,928	560,618	13,310
Support Services - Central Services:					
Social Security Contributions	48,148	10,500	58,648	58,641	7
Other Retirement Contributions - PERS	93,150	5,556	98,706	98,706	
Workers Compensation	8,804		8,804	8,804	
Health Benefits	232,308	(14,500)	217,808	208,692	9,116
Tuition Reimbursement	12,000	(4,400)	7,600		7,600
Other Employee Benefits	11,100	753	11,853	11,853	
Unused Sick Payment to Terminated/Retired Staff	7,500	(1,452)	6,048		6,048
Total Support Services - Central Services	413,010	(3,543)	409,467	386,696	22,771
Support Services - Admin. Info. Technology:					
Social Security Contributions	28,005		28,005	21,148	6,857
Other Retirement Contributions - PERS	49,342		49,342	41,990	7,352
Workers Compensation	8,804		8,804	8,804	
Health Benefits	81,293	(40,000)	41,293	38,472	2,821
Other Employee Benefits	8,400	502	8,902	8,902	
Total Support Services - Admin. Info. Technology	175,844	(39,498)	136,346	119,316	17,030

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required Maintenance for School Facilities:					
Social Security Contributions	\$ 34,542		\$ 34,542	\$ 26,268	\$ 8,274
Other Retirement Contributions - PERS	72,178	\$ (37,000)	35,178	34,922	256
Workmen's Compensation	5,949		5,949	5,949	
Health Benefits	162,710	(35,000)	127,710	127,354	356
Other Employee Benefits	7,000	(996)	6,004		6,004
Unused Sick Payment to Terminated/Retired Staff	1,600		1,600		1,600
Total Required Maintenance For School Facilities	283,979	(72,996)	210,983	194,493	16,490
Custodial Services:					
Social Security Contributions	140,753	(39)	140,714	116,320	24,394
Other Retirement Contributions - PERS	244,622	(31,500)	213,122	204,936	8,186
Workmen's Compensation	111,573	(54,000)	57,573	57,573	
Health Benefits	621,436	(52,178)	569,258	565,305	3,953
Other Employee Benefits	12,000	5,090	17,090	16,415	675
Unused Sick Payment to Terminated/Retired Staff	15,000	(715)	14,285	2,306	11,979
Total Custodial Services	1,145,384	(133,342)	1,012,042	962,855	49,187
Care and Upkeep of Grounds:					
Social Security Contributions	18,273	2,265	20,538	20,537	1
Other Retirement Contributions - PERS	33,355	1,042	34,397	34,397	
Workmen's Compensation	1,213		1,213	1,213	
Health Benefits	135,219	(947)	134,272	134,272	
Other Employee Benefits	800	(125)	675	130	545
Total Care And Upkeep Of Grounds	188,860	2,235	191,095	190,549	546

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Social Security Contributions	\$ 18,243		\$ 18,243	\$ 15,486	\$ 2,757
Other Retirement Contributions - PERS	47,982	\$ (500)	47,482	42,950	4,532
Workmen's Compensation	1,213		1,213	1,213	
Health Benefits	177,858	16,435	194,293	194,292	1
Other Employee Benefits	3,000		3,000	3,000	
Unused Sick Payment to Terminated/Retired Staff	15,000		15,000		15,000
Total Security	263,296	15,935	279,231	256,941	22,290
Student Transportation Services:					
Social Security Contributions	207,982	(10)	207,972	195,945	12,027
Other Retirement Contributions - PERS	271,381	(9,770)	261,611	204,056	57,555
Workers Compensation	54,574		54,574	54,574	
Health Benefits	1,162,101	(155,831)	1,006,270	983,917	22,353
Other Employee Benefits	46,600	(6,966)	39,634	32,100	7,534
Unused Sick Payment to Terminated/Retired Staff	20,000		20,000	5,000	15,000
Total Student Transportation Services	1,762,638	(172,577)	1,590,061	1,475,592	114,469
TOTAL ALLOCATED BENEFITS	14,243,918	(237,428)	14,006,490	13,186,737	819,753
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				3,187,041	(3,187,041)
TPAF Pension Contributions (Non-Budgeted)				11,577,987	(11,577,987)
TPAF Non-Contributory Insurance (Non-Budgeted)				132,041	(132,041)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,589	(3,589)
Reimbursed TPAF Social Security Contributions				2,198,834	(2,198,834)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				17,099,492	(17,099,492)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	14,243,918	(237,428)	14,006,490	30,286,229	(16,279,739)

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 48,073,694	\$ 567,774	\$ 48,641,468	\$ 61,555,465	\$ (12,913,997)
TOTAL GENERAL CURRENT EXPENSE	80,186,304	146,164	80,332,468	91,850,942	(11,518,474)
CAPITAL OUTLAY					
Equipment					
Grades 9-12	1,168,887	(236,618)	932,269	610,870	321,399
Special Education - Instruction:					
Multiple Disabilities		3,700	3,700	3,651	49
Vocational Programs:					
School-Sponsored and Other Instructional Programs	102,400	69,403	171,803	171,803	
Undistributed:					
Undist. Expend.-Support Serv. - Inst. Staff	6,700	18,567	25,267	25,267	
Undistributed Expenditures - Central Services	4,000	(792)	3,208	3,208	
Undistributed Expenditures - Admin. Info. Tech.	900,000	(66,240)	833,760	40,645	793,115
Undist. Expend. - Custodial Services	45,000	734	45,734	45,649	85
Undist. Expend.-Student Trans. - Non-Inst. Equip.	3,000	166,256	169,256	167,571	1,685
School Buses - Regular	397,751	(397,379)	372		372
Total Equipment	2,627,738	(442,369)	2,185,369	1,068,664	1,116,705
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services		240,881	240,881	164,981	75,900
Construction Services		45,000	45,000		45,000
Land and Improvements		23,451	23,451	12,951	10,500
Assessment for Debt Service on SDA Funding	183,311		183,311	183,311	
Total Facilities Acquisition and Const. Serv.	183,311	309,332	492,643	361,243	131,400
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Transportation - School Buses				550,073	(550,073)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				550,073	(550,073)
TOTAL CAPITAL OUTLAY	2,811,049	(133,037)	2,678,012	1,979,980	698,032

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction:					
Salaries of Teachers	\$ 27,699	\$ (1,627)	\$ 26,072	\$ 21,271	\$ 4,801
General Supplies	5,600	(350)	5,250	4,451	799
Other Objects	500		500	245	255
Total Summer School - Instruction	33,799	(1,977)	31,822	25,967	5,855
 Summer School - Support Services:					
Salaries	4,245		4,245		4,245
Personal Services - Employee Benefits	2,442		2,442		2,442
Total Summer School - Support Services	6,687		6,687		6,687
Total Summer School	40,486	(1,977)	38,509	25,967	12,542
 Accred. Even./Adult H.S./Post-Grad.-Instruction:					
Salaries of Teachers	192,629	(1,050)	191,579	185,565	6,014
General Supplies		1,050	1,050	997	53
Total Accred. Eve./Adult H.S./Post-Grad.-Inst.	192,629		192,629	186,562	6,067
 Accred. Even./Adult H.S./Post-Grad.-Support Serv.:					
Salaries	66,045		66,045	66,045	
Personal Services - Employee Benefits	40,163	1,154	41,317	36,329	4,988
Total Accred. Eve./Adult H.S./Post-Grad.-Supp. Ser.	106,208	1,154	107,362	102,374	4,988
Total Accred. Eve./Adult H.S./Post-Grad.	298,837	1,154	299,991	288,936	11,055
TOTAL SPECIAL SCHOOLS	339,323	(823)	338,500	314,903	23,597
 TOTAL EXPENDITURES	83,336,676	12,304	83,348,980	94,145,825	(10,796,845)
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	(732,790)	(12,304)	(745,094)	6,525,897	7,270,991

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				\$ 550,073	\$ 550,073
Transfer from/(to):					
Capital Projects Fund - Unexpended Project Balances - Capital Reserve	\$ (3,455,000)	\$ (174,609)	\$ (3,629,609)	717,988	717,988
Capital Projects Fund - Capital Reserve	(3,455,000)	(174,609)	(3,629,609)	(2,361,548)	1,268,061
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	(4,187,790)	(186,913)	(4,374,703)	4,164,349	8,539,052
Fund Balance, July 1	6,760,847		6,760,847	6,760,847	
Fund Balance, June 30	\$ 2,573,057	\$ (186,913)	\$ 2,386,144	\$ 10,925,196	\$ 8,539,052
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$ 5,751,566	
Capital Reserve				200,040	
Maintenance Reserve				432,302	
Unemployment Compensation					
Assigned Fund Balance:				402,885	
Year End Encumbrances				1,665,274	
Designated for Subsequent Year's Expenditures				2,473,129	
Unassigned Fund Balance				10,925,196	
Reconciliation to Governmental Funds Statement (GAAP):				(1,174,646)	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				\$ 9,750,550	

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 6,084	\$ 481,126	\$ 487,210	\$ 445,414	\$ (41,796)
State Sources	366,470	217,191	583,661	559,914	(23,747)
Federal Sources	1,012,550	1,261,327	2,273,877	2,152,125	(121,752)
Total Revenues	1,385,104	1,959,644	3,344,748	3,157,453	(187,295)
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	17,008	153,493	170,501	170,501	
Purchased Professional - Educational Services	254,026	44,609	298,635	277,748	20,887
Purchased Professional - Technical Services	10,916	21,233	32,149	31,233	916
Other Purchased Services	674,844	684,212	1,359,056	1,358,597	459
General Supplies	39,047	1,096	40,143	33,369	6,774
Textbooks	26,760	584	27,344	24,753	2,591
Other Objects	500		500		500
Total Instruction	1,023,101	905,227	1,928,328	1,896,201	32,127
Support Services:					
Personal Services - Salaries	179,582	99,402	278,984	260,492	18,492
Personal Services - Employee Benefits	65,205	92,287	157,492	144,124	13,368
Other Purchased Professional - Technical Services	34,098	217,733	251,831	169,661	82,170
Other Purchased Services	7,398	62,083	69,481	64,345	5,136
Supplies and Materials	75,720	(40,356)	35,364	35,150	214
Scholarships Awarded		74,125	74,125	74,125	
Student Activities		404,001	404,001	404,001	
Total Support Services	362,003	909,275	1,271,278	1,151,898	119,380
Facilities Acquisition:					
Non-Instructional Equipment		145,142	145,142	145,142	
Total Facilities Acquisition		145,142	145,142	145,142	
Total Expenditures	1,385,104	1,959,644	3,344,748	3,193,241	151,507
(Deficit) of Revenues (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ (35,788)	\$ (35,788)

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 100,671,722	\$ 3,157,453
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Current Year Encumbrances		(18,837)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	879,470	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,174,646)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 100,376,546</u>	<u>\$ 3,138,616</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 94,145,825	\$ 3,193,241
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		
Current Year Encumbrances		(18,837)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 94,145,825</u>	<u>\$ 3,174,404</u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act					IDEA Part B, Basic
	Title I	Title II, Part A	Title III	Title III Immigrant	Title IV	
REVENUE:						
Local Sources						
State Sources						
Federal Sources						
Total Revenue	\$ 211,218	\$ 8,140	\$ 21,287	\$ 7,415	\$ 10,000	\$ 778,571
	211,218	8,140	21,287	7,415	10,000	778,571
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	71,428					
Purchased Professional - Educational Services					10,000	
Purchased Professional - Technical Services						640,386
Other Purchased Services			3,558			
General Supplies	2,181		3,712	6,823		
Textbooks						
Total Instruction	73,609		7,270	6,823	10,000	640,386
Support Services:						
Personal Services - Salaries	85,250	5,477	11,630			
Personal Services - Employee Benefits	48,143	410	827			
Other Purchased Professional and Technical Services				202		138,185
Other Purchased Services		1,899	1,560	390		
Supplies and Materials	4,216	354				
Scholarships Awarded						
Student Activities						
Total Support Services	137,609	8,140	14,017	592		138,185
Facilities Acquisition:						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 211,218	\$ 8,140	\$ 21,287	\$ 7,415	\$ 10,000	\$ 778,571

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund COVID-19 ARP						SDA Emergent and Capital Maintenance Needs Grant
	Homeless Children and Youth	Accelerated Learning Coaching and Educator Support	Evidence-Based Comprehensive Beyond the School Day Activities	Evidence-Based Summer Learning and Enrichment Activities	ESSER III	ACSERS	
REVENUE:							
Local Sources							
State Sources							
Federal Sources							
Total Revenue	473	91,017	26,619	10,972	60,233	926,180	145,142
EXPENDITURES:							
Instruction:							
Personal Services - Salaries			18,573	9,221		62,748	
Purchased Professional - Educational Services					21,233		
Purchased Professional - Technical Services					39,000	664,930	
Other Purchased Services	473		6,712	1,045			
General Supplies							
Textbooks							
Total Instruction	473		25,285	10,266	60,233	727,678	
Support Services:							
Personal Services - Salaries		59,042				99,093	
Personal Services - Employee Benefits		4,076	1,334	706		88,231	
Other Purchased Professional and Technical Services		20,096				11,178	
Other Purchased Services		7,803					
Supplies and Materials							
Scholarships Awarded							
Student Activities							
Total Support Services		91,017	1,334	706		198,502	
Facilities Acquisition:							
Non-Instructional Equipment							145,142
Total Facilities Acquisition							145,142
Total Expenditures	473	91,017	26,619	10,972	60,233	926,180	145,142

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		NJ Nonpublic				
REVENUE:	STEM	Auxiliary Services (Chapter 192)		Handicapped Services (Chapter 193)		
		Compensatory Education	Home Instruction	Corrective Speech	Examination & Classification	Supplementary Instruction Technology
Local Sources						
State Sources	\$ 5,928	\$ 93,864	\$ 3,511	\$ 2,695	\$ 57,652	\$ 66,245
Federal Sources						\$ 23,070
Total Revenue	5,928	93,864	3,511	2,695	57,652	66,245
						23,070
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	5,531					
Purchased Professional - Educational Services		93,864	3,511	2,695	57,652	66,245
Purchased Professional - Technical Services						
Other Purchased Services						10,723
General Supplies						12,347
Textbooks						
Total Instruction	5,531	93,864	3,511	2,695	57,652	66,245
						23,070
Support Services:						
Personal Services - Salaries						
Personal Services - Employee Benefits	397					
Other Purchased Professional and Technical Services						
Other Purchased Services						
Supplies and Materials						
Scholarships Awarded						
Student Activities						
Total Support Services	397					
Facilities Acquisition:						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 5,928	\$ 93,864	\$ 3,511	\$ 2,695	\$ 57,652	\$ 66,245
						\$ 23,070

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	NJ Nonpublic				Local Grants	Student Activities	Scholarships	Totals June 30, 2024
	Textbooks	Nursing	Security Aid					
REVENUE:								
Local Sources								
State Sources	\$ 24,753	\$ 53,781	\$ 83,273	\$	3,076	\$ 376,676	\$ 65,662	\$ 445,414
Federal Sources								559,914
								2,152,125
Total Revenue	24,753	53,781	83,273		3,076	376,676	65,662	3,157,453
EXPENDITURES:								
Instruction:								
Personal Services - Salaries					3,000			170,501
Purchased Professional - Educational Services		53,781						277,748
Purchased Professional - Technical Services								31,233
Other Purchased Services					76			1,358,597
General Supplies								33,369
Textbooks	24,753							24,753
Total Instruction	24,753	53,781			3,076			1,896,201
Support Services:								
Personal Services - Salaries								260,492
Personal Services - Employee Benefits								144,124
Other Purchased Professional - Technical Services								169,661
Other Purchased Services			52,693					64,345
Supplies and Materials			30,580					35,150
Scholarships Awarded							74,125	74,125
Student Activities						404,001		404,001
Total Support Services			83,273			404,001	74,125	1,151,898
Facilities Acquisition:								
Non-Instructional Equipment								145,142
Total Facilities Acquisition								145,142
Total Expenditures	24,753	53,781	83,273	\$	3,076	\$ 404,001	\$ 74,125	\$ 3,193,241

CAPITAL PROJECTS FUND

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 3,629,609
Interest Revenue	<u>172,202</u>
Total Revenue and Other Financing Sources	<u>3,801,811</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	118,869
Construction Services	3,503,744
Transfers Out:	
General Fund - Unexpended Project Balances - Capital Reserve	717,988
Debt Service Fund - Interest Earned	<u>172,202</u>
Total Expenditures and Other Financing Uses	<u>4,512,803</u>
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	(710,992)
Fund Balance - Beginning	<u>3,572,017</u>
Fund Balance - Ending	<u><u>\$ 2,861,025</u></u>
<u>Recapitulation of Fund Balance at June 30, 2023:</u>	
Committed Fund Balance	\$ 2,157,188
Committed Fund Balance - Year-End Encumbrances	<u>703,837</u>
Committed Fund Balance per Governmental Funds (Budgetary/GAAP Basis)	<u><u>\$ 2,861,025</u></u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - HVAC UPGRADES
ATHLETIC FIELD REPAIRS/TENNIS COURT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 896,117	\$ 896,117	\$ 896,117
Total Revenue and Other Financing Sources	\$ - 0 -	896,117	896,117	896,117
Expenditures:				
Purchased Professional and Technical Services				267,600
Construction Services		627,650	627,650	628,517
Total Expenditures	- 0 -	627,650	627,650	896,117
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 268,467	\$ 268,467	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 1,000,000			
Change Orders	\$ - 0 -			
Unexpended Balance - Returned to Capital Reserve	\$ (103,883)			
Revised Authorized Cost	\$ 896,117			
Percentage Completion	70.04%			
Original Target Completion Date	9/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 3,009,000	\$ 200,000	\$ 3,209,000	\$ 3,209,000
Total Revenue and Other Financing Sources	3,009,000	200,000	3,209,000	3,209,000
Expenditures:				
Purchased Professional and Technical Services	327,512		327,512	411,500
Construction Services	1,388,818	878,684	2,267,502	2,797,500
Total Expenditures	1,716,330	878,684	2,595,014	3,209,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,292,670	\$ (678,684)	\$ 613,986	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 659,000			
Additional Authorization	\$ 2,550,000			
Change Orders	\$ - 0 -			
Revised Authorized Cost	\$ 3,209,000			
Change Order Percentage	0.00%			
Percentage Completion	80.87%			
Original Target Completion Date	12/31/23			
Revised Target Completion Date	6/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - OIL TANK REMOVAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 219,131	\$ 219,131	\$ 219,131
Total Revenue and Other Financing Sources	\$ - 0 -	219,131	219,131	219,131
Expenditures:				
Purchased Professional and Technical Services		29,917	29,917	31,542
Construction Services		187,589	187,589	187,589
Total Expenditures	- 0 -	217,506	217,506	219,131
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 1,625	\$ 1,625	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 200,000			
Additional Authorization	\$ 19,131			
Change Orders	\$ - 0 -			
Revised Authorized Cost	\$ 219,131			
Change Order Percentage	0.00%			
Percentage Completion	99.26%			
Original Target Completion Date	6/30/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - SECURE VESTIBULES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,075,181	\$ (331,078)	\$ 744,103	\$ 744,103
Total Revenue and Other Financing Sources	1,075,181	(331,078)	744,103	744,103
Expenditures:				
Purchased Professional and Technical Services	67,526	804	68,330	68,330
Construction Services	591,735	84,038	675,773	675,773
Total Expenditures	659,261	84,842	744,103	744,103
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 415,920	\$ (415,920)	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 1,193,545			
Change Orders	\$ - 0 -			
Unexpended Balance - Returned to Capital Reserve	\$ (449,442)			
Revised Authorized Cost	\$ 744,103			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	6/30/23			
Revised Target Completion Date	6/30/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS HIGH SCHOOL - LIBRARY RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 450,000		\$ 450,000	\$ 450,000
Total Revenue and Other Financing Sources	450,000	\$ - 0 -	450,000	450,000
Expenditures:				
Purchased Professional and Technical Services	42,181	2,775	44,956	214,000
Construction Services				236,000
Total Expenditures	42,181	2,775	44,956	450,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 407,819	\$ (2,775)	\$ 405,044	\$ - 0 -
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 450,000			
Percentage Completion	9.99%			
Original Target Completion Date	6/30/23			
Revised Target Completion Date	6/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS -
MASONRY AND FENCING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 415,000	\$ (144,981)	\$ 270,019	\$ 270,019
Total Revenue and Other Financing Sources	415,000	(144,981)	270,019	270,019
Expenditures:				
Construction Services	206,004	64,015	270,019	270,019
Total Expenditures	206,004	64,015	270,019	270,019
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 208,996	\$ (208,996)	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 365,000			
Additional Authorization	\$ 50,000			
Change Orders	\$ - 0 -			
Unexpended Balance - Returned to Capital Reserve	\$ (144,981)			
Revised Authorized Cost	\$ 270,019			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	6/30/23			
Revised Target Completion Date	12/31/23			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - CLASSROOM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 802,986	\$ 12,037	\$ 815,023	\$ 815,023
Total Revenue and Other Financing Sources	802,986	12,037	815,023	815,023
Expenditures:				
Purchased Professional and Technical Services	14,625	4,912	19,537	19,537
Construction Services	573,711	221,775	795,486	795,486
Total Expenditures	588,336	226,687	815,023	815,023
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 214,650	\$ (214,650)	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 1,135,000			
Additional Authorization	\$ 50,000			
Change Orders	\$ - 0 -			
Unexpended Balance - Returned to Capital Reserve	\$ (369,977)			
Revised Authorized Cost	\$ 815,023			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	6/30/23			
Revised Target Completion Date	1/31/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - ROOFING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 225,000	\$ 175,000	\$ 400,000	\$ 400,000
Total Revenue and Other Financing Sources	225,000	175,000	400,000	400,000
Expenditures:				
Purchased Professional and Technical Services	14,625	2,972	17,597	30,000
Construction Services		202,817	202,817	370,000
Total Expenditures	14,625	205,789	220,414	400,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 210,375	\$ (30,789)	\$ 179,586	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 150,000			
Additional Authorization	\$ 250,000			
Change Orders	\$ - 0 -			
Revised Authorized Cost	\$ 400,000			
Change Order Percentage	0.00%			
Percentage Completion	55.10%			
Original Target Completion Date	6/30/23			
Revised Target Completion Date	6/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - LAVATORY REMODELING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 770,000	\$ 611,467	\$ 1,381,467	\$ 1,381,467
Total Revenue and Other Financing Sources	770,000	611,467	1,381,467	1,381,467
Expenditures:				
Purchased Professional and Technical Services	28,885	30,964	59,849	62,400
Construction Services	653,630	441,743	1,095,373	1,319,067
Total Expenditures	682,515	472,707	1,155,222	1,381,467
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 87,485	\$ 138,760	\$ 226,245	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 300,000			
Additional Authorization	\$ 1,070,000			
Change Orders	\$ 11,467			
Revised Authorized Cost	\$ 1,381,467			
Change Order Percentage	3.82%			
Percentage Completion	83.62%			
Original Target Completion Date	12/31/23			
Revised Target Completion Date	12/31/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS -
BELL/CLOCK/SOUND SYSTEM/SECURITY CAMERA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,900,000	\$ 1,000,000	\$ 2,900,000	\$ 2,900,000
Total Revenue and Other Financing Sources	1,900,000	1,000,000	2,900,000	2,900,000
Expenditures:				
Purchased Professional and Technical Services		41,625	41,625	65,000
Construction Services	1,541,973	381,257	1,923,230	2,835,000
Total Expenditures	1,541,973	422,882	1,964,855	2,900,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 358,027	\$ 577,118	\$ 935,145	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 1,200,000			
Additional Authorization	\$ 1,700,000			
Change Orders	\$ - 0 -			
Revised Authorized Cost	\$ 2,900,000			
Change Order Percentage	0.00%			
Percentage Completion	67.75%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - CAFETERIA KITCHEN UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 520,000	\$ 2,557	\$ 522,557	\$ 522,557
Total Revenue and Other Financing Sources	520,000	2,557	522,557	522,557
Expenditures:				
Construction Services	143,925	378,632	522,557	522,557
Total Expenditures	143,925	378,632	522,557	522,557
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 376,075	\$ (376,075)	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 500,000			
Additional Authorization	\$ 20,000			
Change Orders	\$ 5,231			
Unexpended Balance - Returned to Capital Reserve	\$ (2,674)			
Revised Authorized Cost	\$ 522,557			
Change Order Percentage	1.05%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/23			
Revised Target Completion Date	6/30/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - WATER AND SEWER UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 22,591	\$ 22,591	\$ 22,591
Total Revenue and Other Financing Sources	\$ - 0 -	22,591	22,591	22,591
Expenditures:				
Purchased Professional and Technical Services		4,900	4,900	4,900
Construction Services		17,691	17,691	17,691
Total Expenditures	- 0 -	22,591	22,591	22,591
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 120,000			
Change Orders	\$ - 0 -			
Unexpended Balance - Returned to Capital Reserve	\$ (97,409)			
Revised Authorized Cost	\$ 22,591			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	6/30/24			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - AUDITORIUM AND BAND LIGHTING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 110,000	\$ 110,000	\$ 110,000
Total Revenue and Other Financing Sources	\$ - 0 -	110,000	110,000	110,000
Expenditures:				
Construction Services		9,812	9,812	110,000
Total Expenditures	- 0 -	9,812	9,812	110,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 100,188	\$ 100,188	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$ 110,000			
Percentage Completion	8.92%			
Original Target Completion Date	6/30/25			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS KNOLLS HIGH SCHOOL - ROOM C-38 RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 138,780	\$ 138,780	\$ 138,780
Total Revenue and Other Financing Sources	\$ - 0 -	138,780	138,780	138,780
Expenditures:				
Construction Services		8,041	8,041	138,780
Total Expenditures	- 0 -	8,041	8,041	138,780
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 130,739	\$ 130,739	\$ - 0 -
Additional Project Information:				
Project Number(s)	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorized Cost	\$	125,900		
Additional Authorization	\$	- 0 -		
Change Orders	\$	12,880		
Revised Authorized Cost	\$	138,780		
Change Order Percentage		10.23%		
Percentage Completion		5.79%		
Original Target Completion Date		12/31/24		

PROPRIETARY FUNDS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Academy for Technology	Shared Services
			Total Enterprise Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 519,281	\$ 6,619	\$ 525,900
Receivable from:			
Federal Government	7,445		7,445
State Government	465		465
Other Governments			\$ 151,124
Other Receivable	48,724		48,724
Inventories	12,641		12,641
Total Current Assets	588,556	6,619	746,299
Non-Current Assets:			
Capital Assets	994,558	1,002,113	1,996,671
Less: Accumulated Depreciation	(423,399)	(688,956)	(1,112,355)
Total Non-Current Assets	571,159	313,157	884,316
Total Assets	1,159,715	319,776	1,630,615
LIABILITIES:			
Current Liabilities:			
Interfund Payable - General Fund			150,580
Accounts Payable	25,404		544
Unearned Revenue:			
Prepaid Sales	41,901		41,901
Total Current Liabilities	67,305		151,124
Total Liabilities	67,305		218,429
NET POSITION:			
Investment in Capital Assets	571,159	313,157	884,316
Unrestricted	521,251	6,619	527,870
Total Net Position	\$ 1,092,410	\$ 319,776	\$ - 0 -
			\$ 1,412,186

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Food</u>	<u>Academy</u>	<u>Total</u>
	<u>Service</u>	<u>for</u>	<u>Enterprise</u>
		<u>Technology</u>	<u>Funds</u>
		<u>Shared</u>	
		<u>Services</u>	
Operating Revenue:			
Charges for Services:			
Daily Sales:			
Reimbursable Programs	\$ 611,458		\$ 611,458
Non-Reimbursable Programs	666,538		666,538
Total Daily Sales	1,277,996		1,277,996
Special Events	14,470		14,470
Tuition		\$ 2,761,520	2,761,520
Service Fees		\$ 1,185,453	1,185,453
Total Operating Revenue	1,292,466	2,761,520	5,239,439
Operating Expenses:			
Cost of Sales:			
Reimbursable	584,394		584,394
Non-Reimbursable	300,542		300,542
Total Cost of Sales	884,936		884,936
Salaries	522,222	2,105,791	3,374,021
Payroll Taxes	82,331	50,881	151,780
Employee Benefits	82,628	604,848	997,753
Purchased Professional/Educational Services			93,600
Other Purchased Services	39,537		41,537
Purchased Property Services	104,680		104,680
Supplies and Materials	67,975		82,975
Depreciation Expense	24,995	19,572	44,567
Total Operating Expenses	1,809,304	2,781,092	5,775,849
Operating Income/(Loss)	(516,838)	(19,572)	(536,410)

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total
	Food Service	Academy for Technology	Shared Services	Enterprise Funds
Non-Operating Revenue:				
Federal Sources:				
School Breakfast Program	\$ 85,237			\$ 85,237
National School Lunch Program	340,461			340,461
Food Distribution Program	106,645			106,645
COVID-19:				
Pandemic EBT Food Benefits	653			653
Supply Chain Assistance	97,156			97,156
Local Food for Schools (LFS) Cooperative	7,534			7,534
State Sources:				
School Breakfast Program	4,185			4,185
School Lunch Program	26,392			26,392
Total Non-Operating Revenue	668,263			668,263
Change in Net Position	151,425	\$ (19,572)	\$ - 0 -	131,853
Net Position - Beginning of Year	940,985	339,348	- 0 -	1,280,333
Net Position - End of Year	<u>\$1,092,410</u>	<u>\$ 319,776</u>	<u>\$ - 0 -</u>	<u>\$ 1,412,186</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total Enterprise Funds
	Food Service	Academy for Technology	Shared Services	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 1,262,374	\$ 2,761,520	\$ 1,035,006	\$ 5,058,900
Payments to Employees		(2,156,672)	(764,576)	(2,921,248)
Payments to Food Service Vendor	(1,614,534)			(1,614,534)
Payments to Suppliers	(62,146)	(604,848)	(270,430)	(937,424)
Net Cash Provided by/(Used for) Operating Activities	(414,306)	- 0 -	- 0 -	(414,306)
Cash Flows from Noncapital and Related Financing Activities:				
Federal Subsidy Reimbursements	442,594			442,594
Federal Pandemic EBT Food Benefits	653			653
Local Food for Schools (LFS) Cooperative	6,527			6,527
COVID-19 - Supply Chain Assistance	72,830			72,830
State Subsidy Reimbursements	31,290			31,290
Net Cash Provided by Noncapital and Related Financing Activities	553,894			553,894
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(123,979)			(123,979)
Net Cash Used for Capital and Related Financing Activities	(123,979)			(123,979)
Net Increase/(Decrease) in Cash and Cash Equivalents	15,609	- 0 -	- 0 -	15,609
Cash and Cash Equivalents, July 1	503,672	6,619	- 0 -	510,291
Cash and Cash Equivalents, June 30	\$ 519,281	\$ 6,619	\$ - 0 -	\$ 525,900
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating (Loss)	\$ (516,838)	\$ (19,572)	\$ - 0 -	\$ (536,410)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	24,995	19,572		44,567
Federal Food Distribution Program	106,645			106,645
Changes in Assets and Liabilities:				
(Increase)/Decrease in Receivables:				
Federal Government Canceled	789			
Other	(48,724)		(150,447)	(199,171)
(Increase) in Inventory	(908)			(908)
Increase in Accounts Payable	1,770		470	2,240
Increase in Interfund Payable			149,977	149,977
Increase in Unearned Revenue - Prepaid Sales	17,965			17,965
Net Cash Provided by/(Used for) Operating Activities	\$ (414,306)	\$ - 0 -	\$ - 0 -	\$ (415,095)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$106,645 for the fiscal year ended June 30, 2024.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

MORRIS HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2024		Interest Rate	Balance June 30, 2023		Matured	Balance June 30, 2024	
			Date	Amount						
Refunding Bonds	07/16/20	\$ 17,615,000	10/01/24	\$ 2,275,000	0.893%					
			10/01/25	2,300,000	1.033%					
			10/01/26	2,325,000	1.286%					
			10/01/27	2,360,000	1.396%					
			10/01/28	2,390,000	1.562%					
			10/01/29	2,425,000	1.662%					
						\$ 16,335,000		\$ 2,260,000		\$ 14,075,000
						<u>\$ 16,335,000</u>		<u>\$ 2,260,000</u>		<u>\$ 14,075,000</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF ENERGY SAVINGS IMPROVEMENT PLAN (ESIP) BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance June 30, 2023	Matured	Balance June 30, 2024
			Date	Amount				
ESIP	04/03/19	\$ 8,230,000	07/15/24	\$ 295,000	5.00%			
			07/15/25	250,000	5.00%			
			07/15/26	280,000	5.00%			
			07/15/27	305,000	5.00%			
			07/15/28	330,000	4.00%			
			07/15/29	360,000	4.00%			
			07/15/30	390,000	4.00%			
			07/15/31	415,000	4.00%			
			07/15/32	450,000	4.00%			
			07/15/33	480,000	4.00%			
			07/15/34	515,000	4.00%			
			07/15/35	465,000	4.00%			
			07/15/36	500,000	5.00%			
			07/15/37	540,000	5.00%			
			07/15/38	585,000	5.00%			
			07/15/39	630,000	5.00%			
						\$ 7,075,000	\$ 285,000	\$ 6,790,000
						<u>\$ 7,075,000</u>	<u>\$ 285,000</u>	<u>\$ 6,790,000</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Issued</u>	<u>Balance June 30, 2024</u>
School Buses	4.69%	\$ 550,073	<u>\$ 550,073</u>	<u>\$ 550,073</u>
			<u>\$ 550,073</u>	<u>\$ 550,073</u>

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,352,374		\$ 2,352,374	\$ 2,352,374	
Total Revenues	2,352,374		2,352,374	2,352,374	
EXPENDITURES:					
Regular Debt Service:					
Interest	192,375		192,375	192,375	
Redemption of Principal	2,260,000		2,260,000	2,260,000	
Total Regular Debt Service	2,452,375		2,452,375	2,452,375	
Total Expenditures	2,452,375		2,452,375	2,452,375	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(100,001)		(100,001)	(100,001)	
Other Financing Sources/(Uses):					
Transfers In - Capital Projects Fund:					
Interest Earned				172,202	\$ 172,202
Total Other Financing Sources/(Uses)				172,202	172,202
Excess/(Deficiency) of Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures	(100,001)		(100,001)	72,201	172,202
Fund Balance, July 1	134,339		134,339	134,339	
Fund Balance, June 30	\$ 34,338	\$ - 0 -	\$ 34,338	\$ 206,540	\$ 172,202
<u>Recapitulation of Fund Balance at June 30, 2024:</u>					
Restricted for Subsequent Year's Expenditures				\$ 34,338	
Restricted				172,202	
				<u>\$ 206,540</u>	

STATISTICAL SECTION
(UNAUDITED)

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 10,597,240	\$ 13,322,185	\$ 14,959,542	\$ 17,702,520	\$ 13,374,986
Restricted	2,356,403	3,573,668	2,577,638	4,198,009	4,360,038
Unrestricted (Deficit)	(20,043,359)	(17,414,636)	(20,765,544)	(24,107,015)	(15,626,751)
Total Governmental Activities					
Net Position (Deficit)	<u>\$ (7,089,716)</u>	<u>\$ (518,783)</u>	<u>\$ (3,228,364)</u>	<u>\$ (2,206,486)</u>	<u>\$ 2,108,273</u>
Business-type Activities:					
Investment in Capital Assets	\$ 576,583	\$ 602,675	\$ 668,114	\$ 710,215	\$ 721,067
Unrestricted	306,380	266,550	248,898	260,957	308,798
Total Business-type Activities					
Net Position	<u>\$ 882,963</u>	<u>\$ 869,225</u>	<u>\$ 917,012</u>	<u>\$ 971,172</u>	<u>\$ 1,029,865</u>
District-wide:					
Net Investment in Capital Assets	\$ 11,173,823	\$ 13,924,860	\$ 15,627,656	\$ 18,412,735	\$ 14,096,053
Restricted	2,356,403	3,573,668	2,577,638	4,198,009	4,360,038
Unrestricted (Deficit)	(19,736,979)	(17,148,086)	(20,516,646)	(23,846,058)	(15,317,953)
Total District-wide Net Position (Deficit)	<u>\$ (6,206,753)</u>	<u>\$ 350,442</u>	<u>\$ (2,311,352)</u>	<u>\$ (1,235,314)</u>	<u>\$ 3,138,138</u>

	June 30,				
	2020	2021	2022	2023	2024
Governmental Activities:					
Net Investment in Capital Assets	\$ 22,992,570	\$ 27,105,052	\$ 29,611,536	\$ 33,864,986	\$ 37,899,925
Restricted	6,348,874	6,511,705	7,319,978	5,654,663	7,235,803
Unrestricted (Deficit)	(22,584,917)	(21,700,206)	(19,053,595)	(16,379,098)	(12,747,490)
Total Governmental Activities					
Net Position (Deficit)	<u>\$ 6,756,527</u>	<u>\$ 11,916,551</u>	<u>\$ 17,877,919</u>	<u>\$ 23,140,551</u>	<u>\$ 32,388,238</u>
Business-type Activities:					
Investment in Capital Assets	\$ 686,527	\$ 769,960	\$ 764,487	\$ 804,904	\$ 884,316
Unrestricted	357,157	198,784	403,683	475,429	527,870
Total Business-type Activities					
Net Position	<u>\$ 1,043,684</u>	<u>\$ 968,744</u>	<u>\$ 1,168,170</u>	<u>\$ 1,280,333</u>	<u>\$ 1,412,186</u>
District-wide:					
Net Investment in Capital Assets	\$ 23,679,097	\$ 27,875,012	\$ 30,376,023	\$ 34,669,890	\$ 38,784,241
Restricted	6,348,874	6,511,705	7,319,978	5,654,663	7,235,803
Unrestricted (Deficit)	(22,227,760)	(21,501,422)	(18,649,912)	(15,903,669)	(12,219,620)
Total District-wide Net Position (Deficit)	<u>\$ 7,800,211</u>	<u>\$ 12,885,295</u>	<u>\$ 19,046,089</u>	<u>\$ 24,420,884</u>	<u>\$ 33,800,424</u>

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

		Fiscal Year Ending June 30,									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:											
Governmental Activities:											
Instruction:											
Regular		\$ 29,949,751	\$ 31,973,788	\$ 37,018,549	\$ 37,441,788	\$ 34,618,354	\$ 32,729,696	\$ 33,071,300	\$ 32,555,760	\$ 31,545,645	\$ 32,248,908
Special Education		5,359,840	5,524,463	6,328,897	6,942,610	6,680,264	6,998,361	6,956,260	6,134,877	6,572,245	6,820,793
Other Special Instruction		935,752	935,440	1,154,988	1,105,403	348,014	371,392	384,520	366,250	456,013	561,290
School-Sponsored Other Instruction		3,818,728	4,089,715	4,580,034	4,643,699	4,355,763	4,007,556	4,079,200	3,979,506	3,705,126	3,912,702
Support Services:											
Tuition		5,155,195	4,996,386	5,492,215	5,654,973	4,916,322	4,996,804	5,721,003	5,181,076	5,224,934	5,594,743
Student & Instruction Related Services		10,150,640	10,919,707	12,491,731	12,756,070	12,364,467	12,094,105	13,318,329	14,353,846	14,393,623	15,395,765
General Administration Services		997,602	967,219	1,903,353	1,939,439	1,565,177	1,621,108	1,686,900	1,759,543	1,691,489	1,655,307
School Administration Services		3,154,101	3,311,209	3,795,506	3,672,535	3,702,636	3,724,617	3,633,615	3,374,884	3,087,288	3,088,628
Central Services		1,274,972	1,141,510	1,455,283	1,286,515	1,400,474	1,668,513	1,474,512	1,651,873	1,653,533	1,536,548
Administrative Information Technology		707,388	698,091	964,766	879,762	880,448	932,828	633,713	701,670	531,510	937,114
Plant Operations and Maintenance		5,182,146	5,392,773	5,627,322	5,763,813	5,730,133	6,225,422	6,592,113	6,777,563	6,311,555	6,877,528
Pupil Transportation		4,760,225	4,963,127	5,327,176	5,789,216	5,685,945	5,729,894	5,620,683	5,919,918	7,013,809	7,282,851
Special Schools		555,695	640,370	621,651	612,908	440,003	406,686	422,391	417,481	369,727	375,561
Interest on Long-term Debt		1,096,240	1,086,027	1,021,722	969,472	994,303	850,382	536,947	342,379	268,305	237,852
Unallocated Depreciation		2,355,536	2,352,091	2,828,487	2,596,576	2,567,551	2,567,551	2,567,551	2,567,551	2,567,551	2,567,551
Total Governmental Activities Expenses		75,453,811	78,991,916	90,611,680	92,054,579	86,249,854	84,924,915	86,699,037	86,084,177	85,392,353	89,093,141
Business-type Activities:											
Food Service		1,039,193	1,220,669	1,322,694	1,420,996	1,516,447	1,205,732	339,038	1,927,214	1,748,397	1,809,304
Academy for Technology		1,137,373	1,137,372	1,137,372	1,137,372	1,579,040	2,012,172	2,578,650	2,746,368	2,800,153	2,781,092
Adult Continuing Education		160,274	83,718	62,568	35,708						
Shared Services		1,271,496	1,249,402	1,326,921	1,275,740	1,294,678	1,331,185	1,357,321	1,155,800	1,130,005	1,185,453
Total Business-type Activities Expenses		3,608,336	3,691,161	3,849,555	3,869,816	4,390,165	4,549,089	4,275,009	5,829,382	5,678,555	5,775,849
Total District-wide Expenses		\$ 79,062,147	\$ 82,683,077	\$ 94,461,235	\$ 95,924,395	\$ 90,640,019	\$ 89,474,004	\$ 90,974,046	\$ 91,913,559	\$ 91,070,908	\$ 94,868,990

MORRIS HILLS REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services							\$	\$	\$	\$
Operating Grants and Contributions	\$ 15,142,605	\$ 18,030,698	\$ 23,883,730	\$ 25,856,392	\$ 21,125,790	\$ 19,003,504	21,487,429	304,759	436,327	442,338
Capital Grants and Contributions	11,321			1,257,269	688,691	545,940		20,412,519	17,431,542	17,199,171
Total Governmental Activities Program Revenues	15,153,926	18,030,698	23,883,730	27,113,661	21,814,481	19,549,444	21,614,238	20,717,278	17,867,869	17,786,651
Business-type Activities:										
Charges for Services:										
Food Service	925,308	1,023,150	1,088,301	1,172,675	1,229,992	925,615	58,805	194,287	1,139,467	1,292,466
Academy for Technology	1,117,800	1,117,800	1,117,800	1,117,800	1,559,467	1,992,600	2,559,078	2,726,796	2,780,581	2,761,520
Adult Continuing Education	160,244	83,577	62,568	35,708						
Shared Services	1,271,496	1,249,402	1,326,921	1,275,740	1,294,678	1,331,185	1,357,321	1,155,800	1,130,005	1,185,453
Operating Grants and Contributions	230,898	287,571	301,752	338,150	364,721	313,508	224,865	1,951,925	740,665	668,263
Total Business-type Activities Revenues	3,705,746	3,761,500	3,897,342	3,940,073	4,448,858	4,562,908	4,200,069	6,028,808	5,790,718	5,907,702
Total District-wide Program Revenues	\$ 18,859,672	\$ 21,792,198	\$ 27,781,072	\$ 31,053,734	\$ 26,263,339	\$ 24,112,352	\$ 25,814,307	\$ 26,746,086	\$ 23,658,587	\$ 23,694,353
Net (Expense)/Revenue:										
Governmental Activities:	\$ (60,299,885)	\$ (60,961,218)	\$ (66,727,950)	\$ (64,940,918)	\$ (64,435,373)	\$ (65,375,471)	\$ (65,084,799)	\$ (65,366,899)	\$ (67,524,484)	\$ (71,306,490)
Business-type Activities	97,410	70,339	47,787	70,257	58,693	13,819	(74,940)	199,426	112,163	131,853
Total District-wide Net (Expense)/Revenue	\$ (60,202,475)	\$ (60,890,879)	\$ (66,680,163)	\$ (64,870,661)	\$ (64,376,680)	\$ (65,361,652)	\$ (65,159,739)	\$ (65,167,473)	\$ (67,412,321)	\$ (71,174,637)

MORRIS HILLS REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 53,092,975	\$ 54,322,759	\$ 55,409,214	\$ 56,906,279	\$ 58,778,040	\$ 60,284,540	\$ 61,490,231	\$ 62,720,036	\$ 63,974,437	\$ 69,210,821
Taxes Levied for Debt Service	2,708,335	2,615,000	2,616,550	2,583,270	2,577,170	2,581,086	2,584,150	2,430,894	2,282,642	2,352,374
Unrestricted Grants and Contributions	5,300,269	5,531,590	5,556,684	5,625,623	5,727,264	5,634,440	5,630,164	5,648,430	5,871,956	8,236,263
Tuition	135,152	212,230	254,217	347,997	298,046	295,742	292,636	303,121	215,451	277,169
Investment Earnings	7,690	5,957	46,701	97,459	192,558	196,755	16,424	22,633	175,127	301,027
Miscellaneous Income	193,693	212,112	335,003	386,071	249,877	137,926	231,218	203,153	267,503	176,523
Premium on ESIP Bonds					927,177					
Transfers				16,097						
Total Governmental Activities General Revenues and Other Changes	61,438,114	62,899,648	64,218,369	65,962,796	68,750,132	69,130,489	70,244,823	71,328,267	72,787,116	80,554,177
Business-type Activities:				(16,097)						
Transfers										
Total Business-type Activities General Revenues and Other Changes	- 0 -	- 0 -	- 0 -	(16,097)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Total District-wide General Revenues and Other Changes in Net Position	\$ 61,438,114	\$ 62,899,648	\$ 64,218,369	\$ 65,946,699	\$ 68,750,132	\$ 69,130,489	\$ 70,244,823	\$ 71,328,267	\$ 72,787,116	\$ 80,554,177
Change in Net Position:										
Governmental Activities	\$ 1,138,229	\$ 1,938,430	\$ (2,509,581)	\$ 1,021,878	\$ 4,314,759	\$ 3,755,018	\$ 5,160,024	\$ 5,961,368	\$ 5,262,632	\$ 9,247,687
Business-type Activities	97,410	70,339	47,787	54,160	58,693	13,819	(74,940)	199,426	112,163	131,853
Total District-wide Change in Net Position	\$ 1,235,639	\$ 2,008,769	\$ (2,461,794)	\$ 1,076,038	\$ 4,373,452	\$ 3,768,837	\$ 5,085,084	\$ 6,160,794	\$ 5,374,795	\$ 9,379,540

Source: Morris Hills Regional School District Financial Reports.

**MORRIS HILLS REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 2,355,147	\$ 3,572,668	\$ 2,525,719	\$ 4,150,257	\$ 4,303,193	\$ 5,605,600	\$ 5,706,372	\$ 6,494,004	\$ 4,839,181	\$ 6,383,908
Assigned	568,117	623,000	444,966	254,790	523,000	523,000	523,000	533,000	533,000	2,068,159
Unassigned		68,812			437,916	845,965	1,347,540	1,114,790	509,196	1,298,483
Total General Fund	\$ 2,923,264	\$ 4,264,480	\$ 2,970,685	\$ 4,405,047	\$ 5,264,109	\$ 6,974,565	\$ 7,576,912	\$ 8,141,794	\$ 5,881,377	\$ 9,750,550
All Other Governmental Funds:										
Restricted	\$ 1,256	\$ 1,000	\$ 51,919	\$ 47,752	\$ 56,845	\$ 743,274	\$ 805,333	\$ 825,974	\$ 815,482	\$ 851,895
Committed	1,274,481	4,234,025	3,719,471	1,369,461	9,553,741	2,545,079	2,565,029	2,749,462	3,572,017	2,861,025
Total All Other Governmental Funds	\$ 1,275,737	\$ 4,235,025	\$ 3,771,390	\$ 1,417,213	\$ 9,610,586	\$ 3,288,353	\$ 3,370,362	\$ 3,575,436	\$ 4,387,499	\$ 3,712,920
Total Governmental Funds	\$ 4,199,001	\$ 8,499,505	\$ 6,742,075	\$ 5,822,260	\$ 14,874,695	\$ 10,262,918	\$ 10,947,274	\$ 11,717,230	\$ 10,268,876	\$ 13,463,470

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

For the Fiscal Year Ended June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$55,801,310	\$56,937,759	\$58,025,764	\$59,489,549	\$61,355,210	\$62,865,626	\$64,074,381	\$65,150,930	\$66,257,079	\$71,563,195
Tuition Charges	135,152	212,230	254,217	347,997	298,046	295,742	292,636	303,121	215,451	277,169
Interest Earnings	7,690	5,957	46,701	70,175	89,350	196,755	16,424	22,633	175,127	301,027
Miscellaneous	193,693	215,447	337,372	420,823	359,750	138,507	358,274	507,912	705,477	621,937
State Sources	13,725,833	15,035,062	16,028,899	18,368,764	19,454,924	19,950,038	22,680,970	26,558,864	27,386,237	31,119,095
Federal Sources	731,241	740,680	714,654	800,627	872,774	1,020,501	1,093,429	1,930,369	2,240,772	2,157,315
Total Revenues	70,594,919	73,147,135	75,407,607	79,497,935	82,430,054	84,467,169	88,516,114	94,473,829	96,980,143	106,039,738
Expenditures:										
Instruction:										
Regular Instruction	19,859,438	20,237,201	20,888,477	20,941,724	21,056,137	20,968,236	20,884,379	22,184,374	22,894,796	23,269,710
Special Education Instruction	3,578,399	3,521,797	3,660,412	3,896,610	4,086,114	4,403,173	4,272,528	4,175,132	4,478,784	5,083,632
Other Special Instruction	681,272	635,628	688,042	652,979	227,914	259,913	265,145	281,306	372,897	459,329
School-Sponsored Other Instruction	2,902,401	2,952,714	2,959,200	2,954,029	2,992,243	2,962,520	2,987,518	3,203,178	3,165,939	3,360,170
Support Services:										
Tuition	5,155,195	4,996,386	5,492,215	5,654,973	4,916,322	4,996,804	5,721,003	5,181,076	5,224,934	5,594,743
Student & Instruction Related Services	6,484,947	6,615,897	6,894,417	6,965,098	7,026,974	7,500,963	8,153,719	9,539,897	10,236,492	10,428,067
General Administration Services	864,209	852,100	881,745	916,578	979,601	1,005,994	1,113,523	1,202,523	1,194,333	1,018,277
School Administration Services	1,976,936	2,010,456	2,009,009	1,959,709	2,123,440	2,137,189	2,115,267	2,201,192	2,098,507	2,089,502
Central Services	993,118	935,556	1,198,841	1,070,358	1,149,641	1,242,467	1,174,996	1,344,919	1,312,772	1,256,316
Administrative Information Technology	489,631	527,339	782,055	649,318	688,519	702,199	497,731	593,111	442,118	829,199
Plant Operations and Maintenance	4,034,861	3,935,050	4,114,079	4,416,871	4,331,662	4,598,803	5,229,779	5,559,364	5,163,753	5,519,387
Pupil Transportation	3,671,722	3,688,678	3,906,715	4,618,275	4,511,805	4,213,615	4,125,447	4,562,385	5,610,055	5,685,643
Allocated Benefits	8,432,827	8,573,967	8,665,749	9,089,461	9,952,200	10,506,152	10,649,933	11,605,626	11,927,195	13,186,737
Unallocated Benefits	5,537,742	6,568,849	7,441,450	8,450,041	9,684,696	10,033,368	12,194,229	15,641,024	16,266,530	17,099,492
Capital Outlay	2,290,863	2,015,530	4,557,772	5,178,210	5,860,475	11,523,017	5,676,342	3,639,959	5,277,100	5,747,735
Special Schools	423,859	463,233	407,309	396,563	308,819	301,069	309,388	332,913	309,650	314,903
Debt Service:										
Principal	1,470,000	1,420,000	1,450,000	1,500,000	1,555,000	1,610,000	2,140,000	2,145,000	2,215,000	2,260,000
Interest and Other Charges	1,239,850	1,196,250	1,167,550	1,123,050	1,061,950	1,006,700	581,178	310,894	237,642	192,375
Total Expenditures	70,087,270	71,146,631	77,165,037	80,433,847	82,513,512	89,972,182	88,092,105	93,703,873	98,428,497	103,395,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	507,649	2,000,504	(1,757,430)	(935,912)	(83,458)	(5,505,013)	424,009	769,956	(1,448,354)	2,644,521

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses):										
School Refunding Bonds Issued							\$ 17,615,000			
Payments to Escrow Agent for Bond Refunding							(17,354,653)			
Financed Purchases Proceeds		\$ 2,300,000			\$ 8,230,000					\$ 550,073
ESIP Bond Proceeds					927,177					
ESIP Bond Premium										
Transfers In	\$ 1,153,882	1,479,467	\$ 2,890,598	\$ 3,177,029	4,116,975	\$ 2,405,391	3,486,991	\$ 5,327,883	\$ 6,496,611	\$ 4,519,799
Transfers Out	(1,153,882)	(1,479,467)	(2,890,598)	(3,160,932)	(4,116,975)	(2,405,391)	(3,486,991)	(5,327,883)	(6,496,611)	(4,519,799)
Total Other Financing Sources (Uses)	- 0 -	2,300,000	- 0 -	16,097	9,157,177	- 0 -	260,347	- 0 -	- 0 -	550,073
Net Change in Fund Balances	\$ 507,649	\$ 4,300,504	\$ (1,757,430)	\$ (919,815)	\$ 9,073,719	\$ (5,505,013)	\$ 684,356	\$ 769,956	\$ (1,448,354)	\$ 3,194,594
Debt Service as a Percentage of Noncapital Expenditures	4.00%	3.75%	3.57%	3.46%	3.39%	3.31%	3.28%	2.72%	2.63%	2.51%

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals - Use of</u> <u>Facilities</u>	<u>Other</u>	<u>Total</u>
2015	\$ 6,590	\$ 135,152	\$ 35,723	\$ 157,970	\$ 335,435
2016	4,963	212,230	26,683	185,429	429,305
2017	34,562	254,217	28,603	266,620	584,002
2018	61,846	347,997	29,143	356,928	795,914
2019	103,418	298,046	29,267	220,610	651,341
2020	91,290	295,742	16,372	121,554	524,958
2021	7,619	307,836	165	215,853	531,473
2022	9,846	303,121	37,524	165,629	516,120
2023	47,907	215,451	14,968	252,535	530,861
2024	128,825	277,169	14,376	162,147	582,517

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
UNAUDITED

DENVILLE TOWNSHIP

Year End Dec.	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	School Tax Rate ^b	Estimated Actual (County Equalized Value)
31.													
2014	\$ 37,165,900	\$ 1,836,196,200	\$ 4,028,900	\$ 81,200	\$ 269,428,500	\$ 66,056,700	\$ 7,579,600	\$ 2,220,537,000	\$ - 0 -	\$ 2,220,537,000	\$ 213,597,600	\$ 0.88	\$ 3,126,969,683
2015	35,800,700	1,841,849,600	4,049,500	81,200	269,647,900	64,280,400	7,579,600	2,223,288,900	- 0 -	2,223,288,900	213,333,200	0.91	3,250,387,268
2016*	39,986,400	2,422,594,000	4,869,400	61,200	485,899,900	97,249,100	14,896,000	3,065,556,000	- 0 -	3,065,556,000	265,875,000	0.71	3,375,616,140
2017	45,669,600	2,424,023,800	4,869,400	79,900	485,680,300	97,846,100	14,896,000	3,073,065,100	- 0 -	3,073,065,100	268,916,600	0.73	3,300,059,059
2018	33,042,500	2,436,447,100	3,923,000	86,800	484,202,300	97,746,100	14,896,000	3,070,343,800	- 0 -	3,070,343,800	274,761,800	0.70	3,314,151,624
2019	32,059,100	2,436,447,100	3,923,000	86,800	484,202,300	97,746,100	14,896,000	3,069,360,400	- 0 -	3,070,343,800	276,050,700	0.70	3,327,546,997
2020	31,170,900	2,449,740,600	4,379,300	80,700	485,843,100	96,019,300	14,896,000	3,082,129,900	- 0 -	3,082,129,900	276,753,200	0.70	3,325,516,358
2021	29,691,800	2,463,935,300	4,058,300	80,400	492,261,800	95,501,300	14,896,000	3,100,424,900	- 0 -	3,100,424,900	278,321,400	0.70	3,390,301,916
2022	41,200,800	2,472,746,900	4,058,300	80,400	433,852,200	95,456,100	30,396,000	3,077,790,700	- 0 -	3,077,790,700	263,727,800	0.70	3,464,015,112
2023	55,828,000	2,480,024,100	4,027,500	83,900	429,270,500	95,520,900	30,396,000	3,095,150,900	- 0 -	3,095,150,900	247,234,100	0.70	3,784,447,039

ROCKAWAY BOROUGH

Year End Dec.	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	School Tax Rate ^b	Estimated Actual (County Equalized Value)
31.													
2014	\$ 7,097,400	\$ 564,385,430	\$ - 0 -	\$ - 0 -	\$ 152,962,525	\$ 31,102,600	\$ 22,292,400	\$ 777,840,355	\$ 1,257,313	\$ 779,097,668	\$ 73,441,600	\$ 0.70	\$ 866,746,168
2015	7,207,500	564,302,030	- 0 -	- 0 -	153,387,425	31,102,600	22,292,400	778,291,955	92	778,292,047	72,870,600	0.75	849,680,286
2016	6,698,100	565,692,330	- 0 -	- 0 -	153,560,925	31,102,600	22,816,100	779,870,055	92	779,870,147	74,113,150	0.76	840,700,393
2017	6,308,400	567,433,330	- 0 -	1,700	153,269,525	29,990,700	22,816,100	779,819,755	92	779,819,847	74,125,150	0.79	904,562,353
2018	6,103,200	567,645,730	- 0 -	1,700	151,240,275	31,694,400	22,816,100	779,501,405	92	779,501,497	73,208,950	0.86	849,574,967
2019	6,556,300	568,187,700	- 0 -	- 0 -	151,432,200	36,330,300	22,896,100	785,402,600	92	785,402,692	73,214,900	0.86	821,116,320
2020	5,622,000	568,788,600	- 0 -	- 0 -	153,073,300	36,726,200	24,315,600	788,525,700	92	788,525,792	71,207,100	0.83	826,842,253
2021	5,622,000	570,027,400	- 0 -	- 0 -	152,901,300	36,881,200	24,315,600	789,747,500	92	789,747,592	70,650,400	0.85	853,785,051
2022	5,491,500	570,738,500	- 0 -	- 0 -	153,243,600	36,881,200	25,108,100	791,462,900	92	791,462,992	72,332,800	0.85	867,261,364
2023	5,978,300	571,783,200	- 0 -	- 0 -	152,789,600	36,911,200	25,153,100	792,615,400	92	792,615,492	70,096,800	0.85	917,321,536

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

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

b - Tax rates are per \$100 of assessed valuation.

* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Assessors.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
UNAUDITED

ROCKAWAY TOWNSHIP

Year End Dec.	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax ^b	Estimated Actual (County Equalized Value)
31.													
2014	\$ 65,434,200	\$ 2,657,539,800	\$ 7,859,700	\$ 203,900	\$ 570,208,400	\$ 207,773,700	\$ 59,954,100	\$ 3,568,973,800	\$ -	\$ 3,568,973,800	\$ 408,552,300	\$ 0.72	\$ 3,801,875,651
2015	60,924,200	2,657,056,500	7,855,000	204,100	564,369,300	206,651,600	58,654,300	3,555,715,000	-	3,555,715,000	409,409,900	0.73	3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	-	3,579,254,100	409,692,400	0.72	3,846,774,464
2017	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	-	3,593,083,900	413,450,900	0.73	3,969,743,155
2018	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	-	3,956,629,100	461,558,200	0.70	4,233,241,964
2019	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	-	4,086,910,800	514,871,900	0.71	4,212,185,628
2020	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	-	4,202,110,400	396,482,400	0.71	4,524,860,678
2021	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	-	4,295,071,200	399,960,700	0.72	4,548,607,196
2022*	42,732,300	3,359,721,200	11,507,500	136,600	685,902,200	297,179,900	218,335,700	4,615,515,400	-	4,615,515,400	403,871,500	0.68	4,907,786,998
2023	44,035,700	3,638,485,800	11,811,100	145,400	639,626,000	331,218,200	281,338,800	4,946,661,000	-	4,946,661,000	410,334,800	0.68	5,279,761,888

WHARTON BOROUGH

Year End Dec.	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax ^b	Estimated Actual (County Equalized Value)
31.													
2014	\$ 12,324,900	\$ 422,510,400	\$ 566,600	\$ 4,000	\$ 93,341,300	\$ 97,616,100	\$ 21,819,500	\$ 648,182,800	\$ -	\$ 648,182,800	\$ 67,252,000	\$ 0.70	\$ 701,205,616
2015	11,789,600	427,569,800	576,400	4,000	92,610,400	97,716,600	21,914,000	652,180,800	-	652,180,800	96,632,800	0.65	673,503,608
2016	12,991,500	431,891,600	581,100	4,000	92,517,600	96,320,200	22,465,700	656,771,700	-	656,771,700	97,154,200	0.61	663,528,365
2017	12,993,400	434,199,800	581,100	4,000	92,741,300	98,448,800	22,649,900	661,618,300	-	661,618,300	101,972,200	0.63	668,396,422
2018	12,873,400	446,757,300	598,200	4,000	93,118,800	105,321,100	22,772,700	681,445,500	-	681,445,500	102,182,300	0.62	675,041,790
2019	13,857,600	460,137,300	612,300	4,000	94,940,200	105,912,700	23,065,000	698,529,100	-	698,529,100	102,579,700	0.69	716,029,500
2020	15,400,200	478,323,300	628,700	4,000	98,332,800	111,845,100	23,475,200	728,009,300	-	728,009,300	110,236,300	0.76	747,194,562
2021	14,406,400	498,177,500	655,100	4,000	100,490,100	115,222,600	26,040,200	754,995,900	-	754,995,900	109,439,100	0.77	763,011,808
2022	17,090,900	526,093,300	339,500	3,100	102,671,000	119,543,000	28,343,900	794,084,700	-	794,084,700	107,614,600	0.74	809,127,099
2023	18,497,300	557,759,300	355,900	1,000	106,336,200	124,763,400	29,980,300	837,693,400	-	837,693,400	116,904,500	0.74	888,911,552

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

Reassessment occurs when ordered by the County Board of Taxation.

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

b - Tax rates are per \$100 of assessed valuation.

* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Assessors.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED

(Rate per \$100 of Assessed Value)

DENVILLE TOWNSHIP

Year Ended Dec. 31,	Morris Hills Regional School District				Overlapping Rates			Total Direct and Overlapping Tax Rate						
	General Obligation Debt			Denville Township	Denville Township									
	Basic Rate ^a	Service ^b	Total Direct Rate		Public Schools	Morris County								
2014	\$	0.84	\$	0.04	\$	0.88	\$	0.62	\$	1.20	\$	0.36	\$	3.06
2015		0.87		0.04		0.91		0.63		1.22		0.36		3.12
2016	*	0.68	*	0.03	*	0.71	*	0.48	*	0.92	*	0.28	*	2.39
2017		0.70		0.03		0.73		0.48		0.95		0.28		2.44
2018		0.67		0.03		0.70		0.49		0.99		0.28		2.46
2019		0.67		0.03		0.70		0.50		1.01		0.28		2.49
2020		0.67		0.03		0.70		0.50		1.03		0.28		2.51
2021		0.67		0.03		0.70		0.51		1.05		0.28		2.54
2022		0.67		0.03		0.70		0.52		1.06		0.29		2.57
2023		0.67		0.03		0.70		0.53		1.11		0.31		2.64

ROCKAWAY BOROUGH

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct Rate	Rockaway Borough	Rockaway Borough Public Schools	Morris County	
2014	\$ 0.67	\$ 0.03	\$ 0.70	\$ 0.76	\$ 0.95	\$ 0.29	\$ 2.70
2015	0.70	0.05	0.75	0.79	0.75	0.28	2.57
2016	0.73	0.03	0.76	0.81	1.00	0.28	2.85
2017	0.75	0.04	0.79	0.82	1.03	0.30	2.94
2018	0.82	0.04	0.86	0.85	1.06	0.28	3.05
2019	0.83	0.03	0.86	0.87	1.09	0.27	3.09
2020	0.80	0.03	0.83	0.89	1.16	0.27	3.15
2021	0.82	0.03	0.85	0.90	1.17	0.28	3.20
2022	0.82	0.03	0.85	0.91	1.19	0.28	3.23
2023	0.82	0.03	0.85	0.93	1.18	0.30	3.25

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b - Rates for debt service are based on each year's requirements.

* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Collectors and Morris Hills Regional School Business Administrator.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS

UNAUDITED
(Rate per \$100 of Assessed Value)

ROCKAWAY TOWNSHIP

Year Ended Dec. 31,	Morris Hills Regional School District				Overlapping Rates			Total Direct and Overlapping Tax Rate
	General Obligation Debt			Rockaway Township	Rockaway Township			
	Basic Rate ^a	Total Direct Rate	Public Schools		Morris County			
						Service ^b		
2014	\$ 0.68	\$ 0.04	\$ 0.72	\$ 0.84	\$ 1.17	\$ 0.27	\$ 3.00	
2015	0.69	0.04	0.73	0.86	1.20	0.27	3.06	
2016	0.69	0.03	0.72	0.87	1.22	0.27	3.08	
2017	0.70	0.03	0.73	0.87	1.23	0.29	3.12	
2018	0.67	0.03	0.70	0.77	1.15	0.28	2.90	
2019	0.68	0.03	0.71	0.74	1.13	0.27	2.85	
2020	0.68	0.03	0.71	0.73	1.12	0.28	2.84	
2021	0.69	0.03	0.72	0.73	1.12	0.27	2.84	
2022	* 0.65	* 0.03	* 0.68	* 0.71	* 1.06	* 0.27	* 2.72	
2023	0.65	0.03	0.68	0.67	1.01	0.27	2.62	

WHARTON BOROUGH

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			Total Direct and Overlapping Tax Rate							
	Basic Rate ^a	General	Total Direct Rate	Wharton Borough	Wharton	Morris County								
		Obligation			Borough									
		Debt			Public									
		Service ^b			Schools									
2014	\$	0.67	\$	0.03	\$	0.70	\$	0.75	\$	1.33	\$	0.28	\$	3.06
2015		0.62		0.03		0.65		0.76		1.35		0.26		3.02
2016		0.58		0.03		0.61		0.78		1.36		0.26		3.01
2017		0.60		0.03		0.63		0.79		1.38		0.26		3.06
2018		0.59		0.03		0.62		0.78		1.36		0.26		3.02
2019		0.66		0.03		0.69		0.77		1.35		0.27		3.08
2020		0.73		0.03		0.76		0.76		1.32		0.27		3.11
2021		0.74		0.03		0.77		0.73		1.29		0.26		3.05
2022		0.71		0.03		0.74		0.74		1.25		0.26		2.99
2023		0.71		0.03		0.74		0.59		1.23		0.27		2.83

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b - Rates for debt service are based on each year's requirements.

* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Collectors and Morris Hills Regional School Business Administrator.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

DENVILLE TOWNSHIP

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Denville Union Hill LLC	\$ 33,896,000	1.10%	Shoppes at Union Hill LLC	\$ 21,966,000	0.99%
Springpoint at Denville, Inc.	31,248,200	1.01%	St. Francis Life Care Corporation	20,000,000	0.90%
MPT of Morris LLC	28,333,700	0.92%	Tamara Enterprises	12,112,200	0.55%
Tamara Enterprises	18,345,000	0.59%	Rockaway River Country Club	8,767,600	0.39%
Denville Commons LLC	16,300,000	0.53%	Individual Tax Payer #1	6,737,000	0.30%
EV Equities I LLC	15,500,000	0.50%	Denville Station, LLC	5,100,000	0.23%
Springpoint Realty, Inc.	13,726,800	0.44%	Denville West Main, LLC	4,900,000	0.22%
TEJ Denville Hospitality LLC	10,710,000	0.35%	Grecco Realty LLC	4,844,100	0.22%
Rockaway River Country Club	10,027,200	0.32%	WP Properties, LLC	4,790,000	0.22%
Pinfield Manor LLC	9,758,000	0.32%	Morris Ave Denville S S, LLC	4,640,300	0.21%
Total	<u>\$ 187,844,900</u>	<u>6.08%</u>	Total	<u>\$ 93,857,200</u>	<u>4.23%</u>

Note: A reassessment/revaluation was effective in 2016 in Denville Township.

ROCKAWAY BOROUGH

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Commons, LLC	\$ 12,500,000	1.58%	Conn. Storage Dept. PT NJ	\$ 67,704,000	8.69%
Conn. Storage Dept. PT NJ	6,704,000	0.85%	Rockaway Commons, LLC	13,026,250	1.67%
Highway Enterprises, Inc.	5,700,000	0.72%	Highway Enterprises, Inc.	6,400,000	0.82%
HS Gardens, LLC	4,983,000	0.63%	Mc Williams Development Corp.	5,212,500	0.67%
WithInvestors Rockaway, LLC	4,640,000	0.59%	HS Gardens, LLC	4,983,000	0.64%
KTB Realty, LLC	4,639,900	0.59%	WithInvestors Rockaway, LLC	4,640,000	0.60%
E & W Realty Associates, LLC	4,450,500	0.56%	McWilliams Forge Company	4,250,000	0.55%
McWilliams Forge Company	4,260,500	0.54%	E & W Realty Associates, LLC	4,090,200	0.52%
Moretrench Corporation	4,197,400	0.53%	Moretrench Corporation	4,042,400	0.52%
385 Franklin Ave LLC	4,045,200	0.51%	Roned Realty, L.P.	4,000,000	0.51%
Total	<u>\$ 56,120,500</u>	<u>7.10%</u>	Total	<u>\$ 118,348,350</u>	<u>15.19%</u>

Source: Municipal Tax Assessors.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

ROCKAWAY TOWNSHIP

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates, Inc	\$ 150,366,500	3.04%	Rockaway Center Associates, Inc	\$ 170,041,500	4.76%
Pondview Estates	123,122,400	2.49%	Mt. Hope Rock Products & Hydro	53,403,200	1.50%
Tilcon	76,213,400	1.54%	Marvin F. Poer and Company	30,121,400	0.84%
WPG Rockaway Commons LLC	67,952,400	1.37%	MarketPlace at Rockaway, LLC	29,073,500	0.81%
Rustic Ridge, Inc.	51,249,500	1.04%	Dover VF C/O Vornado Realty Trust	27,552,700	0.77%
R&K Commons LLC	48,436,000	0.98%	Rustie Ridge, Inc	26,099,800	0.73%
Marketplace at Rockaway, LLC	35,632,900	0.72%	Macy's East, Inc./Federated Dept Stores	25,346,900	0.71%
Dover UE, LLC	32,813,500	0.66%	Bergen Record	24,991,500	0.70%
Ivy Commons Property LLC	31,726,800	0.64%	Target Corporation	19,228,200	0.54%
Macy's	26,520,000	0.54%	Highlands at Morris	18,783,500	0.53%
Total	<u>\$ 644,033,400</u>	<u>13.02%</u>	Total	<u>\$ 424,642,200</u>	<u>11.90%</u>

Note: A reassessment/revaluation was effective in 2022 in Rockaway Township.

WHARTON BOROUGH

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
This information was not available.			TA Wharton, LLC	\$ 55,711,800	8.60%
			The Realty Associates Fund VIII LP	32,223,900	4.97%
			Glass Paramus	19,433,900	3.00%
			Costco Wholesale Club	17,842,300	2.75%
			C.C.K.K. LLC (Wharton Industrial)	12,115,400	1.87%
			Bayview Gardens LLC	8,700,000	1.34%
			Wharton Mall Associates, LLC	8,273,700	1.28%
			Brentwood Associates, Inc.	6,528,500	1.01%
			Wharton Apartment Associates, LP	4,000,000	0.62%
			Waltann Greenbrook, LLC	3,863,700	0.60%
			Total	<u>\$ 168,693,200</u>	<u>26.02%</u>

Source: Municipal Tax Assessors.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

DENVILLE TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 19,528,633	\$ 19,528,633	100.00%	\$ - 0 -
2016	20,753,444	20,753,444	100.00%	- 0 -
2017	22,799,243	22,799,243	100.00%	- 0 -
2018	21,918,982	21,918,982	100.00%	- 0 -
2019	21,342,735	21,342,735	100.00%	- 0 -
2020	21,729,610	21,729,610	100.00%	- 0 -
2021	21,313,959	21,313,959	100.00%	- 0 -
2022	21,721,419	21,721,419	100.00%	- 0 -
2023	21,671,718	21,671,718	100.00%	- 0 -
2024	22,790,108	22,697,118	99.59%	92,990

ROCKAWAY BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 5,914,924	\$ 5,914,924	100.00%	\$ - 0 -
2016	5,843,123	5,843,123	100.00%	- 0 -
2017	5,967,952	5,967,952	100.00%	- 0 -
2018	6,335,178	6,335,178	100.00%	- 0 -
2019	7,089,482	7,089,482	100.00%	- 0 -
2020	6,432,500	6,432,500	100.00%	- 0 -
2021	6,643,191	6,643,191	100.00%	- 0 -
2022	6,702,645	6,702,645	100.00%	- 0 -
2023	6,713,599	6,713,599	100.00%	- 0 -
2024	6,878,431	6,878,431	100.00%	- 0 -

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

Source: Morris Hills Regional School District records, including the Certificate and Report of School Taxes (A4F form).

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

ROCKAWAY TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 25,871,039	\$ 25,871,039	100.00%	\$ - 0 -
2016	26,324,330	26,324,330	100.00%	- 0 -
2017	25,225,962	25,225,962	100.00%	- 0 -
2018	26,978,245	26,978,245	100.00%	- 0 -
2019	28,700,860	28,700,860	100.00%	- 0 -
2020	29,318,281	29,318,281	100.00%	- 0 -
2021	30,421,537	30,421,537	100.00%	- 0 -
2022	30,886,498	30,886,498	100.00%	- 0 -
2023	32,031,438	32,031,438	100.00%	- 0 -
2024	34,975,811	34,975,811	100.00%	- 0 -

WHARTON BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 4,486,714	\$ 4,486,714	100.00%	\$ - 0 -
2016	4,016,862	4,016,862	100.00%	- 0 -
2017	4,032,607	4,032,607	100.00%	- 0 -
2018	4,257,144	4,257,144	100.00%	- 0 -
2019	4,222,133	4,222,133	100.00%	- 0 -
2020	5,385,235	5,385,235	100.00%	- 0 -
2021	5,695,694	5,695,694	100.00%	- 0 -
2022	5,840,368	5,840,368	100.00%	- 0 -
2023	5,840,324	5,840,324	100.00%	- 0 -
2024	6,918,845	6,918,845	100.00%	- 0 -

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

Source: Morris Hills Regional School District records, including the Certificate and Report of School Taxes (A4F form).

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Business-Type Activities			
	General Obligation Bonds	Energy Savings Improvement Bonds	Unamortized Bond Issuance		Bond Anticipation Notes (BANs)		Financed Purchases	Total District	Percentage of Personal Income ^a	Per Capita ^a
			Premiums	Financed Purchases	Notes (BANs)	Financed Purchases				
2015	\$ 28,230,000	\$ - 0 -	\$ 4,285,995	\$ 288,553	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 32,804,548	0.72%	\$ 607.41
2016	26,810,000	- 0 -	4,000,262	2,300,000	- 0 -	- 0 -	- 0 -	33,110,262	0.69%	615.01
2017	25,360,000	- 0 -	3,714,529	1,852,618	- 0 -	- 0 -	- 0 -	30,927,147	0.63%	563.93
2018	23,860,000	- 0 -	3,428,796	1,401,027	- 0 -	- 0 -	- 0 -	28,689,823	0.56%	521.24
2019	22,305,000	8,230,000	3,143,063	941,813	- 0 -	- 0 -	- 0 -	34,619,876	0.65%	630.17
2020	20,695,000	8,230,000	2,857,330	474,848	- 0 -	- 0 -	- 0 -	32,257,178	0.59%	585.19
2021	20,695,000	7,970,000	2,571,597	- 0 -	- 0 -	- 0 -	- 0 -	31,236,597	0.55%	549.99
2022	18,550,000	7,545,000	2,285,864	- 0 -	- 0 -	- 0 -	- 0 -	28,380,864	0.46%	497.91
2023	16,335,000	7,075,000	2,000,131	- 0 -	- 0 -	- 0 -	- 0 -	25,410,131	0.40%	442.24
2024	14,075,000	6,790,000	1,714,398	550,073	- 0 -	- 0 -	- 0 -	23,129,471	0.36%	402.55

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

^a - See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation and Energy Savings Improvement Bonds	Unamortized Bond Issuance Premiums	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 28,230,000	\$ 4,285,995	\$ - 0 -	\$ 32,515,995	0.451%	\$ 602.07
2016	26,810,000	4,000,262	- 0 -	30,810,262	0.427%	572.29
2017	25,360,000	3,714,529	- 0 -	29,074,529	0.360%	530.15
2018	23,860,000	3,428,796	- 0 -	27,288,796	0.337%	495.79
2019	30,535,000	3,143,063	- 0 -	33,678,063	0.397%	613.03
2020	28,925,000	2,857,330	- 0 -	31,782,330	0.368%	576.57
2021	28,665,000	2,571,597	- 0 -	31,236,597	0.355%	549.99
2022	26,095,000	2,285,864	- 0 -	28,380,864	0.317%	497.91
2023	23,410,000	2,000,131	- 0 -	25,410,131	0.274%	442.24
2024	20,865,000	1,714,398	- 0 -	22,579,398	0.233%	392.97

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Denville Township	\$ 13,959,650	100.00%	\$ 13,959,650
Rockaway Borough	5,432,168	100.00%	5,432,168
Rockaway Township	17,990,231	100.00%	17,990,231
Wharton Borough	- 0 -	100.00%	- 0 -
Morris County General Obligation Debt - (all constituent municipalities)	326,425,422	10.10%	<u>32,981,539</u>
Subtotal, Overlapping Debt			70,363,588
Morris Hills Regional School District Direct Debt			<u>20,865,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 91,228,588</u></u>

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

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

Source: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Debt Limit	\$ 258,597,096	\$ 257,846,475	\$ 260,277,774	\$ 264,572,537	\$ 267,800,874
Total Net Debt Applicable to Limit	28,230,000	26,810,000	25,360,000	23,860,000	30,535,000
Legal Debt Margin	<u>\$ 230,367,096</u>	<u>\$ 231,036,475</u>	<u>\$ 234,917,774</u>	<u>\$ 240,712,537</u>	<u>\$ 237,265,874</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.92%	10.40%	9.74%	9.02%	11.40%

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
Debt Limit	\$ 273,270,894	\$ 277,746,017	\$ 287,595,983	\$ 301,774,206	\$ 324,473,654
Total Net Debt Applicable to Limit	28,925,000	28,665,000	26,095,000	23,410,000	20,865,000
Legal Debt Margin	<u>\$ 244,345,894</u>	<u>\$ 249,081,017</u>	<u>\$ 261,500,983</u>	<u>\$ 278,364,206</u>	<u>\$ 303,608,654</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.58%	10.32%	9.07%	7.76%	6.43%

Legal Debt Margin Calculation for Fiscal Year 2024					
Year Ended December 31,	Denville Township	Rockaway Borough	Rockaway Township	Wharton Borough	Equalized Valuation Basis
2021	\$ 3,479,713,692	\$ 859,261,778	\$ 4,825,922,697	\$ 803,785,691	\$ 9,968,683,858
2022	3,753,403,293	909,832,050	5,202,925,713	884,774,039	10,750,935,095
2023	4,176,428,147	987,190,684	5,666,278,351	897,849,303	11,727,746,485
	<u>\$ 11,409,545,132</u>	<u>\$ 2,756,284,512</u>	<u>\$ 15,695,126,761</u>	<u>\$ 2,586,409,033</u>	<u>\$ 32,447,365,438</u>
	Average Equalized Valuation of Taxable Property				<u>\$ 10,815,788,479</u>
	Debt Limit ^a (3% of Average Equalization Value)				\$ 324,473,654
	Net Bonded School Debt at June 30, 2024				<u>20,865,000</u>
	Legal Debt Margin				<u>\$ 303,608,654</u>

^a - Limit set by NJSA 18A:24-19 for a regional high school district; other % limits would be applicable for other districts.

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

DENVILLE TOWNSHIP

Fiscal Year	Population ^a	Morris County Per Capita Personal		Personal Income ^c	Unemployment Rate ^d
		Income ^b			
2015	16,641	\$ 88,298		\$ 1,469,367,018	4.10%
2016	16,579	91,252		1,512,866,908	3.80%
2017	16,746	93,544		1,566,487,824	3.70%
2018	16,630	97,244		1,617,167,720	3.30%
2019	16,435	99,140		1,629,365,900	2.50%
2020	16,362	102,227		1,672,638,174	7.90%
2021	17,100	107,767		1,842,815,700	4.70%
2022	17,127	111,597		1,911,321,819	3.00%
2023	17,148	111,597 **		1,913,665,356	3.50%
2024	17,148 *	111,597 **		1,913,665,356	Not Available

ROCKAWAY BOROUGH

Fiscal Year	Population ^a	Morris County Per Capita Personal		Personal Income ^c	Unemployment Rate ^d
		Income ^b			
2015	6,425	\$ 88,298		\$ 567,314,650	4.20%
2016	6,431	91,252		586,841,612	4.10%
2017	6,413	93,544		599,897,672	3.50%
2018	6,356	97,244		618,082,864	3.10%
2019	6,272	99,140		621,806,080	2.70%
2020	6,244	102,227		638,305,388	8.40%
2021	6,587	107,767		709,861,229	5.10%
2022	6,592	111,597		735,647,424	3.10%
2023	6,596	111,597 **		736,093,812	3.70%
2024	6,596 *	111,597 **		736,093,812	Not Available

* - Latest population data available (2023) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

ROCKAWAY TOWNSHIP

Fiscal Year	Population ^a	Morris County Per Capita Personal		Personal Income ^c	Unemployment Rate ^d
		Income ^b			
2015	24,401	\$ 88,298		\$ 2,154,559,498	4.20%
2016	24,311	91,252		2,218,427,372	4.00%
2017	25,188	93,544		2,356,186,272	3.60%
2018	25,613	97,244		2,490,710,572	3.20%
2019	25,866	99,140		2,564,355,240	2.60%
2020	26,054	102,227		2,663,422,258	7.60%
2021	25,869	107,767		2,787,824,523	4.70%
2022	26,036	111,597		2,905,539,492	2.80%
2023	26,368	111,597 **		2,942,589,696	3.60%
2024	26,368 *	111,597 **		2,942,589,696	Not Available

WHARTON BOROUGH

Fiscal Year	Population ^a	Morris County Per Capita Personal		Personal Income ^c	Unemployment Rate ^d
		Income ^b			
2015	6,540	\$ 88,298		\$ 577,468,920	5.00%
2016	6,516	91,252		594,598,032	5.20%
2017	6,495	93,544		607,568,280	4.60%
2018	6,442	97,244		626,445,848	4.20%
2019	6,364	99,140		630,926,960	4.20%
2020	6,463	102,227		660,693,101	11.00%
2021	7,239	107,767		780,125,313	7.20%
2022	7,245	111,597		808,520,265	4.30%
2023	7,346	111,597 **		819,791,562	4.70%
2024	7,346 *	111,597 **		819,791,562	Not Available

* - Latest population data available (2023) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2023		2014		
	Employer	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
	Atlantic Health System	10,552	4.00%	5,841	2.33%
	Novartis	6,500	2.46%	5,035	2.01%
	U.S Army Aramament R&D	6,000	2.27%	4,463	1.78%
	Barclays	3,374	1.28%	2,060	0.82%
	Bayer Healthcare, LLC	2,713	1.03%	1,900	0.76%
	Automatic Data Processing, Inc.	2,400	0.91%	1,674	0.67%
	Accenture	2,344	0.89%	1,563	0.62%
	Pricewaterhouse Coopers	2,095	0.79%	1,642	0.65%
	Cigna	1,686	0.64%	1,500	0.60%
	Deloitte & Touche	1,646	0.62%	1,480	0.59%
		39,310	14.90%	27,158	10.82%
	Total Employment *	263,900		250,919	

Total Employment *

* - Employment data provided by the NJ Department of Labor and Workforce Development.

Source: Morris County Chamber of Commerce.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

<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	240.0	247.0	257.0	260.0	265.0	267.0	270.0	271.0	249.1	258.1
Special Education	34.0	37.0	39.0	39.0	41.0	42.0	36.0	36.0	34.0	34.0
Other Special Instruction	14.0	14.0	12.0	12.0	18.0	18.0	12.0	12.0	12.0	1.0
Adult/Continuing Education Programs	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & Instruction Related Services	72.0	72.0	77.0	77.0	78.0	78.0	73.0	73.0	73.0	80.5
General Administration Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services	22.0	22.0	23.0	23.0	25.0	25.0	24.0	24.0	24.0	22.0
Plant Operations and Maintenance	48.0	48.0	48.0	48.0	48.0	48.0	49.0	49.0	54.0	46.0
Pupil Transportation	59.5	59.5	59.0	59.0	60.0	60.0	66.5	66.5	65.0	59.0
Business and Other Support Services	9.5	7.5	9.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0
Total	503.0	511.0	528.0	530.0	546.0	550.0	542.5	543.5	523.1	512.6

Source: Morris Hills Regional School District Personnel Records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	October 15 Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percent Change	Teaching Staff ^b	Pupil/Teacher Ratio		June 30		% Change in Average Daily Enrollment	Student Attendance Percentage
						Morris Hills High School	Morris Knolls High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c		
2015	2,856	\$ 65,086,557	\$ 22,789	1.68%	264	10.5:1	10.9:1	2,777.0	2,645.7	1.42%	95.27%
2016	2,853	66,514,851	23,314	2.30%	275	10.1:1	10.5:1	2,726.0	2,596.0	-1.84%	95.23%
2017	2,869	69,989,715	24,395	4.64%	269	10.1:1	10.3:1	2,764.0	2,623.7	1.39%	94.92%
2018	2,438	72,632,587	29,792	22.12%	271	10.1:1	10.3:1	2,777.5	2,664.6	0.49%	95.94%
2019	2,749	74,036,087	26,932	-9.60%	279	10.1:1	10.1:1	2,682.0	2,565.3	-3.44%	95.65%
2020	2,602	75,832,465	29,144	8.21%	281	10.1:1	10.1:1	2,664.0	2,582.0	-0.67%	96.92%
2021	2,688	79,694,585	29,648	1.73%	281	10.1:1	10.1:1	2,582.0	2,521.0	-3.08%	97.64%
2022	2,634	87,608,020	33,260	14.12%	294	10.1:1	10.1:1	2,554.4	2,411.0	-4.11%	94.39%
2023	2,693	90,698,755	33,679	13.60%	283	10.1:1	10.1:1	2,616.7	2,487.8	1.34%	95.07%
2024	2,672	95,195,107	35,627	7.11%	292	10.1:1	10.1:1	2,611.4	2,490.4	2.23%	95.37%

Note: Enrollment based on annual October District counts.

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

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

^c - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS) and does not include Adult High School students.

^d - Cost per pupil is calculated based upon operating expenditures and enrollment as presented above and may not be the same as other cost per pupil calculations.

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>					
Morris Hills High School (1953):					
Square Feet	229,760	229,760	229,760	229,760	229,760
Capacity (Students)	1,398	1,398	1,398	1,398	1,398
Enrollment	1,112	1,111	1,299	1,269	1,283
Enrollment - Academy Programs	96	96	96	120	143
Morris Knolls High School (1964):					
Square Feet	263,065	263,065	263,065	263,065	263,065
Capacity (Students)	1,652	1,652	1,652	1,652	1,652
Enrollment	1,744	1,742	1,570	1,169	1,466
Enrollment - Adult High School	130	96	53	42	35

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>District Building</u>					
Morris Hills High School (1953):					
Square Feet	229,760	229,760	229,760	229,760	229,760
Capacity (Students)	1,398	1,398	1,398	1,398	1,398
Enrollment	1,216	1,256	1,169	1,238	1,240
Enrollment - Academy Programs	164	180	180	180	180
Morris Knolls High School (1964):					
Square Feet	263,065	263,065	263,065	263,065	263,065
Capacity (Students)	1,652	1,652	1,652	1,652	1,652
Enrollment	1,386	1,432	1,465	1,455	1,432
Enrollment - Adult High School	107	75	100	100	95
Enrollment - Academy Programs	79	122	154	154	154

Number of Schools at June 30, 2024:

High School = 2

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: Morris Hills Regional School District Facilities Office and Business Office.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Morris Hills	\$ 436,678	\$ 559,387	\$ 503,222	\$ 421,425	\$ 466,288
Morris Knolls	460,568	412,528	462,278	408,199	440,387
Grand Total	<u>\$ 897,246</u>	<u>\$ 971,915</u>	<u>\$ 965,500</u>	<u>\$ 829,624</u>	<u>\$ 906,675</u>

<u>School Facilities*</u>	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
Morris Hills	\$ 383,833	\$ 515,443	\$ 387,818	\$ 344,253	\$ 377,720
Morris Knolls	370,728	552,638	452,862	371,536	461,660
Grand Total	<u>\$ 754,561</u>	<u>\$ 1,068,081</u>	<u>\$ 840,680</u>	<u>\$ 715,789</u>	<u>\$ 839,380</u>

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

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

School Package Policy -

New Jersey Schools Insurance Group (NJSIG)

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Real & Personal Property (per occurrence)	\$350,000,000	\$5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Fire Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup & Removal	250,000	
Flood/Earthquake:		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	1,000
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	3,702,484	1,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	5,000
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage:		
Public Employee Dishonesty	50,000	500
Theft, Disappearance & Destruction/Money Orders & Counterfeit Currency	5,000	500
Forgery or Alteration	50,000	500
Computer Fraud	250,000	1,000

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy -		
New Jersey Schools Insurance Group (NJSIG)		
Public Officials Bond		
Board Secretary - G Libby (Selective Insurance Company)	\$400,000	
Treasurer - J Csatos (RLI)	400,000	
General Liability:		
Bodily Injury & Property Damage	31,000,000	
Products & Completed Operations	31,000,000	
Sexual Abuse	31,000,000	
Personal Injury & Advertising Injury	31,000,000	
Employee Benefits Liability	31,000,000	\$1,000
Premises Medical Payments	10,000 per accident 5,000 per person	
Terrorism	1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	11,000,000	1,000
Personal Injury Protection	250,000	
Medical Payments	10,000	
Underinsured	15,000	
Terrorism	1,000,000	
Garagekeepers	Included	
School Leaders Errors & Omissions		
Coverage A - protection against "loss"/Wrongful Acts	31,000,000	10,000
Coverage B - defense costs for specific administrative actions	100,000 per claim 300,000 aggregate	10,000 10,000
Retro Date	7/1/1986	
Workers' Compensation		
Part One	Statutory	
Part Two:		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
Excess Liability (Starstone)		
American International Group (AIG)		
Student Accident		
All School Base (AIG)	25,000	
Catastrophic (AIG)	7,500,000	25,000

Source: Morris Hills Regional School District records.

SINGLE AUDIT SECTION

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*

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Morris Hills Regional School District, in the County of Morris (the "District") as of, and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
December 13, 2024

Nisivoccia, LLP
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Report on Compliance for Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Morris Hills Regional School District (the "District's") compliance with the types of compliance requirements identified as subject to audit 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 District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with 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 (*Government Auditing Standards*); 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
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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 the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, 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 District'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 District'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 New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

The Honorable President and Members
of the Board of Education
Morris Hills Regional School District
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A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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 or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
December 13, 2023

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MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program/ Award Amount	June 30, 2023			June 30, 2024				
			From	To		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Adjustment	Budgetary			
										Unearned Revenue/ (Accounts Receivable)	Due to Sub- Recipients		
												(Accounts Receivable)	Unearned Revenue
U.S. Department of Education - Passed-through State Department of Education: Special Revenue Fund: Special Education Cluster: I.D.E.A. - Part B, Basic Regular I.D.E.A. - Part B, Basic Regular Total Special Education Cluster													
	84.027	IDEA-3370-24	7/1/23	9/30/24	\$ 847,437		\$ 690,997	\$ (778,571)		\$ (87,574)			
	84.027	IDEA-3370-23	7/1/22	9/30/23	706,354		59,127						
							750,124	(778,571)		(87,574)			
Elementary and Secondary Education Act:													
	84.010	ESEA-3370-24	7/1/23	9/30/24	223,164		116,289	(211,218)		(94,929)			
	84.010	ESEA-3370-23	7/1/22	9/30/23	95,320		34,721						
							151,010	(211,218)		(94,929)			
	84.367A	ESEA-3370-24	7/1/23	9/30/24	42,087		6,632	(8,140)		(1,508)			
	84.367A	ESEA-3370-23	7/1/22	9/30/23	41,145		23						
							6,655	(8,140)		(1,508)			
	84.365A	ESEA-3370-24	7/1/23	9/30/24	22,459		20,697	(21,287)		(590)			
	84.365A	ESEA-3370-23	7/1/22	9/30/23	11,083		384						
							21,081	(21,287)		(590)			
	84.365A	ESEA-3370-24	7/1/23	9/30/24	13,236		4,308	(7,415)		(3,107)			
	84.365A	ESEA-3370-23	7/1/22	9/30/23	7,060		1,896						
							6,204	(7,415)		(3,107)			
	84.186A	ESEA-3370-24	7/1/23	9/30/24	10,000		1,350	(10,000)		(8,650)			
	84.186A	ESEA-3370-23	7/1/22	9/30/23	7,167		7,167						
							8,517	(10,000)		(8,650)			
							191,571	(258,060)		(108,784)			
Total Elementary and Secondary Education Act													
Education Stabilization Fund:													
	84.425U	S425U210027	3/13/20	9/30/24	1,241,594		60,183	(60,233)					
							50						
	84.425U	S425U210027	3/13/20	9/30/24	214,873		98,925	(91,017)		(5,191)			
	84.425U	S425U210027	3/13/20	9/30/24	40,000		11,469	(10,972)					
	84.425U	S425U210027	3/13/20	9/30/24	40,000		18,441	(26,619)		(8,562)			
	84.425W	S425W210027	3/13/20	9/30/24	9,081			(473)		(473)			
							189,018	(189,314)		(14,226)			
							1,130,713	(1,225,945)		(210,584)			
Total U.S. Department of Education													

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From To		Program/ Award Amount	June 30, 2023			Cash Received	Budgetary Expenditures	Prior Year Adjustment	June 30, 2024		Amount Paid to Sub- Recipients	
						Due to Grantor		Budgetary (Accounts Receivable)				Unearned Revenue	(Accounts Receivable)		Due to Grantor
U.S. Department of Treasury - Passed-through State Department of Education: Special Revenue Fund: American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds: ACSERS	21.027	N/A	7/01/23	6/30/24	\$ 889,941			\$ 407,266	\$ (889,941)			\$ (482,675)			
ACSERS	21.027	N/A	7/01/22	6/30/23	269,754			124,655	(36,239) *						
COVID-19 - Nonpublic Digital Divide	21.019	S377A130031	7/16/20	10/31/20	22,534		\$ 10					\$ 10			
Total U.S. Department of Treasury						10	(88,416)	531,921	(926,180)			(482,675)	10		
Total Special Revenue Fund						10	(203,768)	1,662,634	(2,152,125)			(693,259)	10		
U.S. Department of Agriculture - Passed- through State Department of Agriculture: Child Nutrition Cluster:															
School Breakfast Program	10.553	N/A	7/1/23	6/30/24	85,237			82,707	(85,237)			(2,530)			
School Breakfast Program	10.553	N/A	7/1/22	6/30/23	65,740		(5,113)	5,113							
Subtotal School Breakfast Program							(5,113)	87,820	(85,237)			(2,530)			
National School Lunch Program	10.555	N/A	7/1/23	6/30/24	340,461			336,553	(340,461)			(3,908)			
National School Lunch Program	10.555	N/A	7/1/22	6/30/23	397,042		(18,221)	18,221							
Subtotal National School Lunch Program							(18,221)	354,774	(340,461)			(3,908)			
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/22	6/30/24	218,443		24,326	72,830	(97,156)						
Federal Food Distribution Program	10.555	N/A	7/1/22	6/30/23	106,645			106,645	(106,645)						
Total Child Nutrition Cluster							992	622,069	(629,499)			(6,438)			
COVID 19 - Pandemic EBT Food Benefits	10.542	N/A	7/1/23	6/30/24	653			653	(653)						
Local Food for Schools (LFS) Cooperative	10.185	N/A	7/1/23	6/30/24	11,421		(789)	6,527	(7,534)	\$ 789		(1,007)			
Total U.S. Department of Agriculture							203	629,249	(637,686)	789		(7,445)			
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:															
Medicaid Cluster:															
Medical Assistance Program - (SEMI)	93.778	N/A	7/1/23	6/30/24	5,190				(5,190)			(5,190)			
Total U.S. Department of Health and Human Services/Medicaid Cluster												(5,190)			
Total Federal Awards							\$ (203,565)	\$ 10	\$ 2,291,883	\$ 789	\$ (705,894)	\$ - 0 -	\$ 10	\$ - 0 -	

* - Expended in the prior year.
N/A - Not Available/Applicable.

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	June 30, 2023		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2024		MEMO	
		From	To		Budgetary					GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor							
NJ Department of Education:													
General Fund:													
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	\$ 6,266,543	\$ 5,658,354	\$ (6,266,543)	\$ (608,189)	\$ 6,266,543					
Equalization Aid	23-495-034-5120-078	7/1/22	6/30/23	3,725,355	\$ (359,632)								
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	554,744	500,904	(554,744)							
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	554,744	(53,553)								
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	3,061,117	2,764,025	(3,061,117)							
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	2,676,295	(258,359)								
School Choice Aid	24-495-034-5120-068	7/1/23	6/30/24	1,943,680	1,755,039	(1,943,680)							
School Choice Aid	23-495-034-5120-068	7/1/22	6/30/23	1,876,864	(181,185)								
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	277,006	(26,741)								
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	277,006									
Extraordinary Special Education Costs	24-495-034-5120-044	7/1/23	6/30/24	1,641,573		(1,641,573)			\$ (1,641,573)				
Extraordinary Special Education Costs	23-495-034-5120-044	7/1/22	6/30/23	1,548,587	(1,548,587)								
Nonpublic School Transportation Costs	24-495-034-5120-014	7/1/23	6/30/24	29,039		(29,039)			(29,039)				
Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22	6/30/23	25,272	(25,272)								
On-Behalf TPAF Contributions:													
Post Retirement Medical	24-495-034-5094-001	7/1/23	6/30/24	3,187,041	3,187,041	(3,187,041)							
Pension	24-495-034-5094-002	7/1/23	6/30/24	11,577,987	11,577,987	(11,577,987)							
Non-Contributory Insurance	24-495-034-5094-004	7/1/23	6/30/24	132,041	132,041	(132,041)							
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	3,589	3,589	(3,589)							
Reimbursed TPAF Social Security Aid	24-495-034-5094-003	7/1/23	6/30/24	2,198,834	2,187,446	(2,198,834)			(11,388)				
Total General Fund State Aid				(2,453,329)	30,469,877	(30,873,194)			(1,682,000)				
Special Revenue Fund:													
NJ Nonpublic Aid:													
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23	6/30/24	27,344	27,344	(24,753)				\$ 2,591			
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	31,482	\$ 21,644		\$ (21,644)						
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	56,760	56,760	(53,781)				2,979			
Nursing Services (Chapter 226)	23-100-034-5120-070	7/1/22	6/30/23	53,424									
Technology Initiative	24-100-034-5120-373	7/1/23	6/30/24	23,177	23,177	(23,070)				107			
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	20,034	3,251								
Security Aid	24-100-034-5120-509	7/1/23	6/30/24	83,435	83,435	(83,273)				162			
Security Aid	23-100-034-5120-509	7/1/22	6/30/23	80,770	99		(99)						
Auxiliary Services (Chapter 192):													
Compensatory Education	24-100-034-5120-067	7/1/23	6/30/24	93,864	93,864	(93,864)							
Compensatory Education	23-100-034-5120-067	7/1/22	6/30/23	97,843	15,814		(15,814)						
Home Instruction	24-100-034-5120-067	7/1/23	6/30/24	3,511		(3,511)			(3,511)				
Handicapped Services (Chapter 193):													
Examination & Classification	24-100-034-5120-066	7/1/23	6/30/24	69,022	69,022	(57,652)				11,370			
Examination & Classification	23-100-034-5120-066	7/1/22	6/30/23	71,504	7,772								
Supplementary Instruction	24-100-034-5120-066	7/1/23	6/30/24	72,688	72,688	(66,245)				6,443			
Supplementary Instruction	23-100-034-5120-066	7/1/22	6/30/23	78,057	1,239								
Corrective Speech	24-100-034-5120-066	7/1/23	6/30/24	2,790	2,790	(2,695)				95			
Corrective Speech	23-100-034-5120-066	7/1/22	6/30/23	2,697	186		(186)						

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	June 30, 2023				June 30, 2024				MEMO	
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Balances	GAAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
NJ Department of Education:														
Special Revenue Fund:														
STEM	24-100-034-5068-051	7/1/23	6/30/24	\$ 5,928			\$ 1,930	\$ (5,928)		\$ (3,998)			\$ 5,928	
Subtotal Special Revenue Fund						\$ 50,005	431,010	(414,772)	\$ (50,005)	(7,509)	\$ 23,747		414,772	
Total NJ Department of Education						\$ (2,453,329)	50,005	30,900,887	(31,287,966)	(50,005)	(1,689,509)	23,747	\$ (2,856,646)	31,287,966
Schools Development Authority:														
Special Revenue Fund:														
New Jersey Schools Development Authority:														
Emergent and Capital Maintenance	N/A	7/1/23	6/30/24	74,866			74,866	(74,866)					74,866	
Needs Grant	N/A	7/1/22	6/30/24	70,276			70,276	(70,276)					70,276	
Total Schools Development Authority/Subtotal Special Revenue Fund							145,142	(145,142)					145,142	
Total Special Revenue Fund						50,005	576,152	(559,914)	(50,005)	(7,509)	23,747		559,914	
NJ Department of Agriculture:														
Food Service Enterprise Fund:														
State School Breakfast Program	24-100-010-3350-023	7/1/23	6/30/24	4,185			4,050	(4,185)		(135)		\$ (135)	4,185	
State School Breakfast Program	23-100-010-3350-023	7/1/22	6/30/23	2,495			188							
State School Lunch Program	24-100-010-3350-023	7/1/23	6/30/24	26,392			26,062	(26,392)		(330)		(330)	26,392	
State School Lunch Program	23-100-010-3350-023	7/1/22	6/30/23	21,669			990							
Total NJ Department of Agriculture/Food Service Enterprise Fund					(1,178)		31,290	(30,577)		(465)		(465)	30,577	
TOTAL STATE AWARDS					\$ (2,454,507)	\$ 50,005	\$ 31,077,319	\$ (31,463,685)	\$ (50,005)	\$ (1,689,974)	\$ 23,747	\$ (2,857,111)	\$ 31,463,685	
Less - State Awards Not Subject to Single Audit Major Program Determination:														
On-Behalf TPAF Pension System Contributions:														
Post-Retirement Medical Pension	24-495-034-5094-001	7/1/23	6/30/24	3,187,041				3,187,041						
Non-Contributory Insurance	24-495-034-5094-002	7/1/23	6/30/24	11,577,987				11,577,987						
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	132,041				132,041						
	24-495-034-5094-004	7/1/23	6/30/24	3,589				3,589						
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION														
\$ (16,563,027)														

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, Morris Hills Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules are presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects 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 two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments 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 revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is (\$295,176) for the General Fund and (\$18,837) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

Awards and financial assistance revenue are reported on the District's financial statements on the GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 5,190	\$30,578,018	\$30,583,208
Special Revenue Fund	2,152,125	541,077	2,693,202
Food Service Enterprise Fund	<u>637,686</u>	<u>30,577</u>	<u>668,263</u>
Total Financial Assistance	<u>\$ 2,795,001</u>	<u>\$31,149,672</u>	<u>\$33,944,673</u>

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. Revenue and expenditures reported under the Federal Food Distribution Program represent current fiscal year value received and current fiscal year distributions, respectively.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?					
	_____	Yes	_____	X	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. Basic	84.027	07/01/23	09/30/24	\$ 847,437	\$ 778,571
COVID 19 - American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds:					
ACSERS	21.027	07/01/23	06/30/24	889,941	889,941
ACSERS	21.027	07/01/22	06/30/23	36,239	36,239
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	_____	X	Yes	_____	No

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

State Awards

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

Internal control over major programs:

1.) Material weakness identified? Yes X No
2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	24-495-034-5120-078	07/01/23	06/30/24	\$ 6,266,543	\$ 6,266,543
Special Education Categorical Aid	24-495-034-5120-089	07/01/23	06/30/24	3,061,117	3,061,117
Categorical Security Aid	24-495-034-5120-084	07/01/23	06/30/24	277,006	277,006
School Choice Aid	24-495-034-5120-068	07/01/23	06/30/24	1,943,680	1,943,680

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

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings - N/A

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.