

LONG HILL TOWNSHIP SCHOOL DISTRICT

Prepared by:
Long Hill Township Board of Education
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

**LONG HILL TOWNSHIP SCHOOL DISTRICT
Gillette, New Jersey**

For the Fiscal Year Ended June 30, 2024

**Prepared by:
Long Hill Township Board of Education**

LONG HILL TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



LONG HILL TOWNSHIP SCHOOL DISTRICT

759 Valley Road
Gillette, N.J. 07933
908-647-1200

Robbin Boehmer
Business Administrator/Board Secretary

Phone: (908) 647-1200
Fax: (908) 647-7818

October 4, 2024

The Honorable President and Members of
the Board of Education
Long Hill Township School District
County of Morris, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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. The statistical section includes selected economic 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 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*. 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.

1) REPORTING ENTITY AND ITS SERVICES: The Long Hill Township School 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 Long Hill Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for classified students with special needs. The District completed the 2023-2024 fiscal year with an enrollment of 854 students, which is an increase of 22 student or 2.64% from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

Long Hill Township is a suburban community in the southern part of Morris County. The District had an enrollment of 859 students at the start of the 2024-2025 school year.

Despite the need for facility upgrades and the ongoing challenge of managing special education costs, the Long Hill Township Board of Education remains committed to fiscal responsibility in its budgeting process. The Board is mindful of the school tax levy's impact on taxpayers and works to balance delivering high-quality education in a safe, welcoming environment with maintaining financial accountability to the community.

3) MAJOR INITIATIVES:

The district has established the following district strategic plan goals for the 2024-2025 school year. These goals are closely aligned with the District's five-year strategic plan.

- Raise academic performance by deepening student understanding through inquiry-based strategies, personalized learning, and critical and creative problem solving, resulting in at least 80% of students achieving at least their typical growth during the school year, as measured by the beginning and end-of-year *i-Ready* diagnostics.
- Improve student attendance by engaging students and families and promoting a sense of belonging in our school community, resulting in at least a 97% attendance rate districtwide.
- Raise family engagement through enhanced communication and an increase in the number of in-person and remote opportunities for district families.
- Prepare for and participate in a successful QSAC process, resulting in the district earning a designation of high performing.

The District is committed to a culture of inquiry and collaboration. Professional Learning Communities (PLCs) serve to inspire and support collaborative learning, innovative teaching approaches, and data-based decision-making. The District continues to increase the rigor of its instructional programs through curricular revisions, staff hiring, and professional learning opportunities. As part of this initiative, the District has added a Grades 6-8 STEAM teacher, who will be delivering an overhauled curriculum in a brand-new STEAM lab. The District also has invested in professional learning to support the effective use of *i-Ready* as a personalized instructional tool and to deepen the staff's understanding of multi-tiered systems of support (MTSS). In addition, the District has made major advances in its approach to instructional technology, including a significant purchase of iPads for our K-1 students this year and sustained support for our full 1:1 Chromebook initiative for all students in Grades 2-8. Funds for professional development for teachers and administrators were increased in the District's budget to support more training in mathematics and literacy in Grades K-8 and science in Grades 5-8. The district also received grant funds from the federal government through the Every Student Succeeds Act (ESSA), Titles I, II, III, and IV.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control 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 also is 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 earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

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

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the 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.

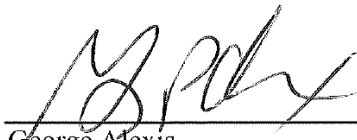
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

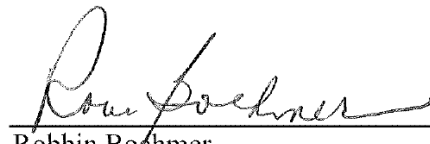
8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's statistical section.

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP 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 the 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 this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Long Hill Township 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

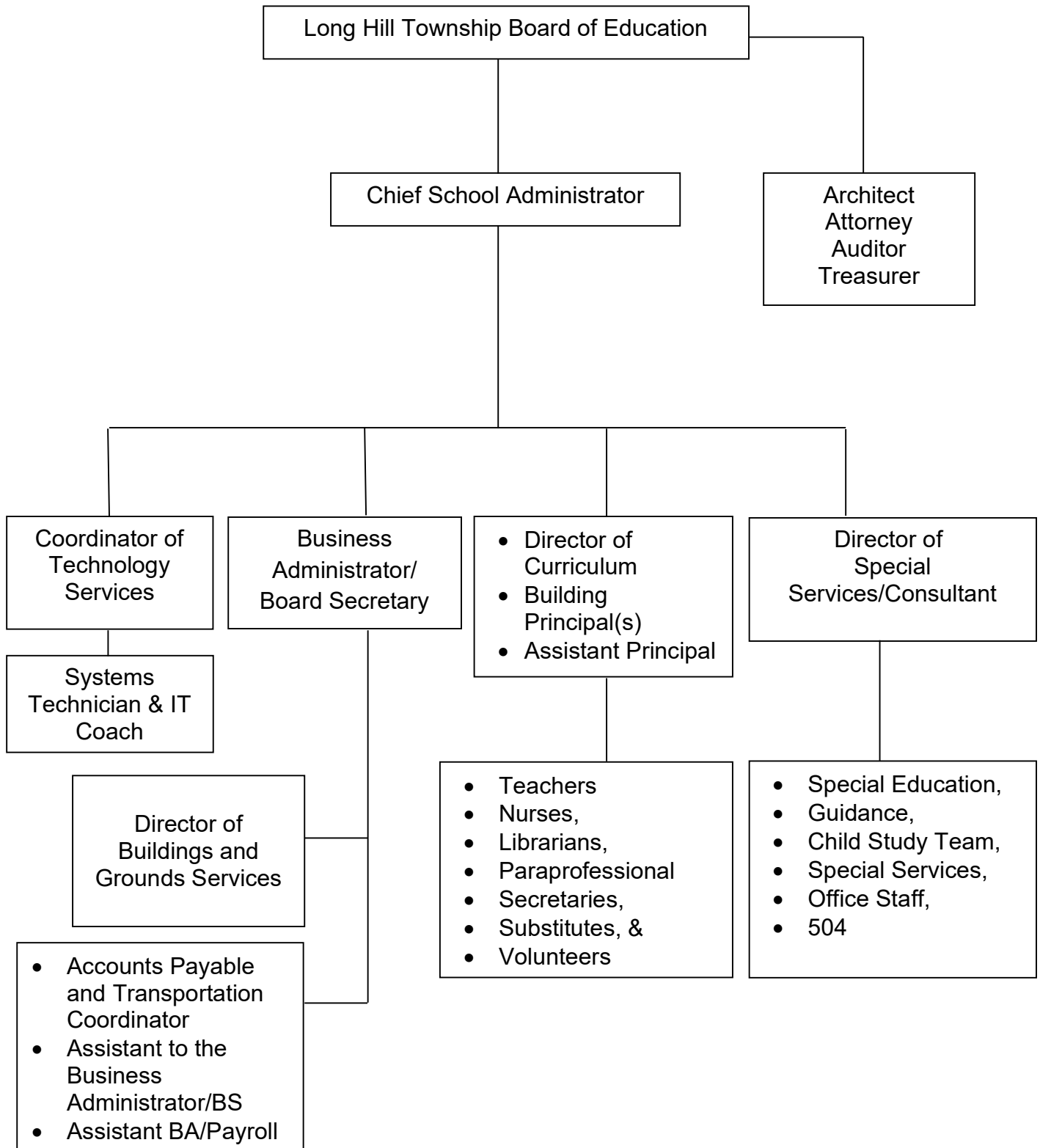


George Alexis
Superintendent

Robbin Boehmer
Business Administrator/Board Secretary

LONG HILL TOWNSHIP SCHOOL DISTRICT
Gillette, New Jersey

ORGANIZATIONAL CHART



**LONG HILL TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Kim Case, President		2026
Ann Butler, Vice President		2025
Danielle Daley		2024
Justin Foster		2026
Thomas Grosskopf		2026
Crystal Marr		2024
Katie McLennan		2024
Karen Ann Nyquist		2025
Melissa Ruvolo		2024

<u>Other Officials</u>	<u>Title</u>
George Alexis	Superintendent of Schools
Robbin Boehmer	Business Administrator/Board Secretary

**CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30,**

AUDIT FIRM

Nisivoccia LLP
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856

ATTORNEYS

The Busch Law Group LLC
450 Main Street
Metuchen, NJ 08840
(Board Attorney)

Scarinci, Hollenbeck Attorneys at Law LLC
1100 Valley Brook Avenue, P O Box 790
Lyndhurst, NJ 07071
(Special Education Counsel)

OFFICIAL DEPOSITORIES

PNC Bank
1057 Valley Road
Stirling, NJ 07980

New Jersey Asset & Rebate Management Program ("NJ/ARM")
PO Box 11813
Harrisburg, PA 17108-1813

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Long Hill Township 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 Long Hill Township 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 October 4, 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
October 4, 2024

Nisiroccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LONG HILL TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section of the Long Hill Township 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 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 milk service.
- The *Notes to the Basic Financial Statements* provide additional information to full understanding of *District-wide* and *fund financial statements*.

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 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 the Long Hill Township School District's Financial Report

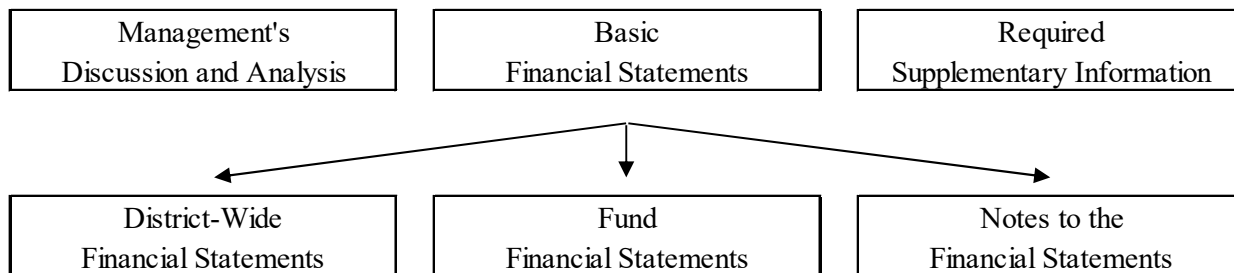


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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 the District operates similar to private business: milk service
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 up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities 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 year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-Wide Statements

The District-wide statements report information about the District using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets, deferred inflows and outflows, and liabilities. All 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 are 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 milk service program is 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 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. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements: The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. Those 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 District's combined net position increased by 5.63%. Net position from governmental activities increased \$931,591 and net position from business-type activities decreased \$4,828.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Current and							
Other Assets	\$ 6,429,427	\$ 6,344,999	\$ 4,782	\$ 8,753	\$ 6,434,209	\$ 6,353,752	
Capital Assets, Net	17,797,712	18,302,981	9,153	9,970	17,806,865	18,312,951	
Lease Assets, Net	61,382	98,211			61,382	98,211	
Total Assets	24,288,521	24,746,191	13,935	18,723	24,302,456	24,764,914	-1.87%
Deferred Outflows of Resources	245,834	352,196			245,834	352,196	-30.20%
Other Liabilities	356,865	376,396	40		356,905	376,396	
Long-Term							
Liabilities	6,122,137	7,747,642			6,122,137	7,747,642	
Total Liabilities	6,479,002	8,124,038	40		6,479,042	8,124,038	-20.25%
Deferred Inflows of Resources	668,909	519,496			668,909	519,496	28.76%
Net Position:							
Net Investment in							
Capital Assets	13,480,428	13,005,762	9,153	9,970	13,489,581	13,015,732	
Restricted	5,177,939	4,798,942			5,177,939	4,798,942	
Unrestricted/(Deficit)	(1,271,923)	(1,349,851)	4,742	8,753	(1,267,181)	(1,341,098)	
Total Net Position	\$ 17,386,444	\$ 16,454,853	\$ 13,895	\$ 18,723	\$ 17,400,339	\$ 16,473,576	5.63%

Changes in Net Position. The District's combined net position was \$17,400,339 on June 30, 2024, \$926,763 or 5.63% more than it was the year before (See Figure A-3). Net investment in capital assets increased by \$473,849 mainly due to capital asset additions offset by depreciation, and by the payment of bond principal. Restricted net position increased by \$378,997 mainly due to the transfer to the reserve accounts. Unrestricted net position increased by \$73,917 as a result of changes in net pension liability and related deferred inflows and outflows, offset by changes in compensated absences payable and normal operations and (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Revenue:							
Program Revenue:							
Charges for Services	\$ 507,402	\$ 462,232	\$ 4,073	\$ 4,035	\$ 511,475	\$ 466,267	
Grants and Contributions:							
Operating	4,100,177	4,242,857	5,311	4,301	4,105,488	4,247,158	
General Revenue:							
Property Taxes	19,149,659	18,795,845			19,149,659	18,795,845	
Other	339,116	236,867	50	67	339,166	236,934	
Total Revenue	<u>24,096,354</u>	<u>23,737,801</u>	<u>9,434</u>	<u>8,403</u>	<u>24,105,788</u>	<u>23,746,204</u>	1.51%
Expenses:							
Instruction	11,707,258	11,755,827			11,707,258	11,755,827	
Pupil and Instruction Services	5,222,886	5,586,157			5,222,886	5,586,157	
Administrative and Business	2,032,651	2,126,250			2,032,651	2,126,250	
Maintenance and Operations	2,592,216	2,925,907			2,592,216	2,925,907	
Transportation	1,129,261	1,203,331			1,129,261	1,203,331	
Other	447,581	1,081,532	47,172	8,462	494,753	1,089,994	
Total Expenses	<u>23,131,853</u>	<u>24,679,004</u>	<u>47,172</u>	<u>8,462</u>	<u>23,179,025</u>	<u>24,687,466</u>	-6.11%
Transfers	<u>(32,910)</u>		<u>32,910</u>				0.00%
Increase/(Decrease) in Net Position	<u>\$ 931,591</u>	<u>\$ (941,203)</u>	<u>\$ (4,828)</u>	<u>\$ (59)</u>	<u>\$ 926,763</u>	<u>\$ (941,262)</u>	198.46%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of governmental activities has increased by \$931,591. Maintaining existing programs the provision of a multitude of special programs/services for disabled students and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Because state aid has remained relatively flat over the past few years, the burden of funding education in the District has fallen on property taxes. Therefore, it is crucial that the District examine its expenses carefully since any proposed increase to the school district budget will be funded entirely through property taxes.

Figure A-5 presents the cost of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 11,707,258	\$ 11,755,827	\$ 7,643,152	\$ 7,546,117
Student and Instruction Services	5,222,886	5,586,157	5,151,317	5,494,368
Administrative and Business	2,032,651	2,126,250	1,926,815	2,006,833
Maintenance and Operations	2,592,216	2,925,907	2,592,216	2,925,907
Transportation	1,129,261	1,203,331	768,161	941,912
Other	447,581	1,081,532	442,613	1,058,778
	<u>\$ 23,131,853</u>	<u>\$ 24,679,004</u>	<u>\$ 18,524,274</u>	<u>\$ 19,973,915</u>

Business-Type Activities

Net position from the District's business-type activities, milk service, decreased \$4,828 due to normal operations of the program during the fiscal year. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial position in the General Fund increased \$111,040. This was primarily due to excess revenues and unexpended budget balances. Interest from investments increased as compared to years past.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

The District's financial position is sound despite difficult economic times. The District had the luxury in past years of using excess fund balance to reduce the taxes for the ensuing school year. The District has taken measures to reduce expenses and plans to not be dependent on excess fund balance going forward.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Changes made within budgetary line items were in school-based needs for programs, textbooks, and teachers' salaries, increased utilities costs and legal and other professional services.

Capital Asset and Long-Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
Land	\$ 8,567,700	\$ 8,567,700			\$ 8,567,700	\$ 8,567,700	
Land Improvements	580,959	327,859			580,959	327,859	
Buildings and Building Improvements	8,239,542	9,119,244			8,239,542	9,119,244	
Machinery and Equipment	409,511	288,178	\$ 9,153	\$ 9,970	418,664	298,148	
Total Capital Assets, Net of Depreciation	<u>\$17,797,712</u>	<u>\$18,302,981</u>	<u>\$ 9,153</u>	<u>\$ 9,970</u>	<u>\$17,806,865</u>	<u>\$18,312,951</u>	<u>-2.76%</u>

The District's overall capital assets decreased mainly due to normal depreciation amounts offset by additions. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

Long-term Liabilities

At year-end, the District had \$3,720,000 in general obligation bonds – a reduction of \$844,000 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024
General Obligation Bonds, (Financed with Property Taxes)	\$ 3,720,000	\$ 4,564,000	
Net Pension Liability	1,367,182	1,947,958	
Financed Purchases	126,287	168,383	
Other Long-Term Liabilities	908,668	1,067,301	
	<u>\$ 6,122,137</u>	<u>\$ 7,747,642</u>	<u>-20.98%</u>

Factors Bearing on the District's Future Revenue/Expense Changes

The Long Hill Township Board of Education and the administration have engaged in discussions about how current circumstances may affect the future financial health of the School District. Several key factors may impact upcoming financial operations:

- The District continues to face rising costs in areas such as healthcare, transportation, substitute staffing, and class coverage. Efforts are being made to improve student and staff well-being, reduce absenteeism, and enhance the efficiency of bus routes.
- The inclusion of Medicaid-eligible students in the calculation for free and reduced-price services has led to an increase in the number of students receiving free services. As a result, the District has joined the National School Lunch Program for the 2024-2025 school year, ensuring all students have access to nutritious meals, supporting their ability to focus on learning.
- The District is currently updating its Capital Improvement Plan, which will serve as the basis for a revised Long-Range Facilities Plan. This plan aims to address the aging infrastructure of all three schools, including mechanical, electrical, and plumbing systems. Ongoing maintenance and repairs of HVAC systems will require comprehensive solutions. The District has secured a ROD grant to partially fund these necessary upgrades and has implemented Direct Install initiatives to upgrade rooftop units (RTUs) at Gillette School, with similar upgrades being considered for Central Middle School and Millington School.
- Additionally, the District remains committed to delivering high-quality special education services in the most cost-effective way, focusing on keeping as many students as possible in the least restrictive environment of their home district while meeting their Individualized Education Programs (IEPs).

The District is grateful for the ongoing support from the community and remains committed to balancing the needs of taxpayers with the educational priorities of its students. The Long Hill Township Board of Education upholds strong financial practices and is dedicated to maintaining prudent fiscal management to meet future challenges.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers 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, 759 Valley Road, Gillette, NJ 07933.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,236,916	\$ 3,685	\$ 1,240,601
Receivables from Other Governments	629,544	1,097	630,641
Receivables - Other	53,830		53,830
Restricted Assets - Cash and Cash Equivalents	4,509,137		4,509,137
Capital Assets:			
Sites (Land)	8,567,700		8,567,700
Depreciable Land Improvements, Buildings and Building Improvements, and Machinery and Equipment	9,230,012	9,153	9,239,165
Lease Assets	61,382		61,382
Total Assets	<u>24,288,521</u>	<u>13,935</u>	<u>24,302,456</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	245,834		245,834
Total Deferred Outflows of Resources	<u>245,834</u>		<u>245,834</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	168,829	40	168,869
Accrued Interest Payable	68,200		68,200
Payable to State Government	344		344
Unearned Revenue	119,492		119,492
Noncurrent Liabilities:			
Due Within One Year	865,599		865,599
Due Beyond One Year	5,256,538		5,256,538
Total Liabilities	<u>6,479,002</u>	<u>40</u>	<u>6,479,042</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	668,909		668,909
Total Deferred Outflows of Resources	<u>668,909</u>		<u>668,909</u>
NET POSITION			
Net Investment in Capital Assets	13,480,428	9,153	13,489,581
Restricted for:			
Capital Projects	3,036,222		3,036,222
Debt Service	8,802		8,802
Maintenance Reserve	960,976		960,976
Emergency Reserve	250,000		250,000
Unemployment Compensation	237,594		237,594
Student Activities	24,345		24,345
Excess Surplus	660,000		660,000
Unrestricted/(Deficit)	(1,271,923)	4,742	(1,267,181)
Total Net Position	<u>\$ 17,386,444</u>	<u>\$ 13,895</u>	<u>\$ 17,400,339</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,204,928	\$ 435,833	\$ 1,364,184	\$ (6,404,911)	\$	\$ (6,404,911)
Special Education	2,801,083		2,154,089	(646,994)		(646,994)
Other Special Instruction	482,189		110,000	(372,189)		(372,189)
Other Instruction	219,058			(219,058)		(219,058)
Support Services:						
Tuition	1,167,982			(1,167,982)		(1,167,982)
Student & Instruction Related Services	4,054,904	71,569		(3,983,335)		(3,983,335)
General Administrative Services	562,400			(562,400)		(562,400)
School Administrative Services	972,841		105,836	(867,005)		(867,005)
Central Services	464,368			(464,368)		(464,368)
Administration Information Technology	33,042			(33,042)		(33,042)
Plant Operations and Maintenance	2,592,216			(2,592,216)		(2,592,216)
Pupil Transportation	1,129,261		361,100	(768,161)		(768,161)
Transfer to Charter Schools	46,257			(46,257)		(46,257)
Interest on Long-Term Debt	98,915			(98,915)		(98,915)
Capital Outlay	302,409		4,968	(297,441)		(297,441)
Total Governmental Activities	23,131,853	507,402	4,100,177	(18,524,274)		(18,524,274)

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 47,172	\$ 4,073	\$ 5,311		\$ (37,788)	\$ (37,788)
Total Business-Type Activities	47,172	4,073	5,311		(37,788)	(37,788)
Total Primary Government	<u>\$ 23,179,025</u>	<u>\$ 511,475</u>	<u>\$ 4,105,488</u>	<u>\$ (18,524,274)</u>	<u>(37,788)</u>	<u>(18,562,062)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				18,125,862		18,125,862
Taxes Levied for Debt Service				1,023,797		1,023,797
Interest and Unrestricted Miscellaneous Revenue				328,976	50	329,026
Restricted Miscellaneous Revenue				10,140		10,140
Transfers				(32,910)	32,910	
Total General Revenues and Transfers				19,455,865	32,960	19,488,825
Change in Net Position				931,591	(4,828)	926,763
Net Position - Beginning				16,454,853	18,723	16,473,576
Net Position - Ending				<u>\$ 17,386,444</u>	<u>\$ 13,895</u>	<u>\$ 17,400,339</u>

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

FUND FINANCIAL STATEMENTS

LONG HILL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,228,114		\$ 8,802	\$ 1,236,916
Interfund Receivables	76,572			76,572
Receivables from State Government	533,460	\$ 1,844		535,304
Receivables from Federal Government		94,240		94,240
Other Accounts Receivable	40,162	13,668		53,830
Restricted Cash and Cash Equivalents	4,484,792	24,345		4,509,137
Total Assets	<u>\$ 6,363,100</u>	<u>\$ 134,097</u>	<u>\$ 8,802</u>	<u>\$ 6,505,999</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable - Vendors	\$ 12,419	\$ 1,844		\$ 14,263
Interfund Payables		76,572		76,572
Payable to State Government		344		344
Unearned Revenue	88,500	30,992		119,492
Total Liabilities	<u>100,919</u>	<u>109,752</u>		<u>210,671</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	3,036,222			3,036,222
Maintenance Reserve Account	960,976			960,976
Emergency Reserve Account	250,000			250,000
Excess Surplus - 2025-2026	330,000			330,000
Excess Surplus - 2024-2025	330,000			330,000
Unemployment	237,594			237,594
Student Activities		24,345		24,345
Debt Service			\$ 8,802	8,802

LONG HILL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Fund Balances (Cont'd):	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assigned:				
Year-End Encumbrances	\$ 313,568			\$ 313,568
Designated for Subsequent Year's Expenditures	6,361			6,361
Unassigned:				
General Fund	797,460			797,460
Total Fund Balances	6,262,181	\$ 24,345	\$ 8,802	6,295,328
Total Liabilities and Fund Balances	\$ 6,363,100	\$ 134,097	\$ 8,802	

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) is Different Because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds.

17,797,712

Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.

61,382

Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

(68,200)

Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.

(496,079)

The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds

(1,367,182)

Certain amounts related to the Net Pension Liability and Deferred and Amortized in the Statement of Activities are not reported in the

Governmental Funds:

Deferred Outflows - Pensions

91,268

Deferred Inflows - Pensions

(668,909)

Long-Term Liabilities, including bonds payable, compensated absences, and leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds (see Note 9)

(4,258,876)

Net Position of Governmental Activities

\$ 17,386,444

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

LONG HILL TOWNSHIP 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	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 18,125,862		\$ 1,023,797	\$ 19,149,659
Transportation Fees from Individuals	58,200			58,200
Tuition	369,286			369,286
Rents and Royalties	66,547			66,547
Interest Earned on Maintenance Reserve Funds	837			837
Interest on Capital Reserve Funds	1,788			1,788
Restricted Miscellaneous	10,140	\$ 71,569		81,709
Unrestricted Miscellaneous	326,351	9,015		335,366
Total - Local Sources	18,959,011	80,584	1,023,797	20,063,392
State Sources	5,826,151	63,642		5,889,793
Federal Sources		354,828		354,828
Total Revenues	24,785,162	499,054	1,023,797	26,308,013
EXPENDITURES				
Current:				
Regular Instruction	5,241,460	184,788		5,426,248
Special Education Instruction	1,517,622	237,729		1,755,351
Other Special Instruction	265,190			265,190
Other Instruction	204,970			204,970
Support Services and Undistributed Costs:				
Tuition	1,167,982			1,167,982
Student & Instruction Related Services	2,861,584	81,124		2,942,708
General Administrative Services	449,520			449,520
School Administrative Services	650,427			650,427
Central Services	362,679			362,679
Administration Information Technology	23,863			23,863

LONG HILL TOWNSHIP 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	Debt Service Fund	Total Governmental Funds
EXPENDITURES				
Support Services and Undistributed Costs: (Cont'd)				
Plant Operations and Maintenance	\$ 2,352,942			\$ 2,352,942
Pupil Transportation	1,165,927			1,165,927
Unallocated Benefits	7,129,078			7,129,078
Debt Service:				
Principal			\$ 844,000	844,000
Interest and Other Charges			179,800	179,800
Capital Outlay	1,201,711	\$ 4,968		1,206,679
Transfer of Funds to Charter Schools	46,257			46,257
Total Expenditures	24,641,212	508,609	1,023,800	26,173,621
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	143,950	(9,555)	(3)	134,392
OTHER FINANCING SOURCES/(USES):				
Transfers In/(Out)	(32,910)			(32,910)
Total Other Financing Sources/(Uses)	(32,910)	-0-	-0-	(32,910)
Net Change in Fund Balances	111,040	(9,555)	(3)	101,482
Fund Balance—July 1	6,151,141	33,900	8,805	6,193,846
Fund Balance—June 30	\$ 6,262,181	\$ 24,345	\$ 8,802	\$ 6,295,328

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

LONG HILL TOWNSHIP 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 B-2)	\$ 101,482
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Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost and capital asset deletions (net) of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.

Capital Asset Additions	\$ 871,089
Depreciation	<u>(1,376,358)</u>
	(505,269)

Capital outlays related to lease assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

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.

Repayment of leases 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.

The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

LONG HILL TOWNSHIP 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

Repayment of financed purchases 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.	42,096
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	580,776
Change in Deferred Outflows	(118,093)
Change in Deferred Inflows	(149,413)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

	21,539
Change in Net Position of Governmental Activities (A-2)	\$ 931,591

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Business-type Activities - Enterprise Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 3,685
Accounts Receivable:	
Federal	<u>1,097</u>
Total Current Assets	<u>4,782</u>
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	<u>(3,103)</u>
Total Non-Current Assets	<u>9,153</u>
Total Assets	<u>13,935</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	<u>40</u>
Total Liabilities	<u>40</u>
NET POSITION:	
Investment in Capital Assets	9,153
Unrestricted	<u>4,742</u>
Total Net Position	<u><u>\$ 13,895</u></u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Fund
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
Special Milk Program	\$ 4,073
Total Operating Revenue	4,073
Operating Expenses:	
Cost of Sales - Reimbursable Programs	7,801
Cost of Sales - Non-Reimbursable Programs	32,910
Depreciation	817
Miscellaneous Expenses	5,644
Total Operating Expenses	47,172
Operating (Loss)	(43,099)
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	5,311
Local Sources:	
Interest Revenue	50
Total Non-Operating Revenue	5,361
Change in Net Position Before Transfer	(37,738)
Transfer - General Fund	32,910
Change in Net Position	(4,828)
Net Position - Beginning of Year	18,723
Net Position - End of Year	\$ 13,895

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,073
Payments for Underprivileged Lunches	(32,910)
Miscellaneous Expenses	(5,604)
Payments of Suppliers	(7,801)
	<hr/>
Net Cash (Used for) Operating Activities	(42,242)
	<hr/>
Cash Flows from Investing Activities:	
Interest Revenue	50
	<hr/>
Net Cash Provided by Investing Activities	50
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	4,961
Board Contribution - General Fund	32,910
	<hr/>
Net Cash Provided by Noncapital Financing Activities	37,871
	<hr/>
Net Decrease in Cash and Cash Equivalents	(4,321)
	<hr/>
Cash and Cash Equivalents, July 1	8,006
	<hr/>
Cash and Cash Equivalents, June 30	\$ 3,685
	<hr/> <hr/>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (43,099)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	817
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	40
	<hr/>
Net Cash (Used for) Operating Activities	\$ (42,242)
	<hr/> <hr/>

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

LONG HILL TOWNSHIP 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 Long Hill Township 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 District 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. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the

LONG HILL TOWNSHIP 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)

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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current 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.

LONG HILL TOWNSHIP 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)

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 expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise (Milk Service) Fund: This Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria operations. The fund is 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 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 general long-term debt and acquisitions under financed purchases are reported as other financing sources.

LONG HILL TOWNSHIP 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 year).

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. 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 last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

LONG HILL TOWNSHIP 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)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 24,800,304	\$ 483,475
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis recognizes Encumbrances as Revenue and		
Expenditures, while the GAAP Basis does not.		
Prior Year Encumbrances		47,148
Prior Year Encumbrances Cancelled		(22,420)
Current Year Encumbrances		(9,149)
Prior Year State Aid Payments Recognized for GAAP Statements, not		
Recognized for Budgetary Purposes	102,959	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	<u>(118,101)</u>	
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,785,162</u>	<u>\$ 499,054</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 24,641,212	\$ 493,030
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, but in the Year the Supplies are Received		
for Financial Reporting Purposes.		<u>15,579</u>
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,641,212</u>	<u>\$ 508,609</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. 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.

LONG HILL TOWNSHIP 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)

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 Governmental 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 fund. 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 and/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. 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.

LONG HILL TOWNSHIP 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)

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 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 valued at 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>
Land Improvements	10 to 20 years
Buildings	40 years
Building Improvements	20 years
Machinery and Equipment	10 to 15 years

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 the 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.

LONG HILL TOWNSHIP 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)

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 premium 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. There were \$2,977 in accrued salaries and wages as of June 30, 2024 mostly for accumulated sick day payouts that were paid in the next payroll after June 30, 2024.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board. 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 personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

Q. Lease 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.

LONG HILL TOWNSHIP 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)

R. Subscription Payable

In the district-wide financial statements, subscription payables 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 special revenue fund 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 \$6,262,181 General Fund fund balance at June 30, 2024, \$3,036,222 is restricted in the capital reserve account; \$960,976 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$237,594 is restricted for unemployment compensation; \$330,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$330,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$313,568 is assigned for encumbrances; \$6,361 is designated for subsequent year expenditures and \$6,361 is unassigned which is \$118,101 less than the calculated maximum unassigned fund balance, on a Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025 on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2024 of \$24,345 is restricted for student activities.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2024 of \$8,802 is restricted for subsequent year's expenditures.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), 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 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 year's budget. The District had excess surplus as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$118,101 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

LONG HILL TOWNSHIP 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)

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,271,923 in governmental activities, which is primarily due to compensated absences payable and net pension liability and related deferred liabilities and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

The District has deferred outflows related to pensions. 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 of resources and deferred 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.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by 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 for excess surplus, a maintenance reserve, a capital reserve, an emergency reserve, unemployment compensation, student activities and debt service.

LONG HILL TOWNSHIP 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. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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 had no committed resources 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 encumbrances and for amounts designated for subsequent years' expenditures in the General Fund at June 30, 2024.

X. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for the milk service program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Fund.

Y. 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 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.

LONG HILL TOWNSHIP 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)

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 of resources and deferred 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 Board 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 as detailed in the section of this note on investments.

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

LONG HILL TOWNSHIP 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)

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 Board 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;

LONG HILL TOWNSHIP 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)

Investments: (Cont'd)

- (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
- (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.

LONG HILL TOWNSHIP 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)

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

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 1,240,601</u>	<u>\$ 4,509,137</u>	<u>\$ 5,749,738</u>
	<u>\$ 1,240,601</u>	<u>\$ 4,509,137</u>	<u>\$ 5,749,738</u>

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 \$5,749,738 and the bank balance was \$5,972,232.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution 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 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) 7, 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	\$ 2,988,644
Interest Earnings	1,788
Transfer by Board Resolution - June 3, 2024	1,045,790
Budgeted Withdrawal	<u>(1,000,000)</u>
Ending Balance, June 30, 2024	<u>\$ 3,036,222</u>

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District's LRFP. The withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFP.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, there were transfers to capital outlay for equipment which did not require County Superintendent approval and there were transfers to facilities acquisition and construction services for which County Superintendent approval was required and received.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Long Hill Township School District. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to 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.

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 unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent 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 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 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 year-end. At no time shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current 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 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	\$ 960,139
Interest Earnings	837
Return of Budgeted Withdrawal Unexpended	25,000
Budgeted Withdrawal	<u>(25,000)</u>
Ending Balance, June 30, 2024	<u>\$ 960,976</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. CAPITAL ASSETS

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 8,567,700			\$ 8,567,700
Total Capital Assets Not Being Depreciated	8,567,700			8,567,700
Capital Assets Being Depreciated:				
Land Improvement	386,210	\$ 301,343		687,553
Buildings and Building Improvements	37,371,136	368,656		37,739,792
Machinery and Equipment	775,852	201,090	\$ (159,300)	817,642
Total Capital Assets Being Depreciated	38,533,198	871,089	(159,300)	39,244,987
Governmental Activities Capital Assets	47,100,898	871,089	(159,300)	47,812,687
Less Accumulated Depreciation for:				
Land Improvement	(58,351)	(48,243)		(106,594)
Buildings and Building Improvements	(28,251,892)	(1,248,358)		(29,500,250)
Machinery and Equipment	(487,674)	(79,757)	159,300	(408,131)
	(28,797,917)	(1,376,358)	159,300	(30,014,975)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 18,302,981	\$ (505,269)	\$ -0-	\$ 17,797,712
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 12,256			\$ 12,256
Less Accumulated Depreciation	(2,286)	\$ (817)		(3,103)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 9,970	\$ (817)	\$ -0-	\$ 9,153

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

As of June 30, 2024, the District did not have active capital construction projects in process. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 477,812
Special Education	175,535
Other Instruction	5,672
Student and Instructional Support Services	367,336
General Administrative	40,978
School Administrative	59,293
Central Services	33,062
Administration Information Technology	2,175
Plant Operations and Maintenance	<u>214,495</u>
	<u>\$ 1,376,358</u>

NOTE 8. LEASE ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 184,145			\$ 184,145
Total Lease Assets Being Amortized	<u>184,145</u>			<u>184,145</u>
Governmental Activities Lease Assets	<u>184,145</u>			<u>184,145</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(85,934)	\$ (36,829)		(122,763)
	<u>(85,934)</u>	<u>(36,829)</u>		<u>(122,763)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 98,211</u>	<u>\$ (36,829)</u>	<u>\$ -0-</u>	<u>\$ 61,382</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 36,829</u>
	<u>\$ 36,829</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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	Accrued	Retired	Balance 6/30/2024
Serial Bonds Payable	\$ 4,564,000		\$ 844,000	\$ 3,720,000
Financed Purchases Payable	168,383		42,096	126,287
Leases Payable	102,453		37,236	65,217
Compensated Absences Payable	368,911		21,539	347,372
Net Pension Liability	1,947,958		580,776	1,367,182
Bond Issuance Premium	595,937		99,858	496,079
	<u>\$ 7,747,642</u>	<u>\$ -0-</u>	<u>\$ 1,625,505</u>	<u>\$ 6,122,137</u>

A. Bonds Premium:

The Unamortized bond issuance premium of the governmental fund types is recorded in the non-current liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$99,858 and the long-term portion is \$396,221.

B. Bonds Payable:

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

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

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds of 2022	1/15/2029	4.00%	\$ 3,720,000
			<u>\$ 3,720,000</u>

The current portion of bonds payable at June 30, 2024 is \$685,000.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 685,000	\$ 148,800	\$ 833,800
2026	720,000	121,400	841,400
2027	740,000	92,600	832,600
2028	775,000	63,000	838,000
2029	800,000	32,000	832,000
	\$ 3,720,000	\$ 457,800	\$ 4,177,800

C. Bonds Authorized But Not Issued:

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term portion of compensated absences is \$347,372. There is no current portion of the compensated absences liability at June 30, 2024. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Food Service Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities 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 \$1,367,182. See Note 11 for further information on the PERS.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

F. Leases Payable:

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

<u>Purpose</u>	<u>Commencement Date</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Copiers	03/18/21	Monthly	02/18/26	3.85%	<u>\$ 65,217</u>
					<u>\$ 65,217</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 38,645	\$ 1,771
2026	<u>26,572</u>	<u>372</u>
	<u>\$ 65,217</u>	<u>\$ 2,143</u>

G. Financed Purchases Payable

The District has a financed purchase agreement for lighting fixtures in the gymnasium. The financed purchase agreement is for four years. The District has entered into a financed purchase agreement for \$210,479 of which \$84,192 has been liquidated as of June 30, 2024 for governmental activities. A schedule of the future minimum financed purchase payments under this financed purchase, and the present value of the net minimum financed purchase payments at June 30, 2024 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 42,096
2026	42,096
2027	<u>42,095</u>
Total Minimum Lease Payments	126,287
Less: Amount Representing Interest	<u>-0-</u>
Present Value of Net Minimum Lease Payments	<u>\$ 126,287</u>

The current portion for the financed purchase payable is \$42,096 and the long-term portion is \$84,191. The financed purchase will be liquidated by the General Fund.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Long Hill Township School District for the accumulation of funds for use as unanticipated General Fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the Emergency Reserve Account for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 250,000
Ending Balance, June 30, 2024	<u>\$ 250,000</u>

NOTE 11. 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. 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, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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.

District contributions to PERS amounted to \$124,988 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$4,264 to the PERS for normal pension benefits on behalf of the District.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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's liability was \$1,367,182 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 0.00947%, which was a increase of 0.0003% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit in the amount of \$187,116 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 \$4,264 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 net pension liability attributable to the District as of June 30, 2023.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. 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)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (7,426)
	2020	5.16		(67,574)
	2021	5.13	\$ 3,003	
	2022	5.04		(7,857)
			<u>3,003</u>	<u>(82,857)</u>
Changes in Proportion	2019	5.21		(629)
	2020	5.16		(107,119)
	2021	5.13		(8,391)
	2022	5.04	68,897	
	2023	5.08		(464,324)
			<u>68,897</u>	<u>(580,463)</u>
Net Difference Between Projected and Actual	2020	5.00	21,173	
Investment Earnings on Pension Plan Investments	2021	5.00	(176,082)	
	2022	5.00	209,494	
	2023	5.00	(48,289)	
			<u>6,296</u>	
Difference Between Expected and Actual	2019	5.21	567	
Experience	2020	5.16	3,765	
	2021	5.13		(2,389)
	2022	5.04		(3,200)
	2023	5.08	8,740	
			<u>13,072</u>	<u>(5,589)</u>
District Contribution Subsequent to the				
Measurement Date	2023	1.00	<u>154,566</u>	
			<u>\$ 245,834</u>	<u>\$ (668,909)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. 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)

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (72,183)
2025	(40,289)
2026	56,302
2027	(10,076)
2028	171
	<u>\$ (66,075)</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:

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 HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (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 Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the table 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%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, 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		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,779,780	\$ 1,367,182	\$ 1,016,007

Pension Plan Fiduciary Net Position

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

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

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 included 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.

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 \$2,715,355 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$791,808.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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 \$32,230,419. 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 0.0632%, which was an decrease of 0.0031% 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>32,230,419</u>
Total	<u>\$ 32,230,419</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$791,808 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the sources on the following page.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 11. 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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 11. 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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 11. 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 Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF target asset allocation as of June 30, 2023 are summarized in the following table:

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%
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 7.0% 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 all projected benefit payments in determining the total pension liability.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following 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 above, as well as what the State's 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		
	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	\$ 38,005,513	\$ 32,230,419	\$ 27,366,418

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 \$37,762 for the year ended June 30, 2024. Employee contributions to DCRP amounted to \$51,220 for the year ended June 30, 2024.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. 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 [www.state.nj.us/ treasury/pensions/gasb-notices-opeb.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml).

Employees Covered by Benefit Terms

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. 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 July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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, 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%.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. 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 Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 28,174,561
Changes for Year:	
Service Cost	1,157,040
Interest Cost	1,027,294
Differences between Expected and Actual Experience	(474,280)
Changes in Assumptions	58,793
Member Contributions	26,326
Gross Benefit Payments	<u>(800,793)</u>
Net Changes	<u>994,380</u>
Balance at June 30, 2023	<u>\$ 29,168,941</u>

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

The following 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	\$ 34,195,576	\$ 29,168,941	\$ 25,133,137

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. 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 Trend Rate

The information on the following page shows 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%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 24,214,718	\$ 29,168,941	\$ 35,651,554

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 \$459,336 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 had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. 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)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,051,067
	2018	9.51		1,087,949
	2019	9.29	\$ 160,054	
	2020	9.24	3,913,063	
	2021	9.24	22,272	
	2022	9.13		5,910,569
	2023	9.30	52,471	
			<u>4,147,860</u>	<u>8,049,585</u>
Differences between Expected and Actual Experience	2018	9.51		1,028,450
	2019	9.29		1,883,849
	2020	9.24	3,647,128	
	2021	9.24		4,283,074
	2022	9.13	608,704	
	2023	9.30		487,435
			<u>4,255,832</u>	<u>7,682,808</u>
Changes in Proportion	N/A	N/A	378,406	1,485,454
			<u>\$ 8,782,098</u>	<u>\$ 17,217,847</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,454,627)
2025	(1,454,627)
2026	(1,264,276)
2027	(745,369)
2028	(152,568)
Thereafter	<u>(2,257,234)</u>
	<u>\$ (7,328,701)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. RISK MANAGEMENT

The District maintains commercial insurance coverage for property, liability and individual surety bonds. 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. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental.

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 Compensation Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table on the following page is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	\$ 10,140	\$ -0-	\$ 237,594
2023	11,517	-0-	227,454
2022	17,136	-0-	215,937

Property and Liability

The District is a member of the Morris Essex Insurance Group (“MEIG”). This public entity risk management pool provided workers’ compensation, employer’s liability and surety bond blanket coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report.

The MEIG is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the MEIG are elected.

As a member of the MEIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the MEIG were to be exhausted, members would become responsible for their respective shares of the MEIG’s liabilities. The MEIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

	<u>Morris Essex Insurance Group</u>
Total Assets	\$ 11,649,761
Net Position	\$ 7,344,918
Total Revenue	\$ 4,363,092
Total Expenses	\$ 3,537,129
Change in Net Position	\$ 825,963
Net Position Distribution to Participating Members	\$ 975,587

Property, Liability and Health Benefits

Financial statements for MEIG are available at the MEIG's Executive Director's Office:

Morris Essex Insurance Group
44 Bergen Street
Westwood, NJ 07675
Phone: (201) 664-0310
Fax: (201) 664-0107

NOTE 14. 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 Board of Education's programs and activities.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 76,572	
Special Revenue Fund		\$ 76,572
	<u>\$ 76,572</u>	<u>\$ 76,572</u>

The interfund between General Fund and Special Revenue Fund represents cash transferred to cover grant expenses before grant reimbursements are received.

NOTE 16. DEFERRED COMPENSATION

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

AXA Equitable
Variable Annuity Life Insurance Company (VALIC)
Aspire

NOTE 17. TAX CALENDAR

Property taxes are levied 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 municipality and are remitted to the School District on a predetermined, agreed-upon schedule.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 18. COMMITMENTS AND CONTINGENCIES

Litigation:

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would 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:

The following encumbrance balances existed as of June 30, 2024:

	<u>Governmental Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Encumbrances	<u>\$ 313,568</u>	<u>\$ 9,149</u>	<u>\$ 322,717</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$0 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$9,149 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 19. ACCOUNTS PAYABLE

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

	<u>Governmental Funds</u>		<u>District Contribution</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Subsequent to the Measurement Date</u>	<u>Governmental Activities</u>
Vendors	\$ 12,419	\$ 1,844		\$ 14,263
State of New Jersey			\$ 154,566	154,566
	<u>\$ 12,419</u>	<u>\$ 1,844</u>	<u>\$ 154,566</u>	<u>\$ 168,829</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

LONG HILL TOWNSHIP 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	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0153385750%	0.0150636512%	0.0154202164%	0.0139082413%	0.0145851379%	0.0145163165%	0.0123998404%	0.0123072328%	0.01290776%	0.0094390144%
District's proportionate share of the net pension liability	\$ 2,871,801	\$ 3,381,488	\$ 4,567,026	\$ 3,237,616	\$ 2,871,741	\$ 2,615,620	\$ 2,022,090	\$ 1,457,976	\$ 1,947,958	\$ 1,367,182
District's covered employee payroll	\$ 968,092	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709	\$ 782,998
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	296.65%	325.54%	460.06%	337.42%	300.86%	289.18%	232.94%	150.20%	237.06%	174.61%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

LONG HILL TOWNSHIP 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	2020	2021	2022	2023	2024
Contractually required contribution	\$ 126,449	\$ 129,507	\$ 136,991	\$ 128,845	\$ 145,075	\$ 142,100	\$ 135,649	\$ 144,132	\$ 162,773	\$ 124,988
Contributions in relation to the contractually required contribution	(126,449)	(129,507)	(136,991)	(128,845)	(145,075)	(142,100)	(135,649)	(144,132)	(162,773)	(124,988)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709	\$ 782,998	\$ 819,233
Contributions as a percentage of covered employee payroll	12.17%	13.05%	14.28%	13.50%	16.04%	16.37%	13.97%	17.54%	20.79%	15.26%

LONG HILL TOWNSHIP 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0669638876%	0.0626910940%	0.0673556169%	0.0675625112%	0.0643526151%	0.0657441105%	0.0657667367%	0.0661894929%	0.0632284117%	0.0631564439%
State's proportionate share of the net pension liability attributable to the District	\$ 35,790,018	\$ 39,623,449	\$ 52,986,217	\$ 45,553,081	\$ 40,939,751	\$ 40,347,781	\$ 43,306,605	\$ 31,820,724	\$ 32,622,330	\$ 32,230,419
District's covered employee payroll	\$ 6,724,784	\$ 6,604,240	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355	\$ 7,789,801
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	532.21%	599.97%	802.31%	670.51%	586.16%	573.08%	613.74%	454.25%	433.73%	413.75%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

LONG HILL TOWNSHIP 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	2020	2021	2022	2023	2024
Contractually required contribution	\$ 1,925,839	\$ 2,419,368	\$ 3,981,177	\$ 3,155,687	\$ 2,386,644	\$ 2,379,820	\$ 2,692,989	\$ 748,756	\$ 877,958	\$ 791,808
Contributions in relation to the contractually required contribution	(613,712)	(904,010)	(1,201,443)	(1,681,149)	(1,293,028)	(1,442,517)	(1,924,048)	(2,602,897)	(2,581,873)	(2,715,355)
Contribution deficiency/(excess)	\$ 1,312,127	\$ 1,515,358	\$ 2,779,734	\$ 1,474,538	\$ 1,093,616	\$ 937,303	\$ 768,941	\$ (1,854,141)	\$ (1,703,915)	\$ (1,923,547)
District's covered employee payroll	\$ 6,724,784	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355	\$ 7,789,801	\$ 8,093,205
Contributions as a percentage of covered employee payroll	28.64%	36.63%	58.60%	45.18%	33.90%	33.73%	38.44%	9.96%	11.27%	9.78%

LONG HILL TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 1,264,188	\$ 1,048,075	\$ 941,188	\$ 1,002,530	\$ 1,783,723	\$ 1,498,135	\$ 1,157,040
Interest Cost	1,014,047	1,173,806	1,068,273	858,469	855,778	746,657	1,027,294
Change of Benefit Terms					(35,113)		
Differences between Expected and Actual Experience							
Changes in Assumptions	(4,148,799)	(3,495,423)	(4,829,278)	5,684,545	(6,618,143)	1,214,372	(474,280)
Member Contributions	27,365	24,966	21,693	19,852	21,878	23,726	26,326
Gross Benefit Payments	(743,167)	(722,357)	(731,816)	(654,982)	(674,113)	(739,586)	(800,793)
Net Change in Total OPEB Liability	(2,586,366)	(5,070,978)	(3,174,484)	13,782,803	(4,633,444)	(4,814,775)	994,380
Total OPEB Liability - Beginning	34,671,805	32,085,439	27,014,461	23,839,977	37,622,780	32,989,336	28,174,561
Total OPEB Liability - Ending	<u>\$ 32,085,439</u>	<u>\$ 27,014,461</u>	<u>\$ 23,839,977</u>	<u>\$ 37,622,780</u>	<u>\$ 32,989,336</u>	<u>\$ 28,174,561</u>	<u>\$ 29,168,941</u>
District's Covered Employee Payroll *	\$ 7,596,939	\$ 7,753,347	\$ 7,938,936	\$ 7,944,980	\$ 7,924,211	\$ 7,975,850	\$ 8,343,064
Total OPEB Liability as a Percentage of Covered Employee Payroll	422%	348%	300%	474%	416%	353%	350%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are 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.

LONG HILL TOWNSHIP 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

LONG HILL TOWNSHIP 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	\$ 18,125,862		\$ 18,125,862	\$ 18,125,862	
Tuition From Individuals	161,500		161,500	242,250	\$ 80,750
Tuition From Other LEAs Within the State	109,600		109,600	127,036	17,436
Transportation Fees From Individuals	68,000		68,000	58,200	(9,800)
Rents and Royalties	25,000		25,000	66,547	41,547
Unrestricted Miscellaneous Revenues	58,000		58,000	326,351	268,351
Interest Earned on Maintenance Reserve	837		837	837	
Interest Earned on Capital Reserve Funds	1,788		1,788	1,788	
Other Restricted Miscellaneous Revenues	85,373		85,373	10,140	(75,233)
Total Revenues from Local Sources	18,635,960		18,635,960	18,959,011	323,051
Revenues from State Sources:					
Categorical Transportation Aid	268,424		268,424	268,424	
Categorical Special Education Aid	911,645		911,645	911,645	
Categorical Security Aid	78,115		78,115	78,115	
Extraordinary Aid				469,278	469,278
Non-Public Transportation Aid				35,035	35,035
TPAF Post Retirement Medical Contributions (Non-Budgeted)				747,448	747,448
TPAF Pension Contributions (Non-Budgeted)				2,715,355	2,715,355
TPAF Non-Contributory Insurance (Non-Budgeted)				30,967	30,967
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,189	1,189
Reimbursed TPAF Social Security Contributions				583,837	583,837
Total Revenues from State Sources	1,258,184		1,258,184	5,841,293	4,583,109
TOTAL REVENUE	19,894,144		19,894,144	24,800,304	4,906,160

LONG HILL TOWNSHIP 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
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 166,640	\$ (350)	\$ 166,290	\$ 166,290	
Kindergarten - Salaries of Teachers	458,873	750	459,623	459,618	\$ 5
Grades 1-5 - Salaries of Teachers	2,597,211	(7,283)	2,589,928	2,585,819	4,109
Grades 6-8 - Salaries of Teachers	1,537,176	9,708	1,546,884	1,545,818	1,066.00
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	3,330	8,330	8,130	200
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	5,000	(5,000)			
Purchased Technical Services		2,391	2,391	2,000	391
Other Purchased Services (400-500 series)	79,216	10,878	90,094	85,598	4,496
General Supplies	331,698	79,568	411,266	386,142	25,124
Textbooks	3,510	(797)	2,713	735	1,978
Other Objects	9,935	(1,114)	8,821	1,310	7,511
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,194,259	92,081	5,286,340	5,241,460	44,880
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	83,615	82,010	165,625	165,625	
Other Salaries for Instruction	46,770	(10,756)	36,014	36,014	
General Supplies	1,500	(778)	722	345	377
Total Behavioral Disabilities	131,885	70,476	202,361	201,984	377

LONG HILL TOWNSHIP 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
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,178,015	\$ (58,096)	\$ 1,119,919	\$ 1,100,404	\$ 19,515
General Supplies	7,993	2,664	10,657	10,577	80
Textbooks	500	(160)	340	294	46
Total Resource Room/Resource Center	1,186,508	(55,592)	1,130,916	1,111,275	19,641
Autism:					
Salaries of Teachers	55,125	1,500	56,625	56,560	65
Other Salaries for Instruction	47,169	(2,130)	45,039	43,319	1,720
General Supplies	2,000	2,179	4,179	4,179	
Total Autism	104,294	1,549	105,843	104,058	1,785
Preschool Disabilities - Part-Time:					
Salaries of Teachers	64,880	(15,041)	49,839	49,085	754
Other Salaries for Instruction	45,717	61	45,778	45,778	
Purchased Professional-Educational Services		5,027	5,027	5,027	
General Supplies	2,500	(2,085)	415	415	
Total Preschool Disabilities - Part-Time	113,097	(12,038)	101,059	100,305	754
Home Instruction:					
Salaries of Teachers	4,000	(2,044)	1,956		1,956
Total Home Instruction	4,000	(2,044)	1,956		1,956
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,539,784	2,351	1,542,135	1,517,622	24,513
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	271,078	(6,023)	265,055	263,735	1,320
General Supplies	1,200	389	1,589	1,455	134
Total Basic Skills/Remedial - Instruction	272,278	(5,634)	266,644	265,190	1,454

LONG HILL TOWNSHIP 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
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 141,765	\$ 500	\$ 142,265	\$ 142,265	
General Supplies	500	24	524	486	\$ 38
Total Bilingual Education - Instruction	142,265	524	142,789	142,751	38
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	35,456	(1)	35,455	24,393	11,062
Purchased Services (300-500 series)		880	880	880	
Supplies and Materials	1,500	7,591	9,091	2,223	6,868
Other Objects	1,310		1,310	290	1,020
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	38,266	8,470	46,736	27,786	18,950
School-Sponsored Athletics - Instruction:					
Salaries	44,363	(1,899)	42,464	28,301	14,163
Supplies and Materials	3,500	2,649	6,149	6,132	17
Other Objects	14,000	(2,182)	11,818		11,818
Total School-Sponsored Athletics - Instruction	61,863	(1,432)	60,431	34,433	25,998
TOTAL INSTRUCTION	7,248,715	96,360	7,345,075	7,229,242	115,833
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	416,449	42,609	459,058	437,003	22,055
Tuition to Priv. Sch. for the Handicap. W/I State	810,553	(41,428)	769,125	730,979	38,146
Total Undistributed Expenditures - Instruction	1,227,002	1,181	1,228,183	1,167,982	60,201
Undistributed Expenditures - Health Services:					
Salaries	296,985	6,910	303,895	302,415	1,480
Purchased Professional and Technical Services	8,275	(1,302)	6,973	5,601	1,372
Supplies and Materials	6,500	7,575	14,075	12,095	1,980
Total Undist. Expenditures - Health Services	311,760	13,183	324,943	320,111	4,832

LONG HILL TOWNSHIP 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 - Speech, OT, PT, Related Services:					
Salaries	\$ 355,417	\$ 2,005	\$ 357,422	\$ 356,901	\$ 521
Purchased Professional - Educational Services	32,400	23,537	55,937	52,844	3,093
Supplies and Materials	4,000	(1,571)	2,429	2,429	
Total Undist. Expend. - Speech, OT, PT, Related Services	391,817	23,971	415,788	412,174	3,614
Undistributed Expenditures - Other Supp.Serv.Students-Extra. Services:					
Salaries	759,126	(9,800)	749,326	746,474	2,852
Purchased Professional - Educational Services	167,505	50,171	217,676	214,178	3,498
Supplies and Materials	12,200	(8,670)	3,530	3,530	
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	938,831	31,701	970,532	964,182	6,350
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	219,366	(4,080)	215,286	215,286	
Supplies and Materials	400		400	307	93
Total Undist Expend. - Guidance	219,766	(4,080)	215,686	215,593	93
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	444,696	(3,113)	441,583	441,250	333
Salaries of Secretarial and Clerical Assistants	69,902	1,004	70,906	70,611	295
Other Purchased Prof. and Tech. Services	14,000	488	14,488	14,488	
Other Purchased Services (400-500 series)	750		750	579	171
Supplies and Materials	6,000		6,000	5,943	57
Other Objects	1,425		1,425	1,405	20
Total Undist Expend. - Child Study Team	536,773	(1,621)	535,152	534,276	876

LONG HILL TOWNSHIP 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 - Improv. of Inst. Services:					
Salaries of Supervisors of Instruction	\$ 76,213	\$ 43	\$ 76,256	\$ 76,212	\$ 44
Salaries of Other Professional Staff	7,000	(1,577)	5,423	5,422	1
Salaries of Secretarial and Clerical Assistants	32,252	1	32,253	32,252	1
Purchased Professional - Educational Services	7,065	(3,688)	3,377		3,377
Total Undist. Expend.-Improv. of Inst. Services	122,530	(5,221)	117,309	113,886	3,423
Undistributed Expenditures - Edu. Media Services/School Library:					
Salaries	217,601	(70,609)	146,992	121,570	25,422
Salaries of Technology Coordinators	105,000	(13,333)	91,667	89,583	2,084
Purchased Professional and Technical Services	39,950	42,576	82,526	80,564	1,962
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	9,892	(1,744)	8,148	7,029	1,119
Total Undist Expend-Edu. Media Services/School Library	372,943	(43,110)	329,833	298,746	31,087
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Service	500		500		500
Other Purchased Professional and Tech. Services	1,154		1,154	90	1,064
Other Purchased Services (400-500 series)	7,560		7,560	2,526	5,034
Total Undistributed Expend. - Instructional Staff Training Services	9,214		9,214	2,616	6,598

LONG HILL TOWNSHIP 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 - Support Services - General Admin.:					
Salaries	\$ 261,186	\$ 23,551	\$ 284,737	\$ 284,427	\$ 310
Legal Services	62,091	(13,991)	48,100	19,542	28,558
Audit Fees	30,000	(191)	29,809	25,500	4,309
Architectural/Engineering Services	6,000	(6,000)			
Other Purchased Professional Services	500	2,000	2,500	2,000	500
Communications / Telephone	72,356	8,568	80,924	74,209	6,715
BOE Other Purchased Services	3,500	(606)	2,894	2,813	81
Other Purch. Serv. (400-500 series other than 530 & 585)	6,400	(1,339)	5,061	2,934	2,127
General Supplies	2,000	609	2,609	2,609	
BOE In-house training/ Meeting Supplies		218	218		
Judgments Against The School District	53,127	22,000	75,127	22,653	52,474
Miscellaneous Expenditures	5,770	(185)	5,585	4,009	1,576
BOE Membership Dues and Fees	8,000	606	8,606	8,606	
Total Undist. Expend. - Support Serv. - General Admin.	510,930	35,240	546,170	449,520	96,650
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals/Prog. Director	409,112	2,302	411,414	409,081	2,333
Salaries of Secretarial and Clerical Assistants	243,959	(9,039)	234,920	234,672	248
Other Purchased Services (400-500 series)	5,017	28	5,045	751	4,294
Supplies and Materials	4,634	(1,592)	3,042	2,294	748
Other Objects	3,740	10	3,750	3,629	121
Total Undist. Expend. - Support Services - School Admin.	666,462	(8,291)	658,171	650,427	7,744

LONG HILL TOWNSHIP 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 - Central Services:					
Salaries	\$ 335,269	\$ (159,619)	\$ 175,650	\$ 171,071	\$ 4,579
Purchased Professional Services	34,025	148,342	182,367	164,824	17,543
Purchased Technical Services	13,200	487	13,687	13,187	500
Miscellaneous Purchased Services (400-500 series other than 594)	9,625	(2,788)	6,837	4,266	2,571
Supplies and Materials	6,000	1,137	7,137	5,023	2,114
Other Objects	1,730	2,578	4,308	4,308	
Total Undist. Expend. - Central Services	399,849	(9,863)	389,986	362,679	27,307
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	37,691	(10,553)	27,138	23,752	3,386
Other Purchased Services (400-500 series)	500		500	111	389
Total Undist. Expend. - Admin. Info. Technology	38,191	(10,553)	27,638	23,863	3,775
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	318,941	(72,939)	246,002	215,355	30,647
General Supplies	87,549	(13,784)	73,765	53,532	20,233
Other Objects	1,340		1,340	425	915
Total Undist. Expend.- Required Maint. for School Facilities	407,830	(86,723)	321,107	269,312	51,795

LONG HILL TOWNSHIP 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 - Custodial Services:					
Salaries	\$ 101,140	\$ (8,622)	\$ 92,518	\$ 84,030	\$ 8,488
Salaries of Non-Instructional Aides		18,200	18,200	10,551	7,649
Purchased Professional and Technical Services	1,269,154	75,425	1,344,579	1,326,782	17,797
Cleaning, Repair, and Maintenance Services	17,000	(1,507)	15,493	15,080	413
Other Purchased Property Services	24,886	368	25,254	23,578	1,676
Insurance	189,015	13,013	202,028	199,528	2,500
Miscellaneous Purchased Services	79,000	(78,000)	1,000	929	71
General Supplies	47,182	3,498	50,680	50,680	
Energy (Natural Gas)	123,120	35,194	158,314	124,983	33,331
Energy (Electricity)	263,785	19,587	283,372	189,156	94,216
Energy (Gasoline)	10,000		10,000	9,631	369
Total Undist. Expend. - Custodial Services	2,124,282	77,156	2,201,438	2,034,928	166,510
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	7,500	(2,465)	5,035	3,800	1,235
Cleaning, Repair, and Maintenance Services	7,000	17,920	24,920	24,753	167
General Supplies	16,300	3,496	19,796	19,422	374
Total Care And Upkeep Of Grounds	30,800	18,951	49,751	47,975	1,776
Security:					
Purchased Professional and Technical Services	8,500	(5,340)	3,160		3,160
Cleaning, Repair, and Maintenance Services	2,500		2,500		2,500
General Supplies	3,700		3,700	727	2,973
Other Objects	3,500		3,500		3,500
Total Security	18,200	(5,340)	12,860	727	12,133
Total Undist. Expend.- Oper. and Maint. of Plant Services	2,581,112	4,044	2,585,156	2,352,942	232,214

LONG HILL TOWNSHIP 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 - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 36,042	\$ (15,446)	\$ 20,596	\$ 20,313	\$ 283
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)		10,000	10,000	5,294	4,706
Other Purchased Professional and Technical Services	5,000		5,000	4,650	350
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	85,800	1,575	87,375	83,259	4,116
Contract. Serv.(Bet. Home & Sch.)-Vendors	618,145	(71,300)	546,845	530,227	16,618
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	17,500	10,100	27,600	25,891	1,709
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	587,001	(41,051)	545,950	496,293	49,657
Misc. Purchased Serv. - Transportation	4,000	(1,500)	2,500		2,500
Total Undist. Expend.-Student Trans. Services	1,353,488	(107,622)	1,245,866	1,165,927	79,939
UNALLOCATED BENEFITS:					
Social Security Contributions	190,000	(2,363)	187,637	187,637	
Other Retirement Contributions - PERS	142,835	(16,680)	126,155	124,988	1,167
Other Retirement Contributions - Regular	38,420		38,420	37,762	658
Workers Compensation	71,000	1,640	72,640	72,640	
Health Benefits	2,661,492	(7,403)	2,654,089	2,469,930	184,159
Tuition Reimbursement	40,000		40,000	36,769	3,231
Other Employee Benefits	85,825	4,357	90,182	88,793	1,389
Unused Sick Payment to Terminated/Retired Staff	50,400	(6,818)	43,582	31,763	11,819
TOTAL UNALLOCATED BENEFITS	3,279,972	(27,267)	3,252,705	3,050,282	202,423

LONG HILL TOWNSHIP 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
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED):					
TPAF Post Retirement Medical Contributions (Non-Budgeted)				\$ 747,448	\$ (747,448)
TPAF Pension Contributions (Non-Budgeted)				2,715,355	(2,715,355)
TPAF Non-Contributory Insurance (Non-Budgeted)				30,967	(30,967)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,189	(1,189)
Reimbursed TPAF Social Security Contributions				583,837	(583,837)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				4,078,796	(4,078,796)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,279,972	\$ (27,267)	\$ 3,252,705	7,129,078	(3,876,373)
TOTAL UNDISTRIBUTED EXPENDITURES	12,960,640	(108,308)	12,852,332	16,164,002	(3,311,670)
TOTAL GENERAL CURRENT EXPENSE	20,209,355	(11,948)	20,197,407	23,393,244	(3,195,837)
CAPITAL OUTLAY:					
EQUIPMENT:					
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	73,375	3,963	77,338	76,343	995
Undist. Expend. - Required Maint for School Fac.		60	60	60	
TOTAL EQUIPMENT	73,375	4,023	77,398	76,403	995
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	10,295	46,400	56,695	48,278	8,417
Construction Services	1,104,247	(49,269)	1,054,978	996,392	58,586
Lease Purchase Agreements - Principal	42,096	8,869	50,965	47,457	3,508
Assessment for Debt Service on SDA Funding	33,181		33,181	33,181	
Total Facilities Acquisition and Construction Services	1,189,819	6,000	1,195,819	1,125,308	70,511
TOTAL CAPITAL OUTLAY	1,263,194	10,023	1,273,217	1,201,711	71,506

LONG HILL TOWNSHIP 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
Transfer of Funds to Charter Schools:					
Total Transfer of Funds to Charter Schools	\$ 87,740	\$ (985)	\$ 86,755	\$ 46,257	\$ 40,498
	87,740	(985)	86,755	46,257	40,498
TOTAL EXPENDITURES	21,560,289	(2,910)	21,557,379	24,641,212	(3,083,833)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,666,145)	2,910	(1,663,235)	159,092	1,822,327
OTHER FINANCING SOURCES/(USES):					
Transfers to Cover Deficit (Enterprise Fund)	(30,000)	(2,910)	(32,910)	(32,910)	
TOTAL OTHER FINANCING SOURCES/(USES)	(30,000)	(2,910)	(32,910)	(32,910)	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,696,145)		(1,696,145)	126,182	1,822,327
Fund Balance, July 1	6,254,100		6,254,100	6,254,100	
Fund Balance, June 30	\$ 4,557,955	\$ -0-	\$ 4,557,955	\$ 6,380,282	\$ 1,822,327

LONG HILL TOWNSHIP 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
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 330,000	
Excess Surplus - Restricted For 2024-2025				330,000	
Capital Reserve				3,036,222	
Maintenance Reserve				960,976	
Emergency Reserve				250,000	
Unemployment Compensation				237,594	
Assigned Fund Balance:					
Year End Encumbrances				313,568	
Designated for Subsequent Year's Expenditures				6,361	
Unassigned Fund Balance				915,561	
				<u>6,380,282</u>	
				(118,101)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,262,181</u>	

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 320,067	\$ 79,339	\$ 399,406	\$ 355,856	\$ (43,550)
State Sources	38,187	51,317	89,504	51,778	(37,726)
Local Sources	9,778	85,304	95,082	75,841	(19,241)
Total Revenues	368,032	215,960	583,992	483,475	(100,517)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	11,908	14,718	26,626	25,876	750
Purchased Professional - Educational Services		2,797	2,797		2,797
Tuition	190,640	33,935	224,575	224,575	
Other Purchased Services	2,979	784	3,763	2,929	834
General Supplies	71,029	2,057	73,086	49,961	23,125
Textbooks	5,217	622	5,839	5,839	
Total Instruction	281,773	54,913	336,686	309,180	27,506
Support Services:					
Salaries of Other Professional Staff	2,864	3,777	6,641	6,641	
Personal Services - Employee Benefits	4,463	(3,145)	1,318	1,261	57
Purchased Professional - Educational Services	9,699	6,260	15,959	15,959	
Purchased Professional - Technical Services		27,293	27,293	27,039	254
Other Purchased Professional Services	65,264	1,576	66,840	44,385	22,455
Supplies and Materials	649	5,127	5,776	2,473	3,303
Student Activities		81,124	81,124	81,124	
Total Support Services	82,939	122,012	204,951	178,882	26,069
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	3,320	39,035	42,355	4,968	37,387
Total Expenditures	368,032	215,960	583,992	493,030	90,962
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (9,555)	\$ (9,555)

LONG HILL TOWNSHIP 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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 24,800,304	\$ 483,475
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		47,148
Prior Year Encumbrances Cancelled		(22,420)
Current Year Encumbrances		(9,149)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	102,959	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(118,101)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,785,162</u>	<u>\$ 499,054</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,641,212	\$ 493,030
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, but in the Year the Supplies are Received for Financial Reporting Purposes.		15,579
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,641,212</u>	<u>\$ 508,609</u>

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 was submitted to the County office and was approved by a vote by 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).

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. 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 the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Every Student Succeeds Act					Nonpublic				
	Title I	Title II, Part A	Title II, Part A - 2023	Title III	Title IV	Exam and Classification	Handicapped Instruction	Corrective Speech	Nonpublic Textbooks	Nonpublic Security
REVENUE:										
Local Sources										
State Sources										
Federal Sources										
Total Revenue	\$ 17,157	\$ 18,437	\$ 3,434	\$ 7,530	\$ 6,340	\$ 4,358	\$ 330	\$ 1,953	\$ 5,839	\$ 20,651
EXPENDITURES:	17,157	18,437	3,434	7,530	6,340	4,358	330	1,953	5,839	20,651
Instruction:										
Salaries of Teachers										
Tuition										
Other Purchased Services										
General Supplies	17,157			7,530	340				5,839	20,651
Textbooks										
Total Instruction	17,157			7,530	340				5,839	20,651
Support Services:										
Salaries of Other Professional Staff						4,358	330	1,953		
Personal Services - Employee Benefits										
Purchased Professional Educational Services		11,265			6,000					
Purchased Professional Technical Services		7,172	3,434							
Other Purchased Professional Services										
Supplies and Materials										
Student Activities										
Total Support Services		18,437	3,434		6,000	4,358	330	1,953		
Facilities Acquisition:										
Non-Instructional Equipment										
Total Facilities Acquisition										
Total Expenditures	\$ 17,157	\$ 18,437	\$ 3,434	\$ 7,530	\$ 6,340	\$ 4,358	\$ 330	\$ 1,953	\$ 5,839	\$ 20,651

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP		Mental Health	IDEA Part B		CRRSA		SDA Emergent Capital & Maintenance Needs	
	ESSER III	Summer Learning		ARP Basic	Basic	ARP Preschool	Preschool		ESSER II
REVENUE:									
Local Sources									
State Sources									
Federal Sources									
Total Revenue	\$ 31,110	\$ 10,288	\$ 14,115	\$ 232	\$ 224,575	\$ 2,929	\$ 12,245	\$ 4,515	\$ 2,949
	31,110	10,288	14,115	232	224,575	2,929	12,245	4,515	2,949
EXPENDITURES:									
Instruction:									
Salaries of Teachers	9,385	9,557						4,195	2,739
Tuition					224,575				
Other Purchased Services						2,929	2,252		
General Supplies				232					
Textbooks									
Total Instruction	9,385	9,557		232	224,575	2,929	2,252	4,195	2,739
Support Services:									
Salaries of Other Professional Staff		731						320	210
Personal Services - Employee Benefits			14,115						
Purchased Professional Educational Services							9,774		
Purchased Professional Technical Services							219		
Other Purchased Professional Services	21,725								
Supplies and Materials									
Student Activities									
Total Support Services	21,725	731	14,115				9,993	320	210
Facilities Acquisition:									
Non-Instructional Equipment									
Total Facilities Acquisition									
Total Expenditures	\$ 31,110	\$ 10,288	\$ 14,115	\$ 232	\$ 224,575	\$ 2,929	\$ 12,245	\$ 4,515	\$ 2,949
									</

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Homeless	Nonpublic Technology	Nonpublic Nursing	Student Activities	Local Grants	Totals
REVENUE:						
Local Sources				\$ 71,569	\$ 4,272	\$ 75,841
State Sources	\$ 1,844	\$ 4,944	\$ 11,835			51,778
Federal Sources						355,856
Total Revenue	1,844	4,944	11,835	71,569	4,272	483,475
EXPENDITURES:						
Instruction:						
Salaries of Teachers						25,876
Tuition						224,575
Other Purchased Services						2,929
General Supplies					1,799	49,961
Textbooks						5,839
Total Instruction					1,799	309,180
Support Services:						
Salaries of Other Professional Staff						6,641
Personal Services - Employee Benefits						1,261
Purchased Professional Educational Services	1,844					15,959
Purchased Professional Technical Services			11,835			27,039
Other Purchased Professional Services						44,385
Supplies and Materials				81,124	2,473	2,473
Student Activities						81,124
Total Support Services	1,844		11,835	81,124	2,473	178,882
Facilities Acquisition:						
Non-Instructional Equipment		4,944				4,968
Total Facilities Acquisition		4,944				4,968
Total Expenditures	\$ 1,844	\$ 4,944	\$ 11,835	\$ 81,124	\$ 4,272	\$ 493,030

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 3,685
Accounts Receivable:	
Federal	<u>1,097</u>
Total Current Assets	<u>4,782</u>
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	<u>(3,103)</u>
Total Non-Current Assets	<u>9,153</u>
Total Assets	<u>13,935</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	<u>40</u>
Total Liabilities	<u>40</u>
NET POSITION:	
Investment in Capital Assets	9,153
Unrestricted	<u>4,742</u>
Total Net Position	<u><u>\$ 13,895</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
Operating Revenue:	
Daily Sales - Reimbursable Program:	
Special Milk Program	\$ 4,073
Total Operating Revenue	<u>4,073</u>
Operating Expenses:	
Cost of Sales - Reimbursable Program	7,801
Cost of Sales - Non-Reimbursable Program	32,910
Depreciation	817
Miscellaneous Expenses	<u>5,644</u>
Total Operating Expenses	<u>47,172</u>
Operating (Loss)	<u>(43,099)</u>
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	5,311
Local Sources:	
Interest Revenue	<u>50</u>
Total Non-Operating Revenue	<u>5,361</u>
Change in Net Position Before Transfer	(37,738)
Transfer - General Fund	<u>32,910</u>
Change in Net Position	(4,828)
Net Position - Beginning of Year	<u>18,723</u>
Net Positon - End of Year	<u><u>\$ 13,895</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,073
Payments for Underprivileged Lunches	(32,910)
Miscellaneous Expenses	(5,604)
Payments to Suppliers	<u>(7,801)</u>
Net Cash (Used for) Operating Activities	<u>(42,242)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>50</u>
Net Cash Provided by Investing Activities	<u>50</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	4,961
Board Contribution - General Fund	<u>32,910</u>
Net Cash Provided by Noncapital Financing Activities	<u>37,871</u>
Net Decrease in Cash and Cash Equivalents	(4,321)
Cash and Cash Equivalents, July 1	<u>8,006</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 3,685</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (43,099)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	817
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	<u>40</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (42,242)</u></u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

LONG HILL TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Date	June 30, 2024	Amount				
School Refunding Bonds of 2021	10/19/21	\$ 4,970,000	1/15/25	\$ 685,000		4.00%	\$ 4,380,000	\$ 660,000	\$ 3,720,000
			1/15/26	720,000		4.00%			
			1/15/27	740,000		4.00%			
			1/15/28	775,000		4.00%			
			1/15/29	800,000		4.00%			
School Bonds of 2014	07/18/14	1,464,000					184,000	184,000	
							<u>\$ 4,564,000</u>	<u>\$ 844,000</u>	<u>\$ 3,720,000</u>

LONG HILL TOWNSHIP 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>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
School Light Fixtures	0.00%	\$ 210,479	<u>\$ 168,383</u>	<u>\$ 42,096</u>	<u>\$ 126,287</u>
			<u>\$ 168,383</u>	<u>\$ 42,096</u>	<u>\$ 126,287</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Copiers	3.85%	\$ 184,145	<u>\$ 102,453</u>	<u>\$ 37,236</u>	<u>\$ 65,217</u>
			<u>\$ 102,453</u>	<u>\$ 37,236</u>	<u>\$ 65,217</u>

LONG HILL TOWNSHIP 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	\$ 1,023,797		\$ 1,023,797	\$ 1,023,797	
Total Revenues	1,023,797		1,023,797	1,023,797	
EXPENDITURES:					
Regular Debt Service:					
Interest	179,800		179,800	179,800	
Redemption of Principal	844,000		844,000	844,000	
Total Expenditures	1,023,800		1,023,800	1,023,800	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3)		(3)	(3)	
Fund Balance, July 1	8,805	-0-	8,805	8,805	-0-
Fund Balance, June 30	\$ 8,802	\$ -0-	\$ 8,802	\$ 8,802	\$ -0-
Recapitulation:					
Restricted for Subsequent Year's Expenditures				\$ 8,802	

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 21,681,875	\$ 23,496,715	\$ 23,902,254	\$ 14,955,113	\$ 14,959,257	\$ 15,250,351	\$ 14,726,468	\$ 14,446,049	\$ 13,005,762	\$ 13,480,428
Restricted	3,795,434	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836	4,798,942	5,177,939
Unrestricted/(Deficit)	(2,276,858)	(2,023,635)	(3,117,357)	(3,198,309)	(3,759,279)	(3,348,737)	1,689,717	(1,333,829)	(1,349,851)	(1,271,923)
Total Governmental Activities Net Position	\$ 23,200,451	\$ 23,672,734	\$ 23,079,849	\$ 14,351,756	\$ 13,693,386	\$ 15,140,988	\$ 20,908,320	\$ 17,396,056	\$ 16,454,853	\$ 17,386,444
Business-Type Activities										
Net Investment in Capital Assets										
Unrestricted	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 9,129	\$ 10,787	\$ 9,970	\$ 9,153
Total Business-Type Activities Net Position	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 17,120	\$ 18,782	\$ 18,723	\$ 13,895
District-Wide:										
Net Investment in Capital Assets	\$ 21,681,875	\$ 23,496,715	\$ 23,902,254	\$ 14,955,113	\$ 14,959,257	\$ 15,250,351	\$ 14,735,597	\$ 14,456,836	\$ 13,015,732	\$ 13,489,581
Restricted	3,795,434	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836	4,798,942	5,177,939
Unrestricted/(Deficit)	(2,236,236)	(1,985,572)	(3,105,392)	(3,180,765)	(3,737,750)	(3,330,597)	1,697,708	(1,325,834)	(1,341,098)	(1,267,181)
Total District Net Position	\$ 23,241,073	\$ 23,710,797	\$ 23,091,814	\$ 14,369,300	\$ 13,714,915	\$ 15,159,128	\$ 20,925,440	\$ 17,414,838	\$ 16,473,576	\$ 17,400,339

Source: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,648,481	\$ 7,499,034	\$ 8,606,961	\$ 9,344,474	\$ 9,267,572	\$ 8,894,214	\$ 8,621,366	\$ 8,713,862	\$ 8,594,163	\$ 8,204,928
Special Education	2,875,287	3,567,004	3,771,860	3,619,367	2,752,521	2,500,320	2,803,449	2,566,587	2,496,404	2,801,083
Other Special Instruction					525,691	529,268	403,204	504,910	480,248	482,189
Other Instruction		38,359	49,075	111,411	105,750	15,845	104,686	157,727	185,012	219,058
Support Services:										
Tuition	451,199	603,911	549,914	475,166	230,733	331,057	642,042	1,006,056	1,119,871	1,167,982
Student & Instruction Related Services	3,422,924	3,266,554	4,786,166	5,162,316	3,638,625	3,723,333	3,870,577	4,340,209	4,466,286	4,054,904
General Administrative Services	916,395	1,302,615	1,287,909	1,282,001	541,273	520,306	559,078	467,089	563,535	562,400
School Administrative Services	865,078	1,217,675	1,399,585	1,317,464	979,863	986,664	1,030,071	979,769	1,022,910	972,841
Central Services					409,843	536,932	489,033	443,944	487,930	464,368
Administrative Information Technology					215,064	58,552	43,771	88,288	51,875	33,042
Plant Operations And Maintenance	1,513,949	1,530,921	1,745,474	1,738,866	2,079,997	1,778,048	2,178,714	2,749,660	2,925,907	2,592,216
Pupil Transportation	776,862	808,295	881,120	967,197	1,114,226	718,168	879,009	1,043,046	1,203,331	1,129,261
Capital Outlay					33,181		80,323		834,786	302,409
Transfer to Charter School	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445	46,257
Interest On Long-Term Debt	443,059	422,579	403,199	382,997	326,243	331,814	303,210	306,754	132,301	98,915
Total Governmental Activities Expenses	18,972,220	20,284,630	23,553,230	24,514,637	22,345,391	21,037,577	22,136,379	23,481,108	24,679,004	23,131,853
Business-Type Activities										
Milk Service Fund	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462	47,172
Total Business Type Activities	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462	47,172
Total District Expenses	\$ 18,987,459	\$ 20,307,073	\$ 23,595,213	\$ 24,525,422	\$ 22,353,522	\$ 21,054,382	\$ 22,137,404	\$ 23,487,794	\$ 24,687,466	\$ 23,179,025
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Operating Grants and Contributions	\$ 167,115	\$ 106,595	\$ 107,630	\$ 200,200	\$ 197,611	\$ 108,734	\$ 61,628	\$ 329,719	\$ 462,232	\$ 507,402
Total Governmental Activities Program Revenues	298,591	298,315	241,757	268,502	5,074,129	4,722,664	5,219,815	5,077,140	4,242,857	4,100,177
Business-Type Activities:										
Charges For Services:										
Milk Service	13,829	12,293	9,999	9,845	7,780	9,921		4,611	4,035	4,073
Operating Grants and Contributions	8,685	7,580	5,879	6,497	4,160	3,323		3,737	4,301	5,311
Total Business Type Activities Program Revenues	22,514	19,873	15,878	16,342	11,940	13,244		8,348	8,336	9,384
Total District Program Revenues	\$ 488,220	\$ 424,783	\$ 365,265	\$ 485,044	\$ 5,283,680	\$ 4,844,642	\$ 5,281,443	\$ 5,415,207	\$ 4,713,425	\$ 4,616,963

LONG HILL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$ (18,506,514)	\$ (19,879,720)	\$ (23,203,843)	\$ (24,045,935)	\$ (17,073,651)	\$ (16,206,179)	\$ (16,854,936)	\$ (18,074,249)	\$ (19,973,915)	\$ (18,524,274)
Business-Type Activities	7,275	(2,570)	(26,105)	5,557	3,809	(3,561)	(1,025)	1,662	(126)	(37,788)
Total District-Wide Net Expense	\$ (18,499,239)	\$ (19,882,290)	\$ (23,229,948)	\$ (24,040,378)	\$ (17,069,842)	\$ (16,209,740)	\$ (16,855,961)	\$ (18,072,587)	\$ (19,974,041)	\$ (18,562,062)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	14,206,695	14,363,661	14,649,675	14,942,669	15,241,522	16,124,600	17,080,405	17,422,013	17,770,453	18,125,862
Taxes Levied for Debt Service	921,150	1,090,819	1,099,590	1,100,638	1,105,138	1,102,938	1,104,838	1,110,638	1,025,392	1,023,797
Unrestricted Grants & Contributions	4,079,433	4,820,457	6,745,684	7,958,315	2,606					
Investment Earnings	2,227	2,025		6,644						
Transfers										(32,910)
Miscellaneous Income	46,120	75,041	116,009	174,898	66,015	197,592	183,791	283,602	236,867	339,116
Total Governmental Activities	19,255,625	20,352,003	22,610,958	24,183,164	16,415,281	17,425,130	18,369,034	18,816,253	19,032,712	19,455,865
Business-Type Activities:										
Interest and Miscellaneous Income	11	11	7	22	176	172	5	1	67	50
Transfers										32,910
Total Business-Type Activities	11	11	7	22	176	172	5	1	67	32,960
Total District-Wide	\$ 19,255,636	\$ 20,352,014	\$ 22,610,965	\$ 24,183,186	\$ 16,415,457	\$ 17,425,302	\$ 18,369,039	\$ 18,816,254	\$ 19,032,779	\$ 19,488,825
Change in Net Position:										
Governmental Activities	749,111	472,283	(592,885)	137,229	(658,370)	1,218,951	1,514,098	742,004	(941,203)	931,591
Business-Type Activities	7,286	(2,559)	(26,098)	5,579	3,985	(3,389)	(1,020)	1,663	(59)	(4,828)
Total District	\$ 756,397	\$ 469,724	\$ (618,983)	\$ 142,808	\$ (654,385)	\$ 1,215,562	\$ 1,513,078	\$ 743,667	\$ (941,262)	\$ 926,763

Source: School District Financial Reports

LONG HILL TOWNSHIP 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	\$ 2,384,266	\$ 2,398,577	\$ 2,560,694	\$ 2,853,549	\$ 2,493,406	\$ 3,195,459	\$ 4,515,241	\$ 4,242,209	\$ 4,756,237	\$ 5,144,792
Committed	209,792	429,087	145,377	97,506						
Assigned					73,899	531,465	356,894	741,991	673,770	319,929
Unassigned	391,407	351,443	491,039	470,182	414,793	418,028	960,054	1,129,489	721,134	797,460
Total General Fund	\$ 2,985,465	\$ 3,179,107	\$ 3,197,110	\$ 3,421,237	\$ 2,982,098	\$ 4,144,952	\$ 5,832,189	\$ 6,113,689	\$ 6,151,141	\$ 6,262,181
All Other Governmental Funds:										
Restricted, Reported In:										
Special Revenue Fund						\$ 43,913	\$ 39,064	\$ 41,624	\$ 33,900	\$ 24,345
Capital Projects Fund	\$ 1,976,741	\$ 355,643	\$ 301,939	\$ 301,939						
Debt Service Fund					\$ 2	2	2	3	8,805	8,802
Assigned, Reported In:										
Debt Service Fund	998	998								
Total All Other Governmental Funds	\$ 1,977,739	\$ 356,641	\$ 301,939	\$ 301,939	\$ 2	\$ 43,915	\$ 39,066	\$ 41,627	\$ 42,705	\$ 33,147
Total Governmental Funds:										
Restricted	\$ 4,361,007	\$ 2,754,220	\$ 2,862,633	\$ 3,155,488	\$ 2,493,408	\$ 3,239,374	\$ 4,554,307	\$ 4,283,836	\$ 4,798,942	\$ 5,177,939
Committed	209,792	429,087	145,377	97,506						
Assigned	998	998			73,899	531,465	356,894	741,991	673,770	319,929
Unassigned	391,407	351,443	491,039	470,182	414,793	418,028	960,054	1,129,489	721,134	797,460
Total Governmental Funds	\$ 4,963,204	\$ 3,535,748	\$ 3,499,049	\$ 3,723,176	\$ 2,982,100	\$ 4,188,867	\$ 5,871,255	\$ 6,155,316	\$ 6,193,846	\$ 6,295,328

Source: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$ 15,127,845	\$ 15,454,480	\$ 15,749,265	\$ 16,043,307	\$ 16,346,660	\$ 17,227,538	\$ 18,185,243	\$ 18,532,651	\$ 18,795,845	\$ 19,149,659
Tuition	88,884	40,601	42,750	130,550	165,475	81,814	29,500	160,814	315,578	369,286
Transportation Fees from Individuals					19,230	42,813	16,640	55,730	67,745	58,200
Rents and Royalties					32,136	26,920	8,595	44,725	54,865	66,547
Interest Earnings	2,227	2,025	1,840	6,644	500	150	150	150	150	2,625
Miscellaneous	124,351	141,038	179,049	244,548	105,399	237,886	221,159	421,501	350,547	417,075
State Sources	2,203,144	2,450,018	2,766,072	2,974,843	3,215,885	3,604,331	4,341,709	5,357,464	5,461,911	5,889,793
Federal Sources	249,041	249,383	240,192	267,188	258,790	292,311	342,777	548,233	514,017	354,828
Total Revenue	17,795,492	18,337,545	18,979,168	19,667,080	20,144,075	21,513,763	23,145,773	25,121,268	25,560,658	26,308,013
Expenditures:										
Instruction:										
Regular Instruction	4,473,077	4,619,096	4,480,458	4,643,462	5,036,949	4,815,326	4,864,115	5,253,204	5,400,730	5,426,248
Special Education Instruction	1,519,534	1,389,625	1,456,020	1,521,761	1,409,001	1,419,329	1,494,608	1,388,023	1,408,846	1,755,351
Other Special Instruction	212,585	244,369	269,665	234,671	246,212	256,596	175,833	266,647	264,453	265,190
Other Instruction		38,359	29,209	63,391	67,069	12,603	103,780	151,081	176,369	204,970
Support Services:										
Tuition	244,357	391,202	350,099	270,364	230,733	331,057	642,042	1,006,056	1,119,871	1,167,982
Student & Instruction Related Services	2,177,813	2,138,681	2,178,400	2,402,988	2,664,402	2,693,051	2,833,845	3,042,477	3,058,431	2,942,708
General Administrative Services	289,326	357,429	357,324	347,819	411,430	394,571	449,292	346,290	432,885	449,520
School Administrative Services	559,572	559,914	578,403	569,198	560,654	571,358	604,280	605,181	633,311	650,427
Central Services	264,361	274,180	275,740	252,638	275,843	364,014	374,209	349,834	372,875	362,679
Administrative Information Technology	97,338	100,258	103,780	90,849	143,705	40,458	31,787	68,725	36,006	23,863
Plant Operations And Maintenance	1,499,746	1,500,569	1,690,661	1,684,276	1,873,268	1,595,953	1,936,329	2,573,921	2,499,304	2,352,942
Pupil Transportation	776,862	808,295	881,120	967,197	944,837	743,482	873,742	1,036,940	1,240,498	1,165,927
Allocated and Unallocated Benefits	3,637,692	4,039,361	4,440,761	4,819,209	5,162,958	5,181,885	5,688,104	6,390,438	6,720,604	7,129,078
Transfer to Charter Schools	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445	46,257
Capital Outlay	273,247	134,505	423,030	59,431	628,145	899,970	158,735	1,134,546	1,228,588	1,206,679
Capital Projects	740,725	1,719,160	53,704							
Special Revenue Fund	298,591	298,315	241,757	268,502						
Debt Service:										
Principal	525,000	670,000	715,000	735,000	760,000	785,000	815,000	850,000	770,000	844,000
Interest And Other Charges	429,331	454,000	418,769	398,819	345,136	317,938	289,838	260,637	255,391	179,800
Total Expenditures	18,078,143	19,765,001	19,015,867	19,442,953	20,885,151	20,535,647	21,463,385	24,837,207	25,732,607	26,173,621

LONG HILL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (282,651)	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ (171,949)	\$ 134,392
Other Financing Sources/(Uses):										
Financed Purchases (Non-Budgeted)	1,464,000								210,479	
Financed Purchase Agreement Proceeds										
Refunding Bonds Issued								4,970,000		
Refunding Bonds Defeased								(5,515,000)		
Bond Premium								654,026		
Bond Insurance Costs								(109,026)		
Transfers Out										(32,910)
Total Other Financing Sources/(Uses)	1,464,000								210,479	(32,910)
Net Change In Fund Balances	\$ 1,181,349	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ 38,530	\$ 101,482
Debt Service As A Percentage Of Noncapital Expenditures	5.36%	5.73%	6.10%	5.85%	5.46%	5.62%	5.19%	4.69%	4.18%	4.10%

Source: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals - Use of		Transportation Fees	Prior Year Refund	Other		Total
			Facilities				Miscellaneous		
2015	\$ 2,227	\$ 88,884	\$ 24,045	\$	48,186	\$ 43,693	\$ 7,427	\$	214,462
2016	2,025	39,851	24,275		41,719	74,674	1,117		183,661
2017	1,840	42,750	27,600		37,280	113,607	562		223,639
2018	6,644	130,550	25,700		43,950	134,365	40,533		381,742
2019	500	165,475	32,136		19,230	9,105	56,410		282,856
2020	35,130	81,814	26,920		42,813	106,265	56,197		349,139
2021	1,773	29,500	8,595		16,640	153,996	28,022		238,526
2022	747	160,814	44,725		55,730	238,162	44,693		544,871
2023	127,210	315,578	54,865		67,705	88,641	12,255		666,254
2024	266,506	369,286	66,547		58,200	53,686	18,924		833,149

Source: Long Hill Township School District records

LONG HILL TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 16,714,900	\$ 1,111,286,000	\$ 3,734,200	\$ 47,400	\$ 102,470,400	\$ 16,304,600	\$ 6,268,200	\$ 1,256,825,700	\$ 125,159,400	\$ 3,141,460	\$ 1,259,967,160	\$ 1.16	\$ 1,601,178,244
2015	12,534,800	1,109,792,400	4,113,800	48,300	105,033,300	16,175,000	6,268,200	1,253,965,800	129,201,400	3,141,460	1,257,107,260	1.22	1,661,302,048
2016 *	13,971,900	1,433,093,900	4,611,700	67,800	132,529,400	18,072,600	8,606,400	1,610,953,700	114,483,400	4,068,200	1,615,021,900	0.97	1,777,875,275
2017	14,201,100	1,446,332,700	4,649,300	72,600	135,721,400	18,666,200	9,181,900	1,656,673,300	115,890,900	4,065,433	1,660,738,733	0.98	1,741,293,675
2018	14,602,700	1,454,297,100	4,363,200	71,100	136,627,900	19,112,100	9,429,200	1,638,503,300	115,313,300	4,130,534	1,642,633,834	0.91	1,747,816,148
2019	15,056,700	1,464,477,700	4,423,600	66,300	139,496,700	19,255,200	9,591,100	1,652,367,300	116,927,100	4,078,046	1,656,445,346	1.01	1,755,380,885
2020	15,176,700	1,467,343,900	3,872,200	67,700	142,281,300	19,418,800	9,928,000	1,658,088,600	117,673,800	4,134,578	1,662,223,178	1.07	1,747,819,984
2021	16,212,100	1,471,083,500	2,531,200	65,900	142,392,900	19,845,200	9,928,000	1,662,058,800	117,850,100	4,078,468	1,666,137,268	1.10	1,772,549,141
2022 *	16,807,700	1,626,627,900	2,825,200	65,900	155,392,800	22,628,100	12,971,600	1,837,319,200	119,067,200	4,230,126	1,841,549,326	1.02	1,825,276,181
2023	16,041,100	1,681,164,800	4,342,900	68,700	161,500,700	23,332,400	13,543,600	1,899,994,200	126,926,600	4,689,105	1,904,683,305	1.00	1,948,726,067

* A revaluation occurred in this year.

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

Source: Municipal Tax Assessor

LONG HILL TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Long Hill Township School District							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Total Direct	Township			
	Basic Rate ^a	Obligation Debt Service ^b		Regional School	of Long Hill	Morris County	
2014	\$ 1.09	\$ 0.07	\$ 1.16	\$ 0.59	\$ 0.79	\$ 0.33	\$ 2.87
2015	1.13	0.09	1.22	0.58	0.81	0.33	2.94
2016	* 0.90	0.07	0.97	0.45	0.64	0.28	2.34
2017	0.91	0.07	0.98	0.47	0.64	0.28	2.37
2018	0.85	0.04	0.91	0.44	0.60	0.26	2.21
2019	0.95	0.06	1.01	0.46	0.64	0.28	2.39
2020	1.00	0.06	1.07	0.43	0.65	0.27	2.42
2021	1.04	0.07	1.10	0.43	0.66	0.28	2.46
2022	* 0.96	0.06	1.02	0.39	0.61	0.26	2.27
2023	0.94	0.05	1.00	0.39	0.60	0.26	2.25

* A revaluation occurred in this year.

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.

Source: Municipal Tax Collector and School Business Administrator

Source: Municipal Tax Assessor

LONG HILL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 15,127,845	\$ 15,127,845	100.00%	-0-
2016	15,454,480	15,454,480	100.00%	-0-
2017	15,749,265	15,749,265	100.00%	-0-
2018	16,043,307	16,043,307	100.00%	-0-
2019	16,346,660	16,346,660	100.00%	-0-
2020	17,227,538	17,227,538	100.00%	-0-
2021	18,185,243	18,185,243	100.00%	-0-
2022	18,532,651	18,532,651	100.00%	-0-
2023	18,795,845	18,795,845	100.00%	-0-
2024	19,149,659	19,149,659	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: Long Hill Township School District records including the Certificate & Report of School Taxes

LONG HILL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Leases			
2015	\$ 11,209,000			\$ 11,209,000	1.52%	\$ 1,276
2016	10,539,000			10,539,000	1.37%	1,201
2017	9,824,000			9,824,000	1.26%	1,123
2018	9,089,000			9,089,000	1.13%	1,043
2019	8,329,000			8,329,000	0.97%	989
2020	7,544,000			7,544,000	0.88%	900
2021	6,729,000		\$ 172,903	6,901,903	0.74%	802
2022	5,334,000		138,332	5,472,332	0.57%	635
2023	4,564,000	\$ 168,383	102,453	4,834,836	0.50%	561
2024	3,720,000	126,287	65,217	3,911,504	0.41%	454

Note: Details regarding the district's outstanding debt can be found in the notes to the 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: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 11,209,000		\$ 11,209,000	0.89%	\$ 1,276
2016	10,539,000		10,539,000	0.65%	1,201
2017	9,824,000		9,824,000	0.60%	1,123
2018	9,089,000		9,089,000	0.55%	1,043
2019	8,329,000		8,329,000	0.51%	989
2020	7,544,000		7,544,000	0.46%	900
2021	6,729,000		6,729,000	0.40%	782
2022	5,334,000		5,334,000	0.32%	619
2023	4,564,000		4,564,000	0.25%	530
2024	3,720,000		3,720,000	0.20%	432

Note: Details regarding the district's outstanding debt can be found in the notes to the 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: School District Financial Reports

LONG HILL TOWNSHIP 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			
Long Hill Township	\$ 2,139,535.00	100.00%	\$2,139,535.00
Watchung Hills Regional High School	17,922,000	21.49%	3,850,845
Morris County General Obligation Debt	326,425,422	1.68%	5,496,247
Subtotal, Overlapping Debt			<u>11,486,627</u>
Long Hill School District Direct Debt			<u>4,564,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 16,050,627</u></u>

Note: 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 Long Hill Township's equalized property value that is within the Morris County's boundaries and dividing it by Morris County's total equalized property value.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis	Long Hill Township
2023	\$ 2,026,012,156
2022	1,936,262,198
2021	1,810,916,104
	<u>\$ 5,773,190,458</u>
	<u>\$ 1,924,396,819</u>
	\$ 57,731,905
	<u>3,720,000</u>
	<u>\$ 54,011,905</u>

Average Equalized Valuation of Taxable Property

Debt Limit (3% of average equalization value)	\$ 57,731,905
Net Bonded School Debt as of June 30, 2024	<u>3,720,000</u>
Legal Debt Margin	<u>\$ 54,011,905</u>

June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 48,956,831	\$ 50,332,611	\$ 51,680,707	\$ 52,480,826	\$ 52,246,804	\$ 52,180,459	\$ 52,367,236	\$ 53,060,323	\$ 55,067,969	\$ 57,731,905
Total Net Debt Applicable to Limit	11,209,718	10,539,000	9,824,000	9,089,000	8,329,000	7,544,000	6,729,000	5,334,000	4,564,000	3,720,000
Legal Debt Margin	<u>\$ 37,646,839</u>	<u>\$ 37,747,113</u>	<u>\$ 39,793,611</u>	<u>\$ 41,856,707</u>	<u>\$ 43,391,826</u>	<u>\$ 43,917,804</u>	<u>\$ 44,636,459</u>	<u>\$ 45,638,236</u>	<u>\$ 50,503,969</u>	<u>\$ 54,011,905</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.90%	20.94%	19.01%	17.32%	15.94%	14.46%	12.85%	14.46%	8.29%	6.44%

a Limit set by NJSA 18A:24-19 for a K through 8 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

LONG HILL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Morris County Per Capita Personal Income ^c	Unemployment Rate ^d
2015	8,703	\$ 768,779,505	\$ 88,335	3.90%
2016	8,666	789,888,568	91,148	3.60%
2017	8,616	806,741,928	93,633	3.60%
2018	8,541	835,472,079	97,819	3.10%
2019	8,424	856,265,904	101,646	2.60%
2020	8,382	856,866,714	102,227	6.90%
2021	8,607	927,550,569	107,767	4.20%
2022	8,621	962,077,737	111,597	2.70%
2023	8,613	961,184,961 ***	111,597 *	3.20%
2024	8,613 **	961,184,961 ***	111,597 *	N/A

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

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

*** - Latest personal income data available (2022) was used for calculation purposes.

N/A - Information Unavailable

Source: School District Reports

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

LONG HILL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System	10,552	4.00%	U.S Army Aramament R&D	5,841	2.27%
Novartis	6,500	2.46%	Novartis	5,035	1.96%
Picatinny Arsenal	6,000	2.27%	Atlantic Health System	4,463	1.74%
Barclays	3,374	1.28%	ADP	2,060	0.80%
Bayer	2,713	1.03%	Bayer Healthcare, LLC	1,900	0.74%
ADP	2,400	0.91%	County of Morris	1,674	0.65%
Accenture	2,344	0.89%	Wyndham Worldwide Corporation	1,653	0.64%
PricewaterhouseCoopers	2,095	0.79%	St Clare's	1,642	0.64%
Cigna	1,686	0.64%	BASF Corporation	1,500	0.58%
Deloitte & Touche	1,646	0.62%	Accenture	1,480	0.58%
Total	39,310	14.90%	Total	27,248	10.60%
Total County Labor Force	263,900		Total County Labor Force	250,919	

Source: Morris County Treasurer's Office

LONG HILL TOWNSHIP 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	63.90	63.05	59.70	66.00	76.83	64.87	71.85	72.85	61.25	64.45
Special Education	27.60	29.20	36.97	26.70	37.56	40.06	36.55	37.55	37.71	39.99
Support Services:										
Administration	6.00	6.00	4.92	7.00	5.92	6.92	6.92	6.92	6.83	8.50
Secretarial	8.50	8.50	8.50	7.50	8.50	6.92	6.92	6.92	7.59	6.92
Other support services	15.30	16.85	14.00	14.00	5.32	10.10	5.00	5.00	17.48	19.75
Total	<u>121.30</u>	<u>123.60</u>	<u>124.09</u>	<u>121.20</u>	<u>134.13</u>	<u>128.87</u>	<u>127.24</u>	<u>129.24</u>	<u>130.86</u>	<u>139.61</u>

Source: District Personnel Records

LONG HILL TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2015	832	\$ 16,109,840	\$ 19,374	6.46%	91.5	1:9.5	1:10.0	831.5	801.6	-2.26%	96.40%
2016	822	16,787,336	20,432	5.46%	92.3	1:9.9	1:9.5	821.6	792.1	-1.19%	96.41%
2017	846	17,405,364	20,574	0.69%	96.7	1:9.8	1:9.0	832.9	795.3	1.38%	95.49%
2018	846	18,249,703	21,572	4.85%	92.8	1:9.3	1:9.3	850.7	813.6	3.54%	95.64%
2019	856	19,151,870	22,374	3.72%	93.8	1:9.3	1:9.3	851.7	816.4	0.12%	95.85%
2020	891	18,532,739	20,800	-7.03%	89.5	1:9.4	1:11.1	891.6	866.3	4.68%	97.16%
2021	810	16,676,467	20,588	-1.02%	87.9	1:9.4	1:11.1	801.4	786.4	-10.12%	98.13%
2022	831	22,592,024	27,187	32.05%	88.9	1:9.4	1:11:1	841.0	804.0	4.94%	95.60%
2023	832	23,478,628	28,220	3.80%	85.0	1:9:7	1:9.9	840.4	797.5	-0.07%	94.89%
2024	854	23,943,142	28,036	-0.65%	92.0	1:9:4	1:9.1	853.4	812.0	1.55%	95.15%

Note: Enrollment based on annual October district count.

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

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

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

d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Long Hill Township School District records

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Gillette School (1935)</u>										
Square feet	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	185	202	216	231	233	225	176	209	201	204
<u>Millington School (1935)</u>										
Square feet	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128
Capacity (students)	604	604	604	604	604	604	604	604	604	604
Enrollment	333	322	360	348	363	396	366	357	353	369
<u>Central School (1935)</u>										
Square feet	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757
Capacity (students)	464	464	464	464	464	464	464	464	464	464
Enrollment	313	297	270	267	255	270	268	265	278	281
<u>Number of Schools at June 30, 2024</u>										
Elementary	2									
Middle	1									

Source: District Facilities Office

NOTE: Year of original construction is shown in parentheses. Enrollment is based on the annual October district

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance For School Facilities

School Facilities *	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gillette School	**	**	**	\$ 62,413	\$ 64,836	\$ 57,289	\$ 79,911	\$ 173,708	\$ 108,995	\$ 55,623
Millington School	**	**	**	117,741	112,075	108,074	150,752	327,698	20,618	104,932
Central School	**	**	**	122,032	189,571	112,013	156,246	339,642	213,112	108,757
	<u>\$221,618</u>	<u>\$218,847</u>	<u>\$ 306,938</u>	<u>\$ 302,186</u>	<u>\$ 366,482</u>	<u>\$ 277,376</u>	<u>\$ 386,909</u>	<u>\$ 841,048</u>	<u>\$ 342,725</u>	<u>\$ 269,312</u>

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

** Not Available

Source: Long Hill Township School District records

LONG HILL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Morris Essex Insurance Group (MEIG)	School Commercial Package		
	Property - Blanket Building & Contents	\$ 56,750,018	\$ 5,000
	Systems Breakdown	\$ 50,000,000	\$ 5,000
	Commercial General Liability	\$ 1,000,000	
	Crime - Blanket Employee Dishonesty	\$ 500,000	\$ 5,000
	Automobile Liability	\$ 10,000,000	\$ 10,000
	Excess Umbrella - Policy Limit	\$ 10,000,000	\$ 10,000
	School Board Legal Liability		
	- Educator's Legal Liability	\$ 1,000,000	\$10,000 - SBLL
	- Employment Practices Liability & 3rd Party	\$ 1,000,000	\$20,000 - EPLI
	Workers Compensation		
	- Per Accident - Each Employee	\$ 5,000,000	
	- Per Disease - Each Employee	\$ 5,000,000	
	- Per Disease - Policy Limit	\$ 5,000,000	
BCS Insurance Company	Cyber Liability	\$ 1,000,000	\$ 10,000
Selective Insurance Company	Public Employees' Faith Performance:		
	Business Administrator's Bond	\$ 250,000	
NJUEP (Various Carriers)	Excess Liability	\$ 30,000,000	
Fireman's Fund	Excess Liability	\$ 25,000,000	

Source: Long Hill Township 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
Long Hill Township 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 Long Hill Township 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, and have issued our report thereon dated October 4, 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 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
Long Hill Township 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
October 4, 2024

Nisiroccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Long Hill Township School District
County of Morris, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Long Hill Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major 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 state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to 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 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. 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
October 4, 2024


NISIVOCIA LLP


John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

LONG HILL TOWNSHIP 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 or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amount Provided to Subrecipients
			From	To		Accounts (Receivable)	Accounts (Receivable)			Accounts (Receivable)		
State Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Special Milk Program	10.556	N/A	7/1/23	6/30/24	\$ 5,311		\$ 4,214	\$ (5,311)	\$ (1,097)			
Special Milk Program	10.556	N/A	7/1/22	6/30/23	4,301	\$ (747)	747					
Total Enterprise Fund						(747)	4,961	(5,311)	(1,097)			
Total U.S. Department of Agriculture						(747)	4,961	(5,311)	(1,097)			
U.S. Department of Education -												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA-4000-24	7/1/23	9/30/24	26,432		17,157	(17,157)				
Title I	84.010A	ESEA-4000-23	7/1/22	9/30/23	32,661	(10)	10	(17,157)				
Total Title I						(10)						
Title IIA	84.367A	ESEA-4000-24	7/1/23	9/30/24	22,104		16,794	(18,437)	(1,643)			
Title IIA	84.367A	ESEA-4000-23	7/1/22	9/30/23	20,839	(509)	3,943	(3,434)				
Total Title IIA						(509)	20,737	(21,871)	(1,643)			
Title III	84.365A	ESEA-4000-24	7/1/23	9/30/24	7,530			(7,530)	(7,530)			
Title III	84.365A	ESEA-4000-23	7/1/22	9/30/23	2,529	(1,413)	1,413					
Total Title III						(1,413)	1,413	(7,530)	(7,530)			
Title IV	84.424	ESEA-4000-24	7/1/23	9/30/24	10,000		6,340	(6,340)				
Total Title IV							6,340	(6,340)				
Total Elementary and Secondary Education Act						(1,932)	45,657	(52,898)	(9,173)			
Special Education Cluster:												
ID.E.A. Part B, Basic	84.027A	IDEA-4000-23	7/1/22	9/30/23	211,994	(24,350)	24,350					
ID.E.A. Part B, Basic	84.027A	IDEA-4000-24	7/1/23	9/30/24	224,575		158,125	(224,575)	(66,450)			
ID.E.A. Part B, Preschool	84.173A	IDEA-4000-24	7/1/23	9/30/24	12,270		9,774	(12,245)	(2,471)			
COVID 19 - ID.E.A. Part B, Basic - ARP	84.027X	IDEA-4000-23	7/1/21	9/30/23	34,307	(632)	864	(232)				
COVID 19 - ID.E.A. Part B, Preschool - ARP	84.173X	IDEA-4000-23	7/1/21	9/30/23	2,929		2,929	(2,929)				
Total Special Education Cluster						(24,982)	196,042	(239,981)	(68,921)			

LONG HILL TOWNSHIP 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 or Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amount Provided to Subrecipients
			From	To		Accounts (Receivable)	Accounts (Receivable)			Accounts (Receivable)	Accounts (Receivable)	
Education Stabilization Fund:												
COVID 19 - CRRSA:												
ESSER II	84.425D	S425D210027	3/13/20	9/30/23	\$ 89,960	\$ (22,028)	\$ 26,543	\$ (4,515)				
Learning Acceleration	84.425D	S425D210027	3/13/20	9/30/23	25,000	(1,100)	4,049	(2,949)				
Mental Health	84.425D	S425D210027	3/13/20	9/30/23	45,000	(3,500)	3,500					
COVID 19 - ARP:												
ESSER III	84.425U	S425D210027	3/13/20	9/30/24	202,180	(29,619)	36,555	(31,110)	\$ (24,174)			
Summer Learning and Enrichment	84.425U	S425D210027	3/13/20	9/30/23	40,000	(1,875)	12,163	(10,288)				
Comprehensive Beyond the School Day	84.425U	S425D210027	3/13/20	9/30/23	40,000	(7,145)	7,145					
Mental Health Support Staffing	84.425U	S425D210027	3/13/20	9/30/24	45,000	(500)	12,860	(14,115)	(1,755)			
Total Education Stabilization Fund												
						(65,767)	102,815	(62,977)	(25,929)			
Total U.S. Department of Education												
						(92,681)	344,514	(355,856)	(104,023)			
Total Special Revenue Fund												
						(92,681)	344,514	(355,856)	(104,023)			
TOTAL FEDERAL AWARDS												
						\$ (93,428)	\$ 349,475	\$ (361,167)	\$ (105,120)	\$ -0-		

N/A - Not Applicable/Available

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2023		Repayment			Balance at June 30, 2024			MEMO	
		From	To		Budgetary (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Balances	GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$ 874,433	\$ (80,546)	\$ 80,546							\$ 874,433	
Categorical Security Aid	23-495-034-5120-084	7/1/22	6/30/23	71,907	(6,623)	6,623							71,907	
Categorical Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	171,428	(15,790)	15,790							171,428	
Additional Non-Public Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	22,464	(22,464)	22,464							22,464	
Extraordinary Special Education Costs Aid	23-495-034-5094-004	7/1/22	6/30/23	403,129	(403,129)	403,129							403,129	
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22	6/30/23	559,879	(27,876)	27,876							559,879	
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	911,645		826,072	\$ (911,645)					\$ (85,573)	911,645	
Categorical Security Aid	24-495-034-5120-084	7/1/23	6/30/24	78,115		70,783	(78,115)					(7,332)	78,115	
Categorical Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	268,424		243,228	(268,424)					(25,196)	268,424	
Additional Non-Public Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	35,035			(35,035)		\$ (35,035)			(35,035)	35,035	
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23	6/30/24	469,278			(469,278)		(469,278)			(469,278)	469,278	
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23	6/30/24	583,837		554,690	(583,837)		(583,837)			(29,147)	583,837	
On-Behalf TPAF Post Retirement Medical Contributions	24-495-034-5094-001	7/1/23	6/30/24	747,448		747,448	(747,448)					(29,147)	747,448	
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23	6/30/24	2,715,355		2,715,355	(2,715,355)						2,715,355	
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23	6/30/24	30,967		30,967	(30,967)						30,967	
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	1,189		1,189	(1,189)						1,189	
Total General Fund State Aid					(556,428)	5,746,160	(5,841,293)		(533,460)			(651,561)	7,944,533	
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	6,138		\$ 97		\$ (97)						6,041
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23	6/30/24	5,839		5,839	(5,839)				\$ 285		5,839	
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	12,120		12,120	(11,835)						11,835	
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	3,906				(5)					3,901	
Technology Initiative	24-100-034-5120-373	7/1/23	6/30/24	4,949		4,949	(4,944)				5		4,944	
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	19,270		61		(61)					19,209	
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	20,705			(20,651)				54		20,651	
Home Instruction	24-201-603-2520-007	7/1/23	6/30/24	1,844			(1,844)					(1,844)	1,844	
Handicapped Services (Chapter 193):														
Supplementary Instruction	23-100-034-5120-066	7/1/22	6/30/23	826		826		(826)						
Supplementary Instruction	24-100-034-5120-066	7/1/23	6/30/24	330			(330)						330	
Examination and Classification	24-100-034-5120-066	7/1/23	6/30/24	4,358			(4,358)						4,358	
Corrective Speech	24-100-034-5120-066	7/1/23	6/30/24	1,953			(1,953)						1,953	
Total Special Revenue Fund						989	50,254	(51,754)	(989)		344	(1,844)	94,017	
Total State Department of Education					(556,428)	989	5,796,414	(5,893,047)	(989)	(535,304)	344	(657,093)	8,038,550	

LONG HILL TOWNSHIP 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	Balance at July 1, 2023			Repayment of Prior Years' Balances	Balance at June 30, 2024			MEMO	
		From	To		Budgetary (Accounts Receivable)	Due to Grantor	Cash Received		GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
Special Revenue Fund:													
School Development Authority -													
Emergent and Capital Maintenance Needs	N/A	7/1/22	6/30/23	\$ 18,872	\$ 24		\$ 18,620	\$ (24)		\$ 18,620			\$ 18,872
Emergent and Capital Maintenance Needs	N/A	7/1/23	6/30/24	18,620									
Total NJ Schools Development Authority					24		18,620	(24)		18,620			18,872
Total State Awards Subject to Single Audit Determination					<u>\$ (556,404)</u>	<u>\$ 989</u>	<u>\$ 5,815,034</u>	<u>\$ (5,893,071)</u>	<u>\$ (989)</u>	<u>\$ (535,304)</u>	<u>\$ 18,620</u>	<u>\$ 344</u>	<u>\$ 8,057,422</u>
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Medical Contributions	24-495-034-5094-001	7/1/23	6/30/24	(747,448)				747,448					
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23	6/30/24	(2,715,355)				2,715,355					
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23	6/30/24	(30,967)				30,967					
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23	6/30/24	(1,189)				1,189					
Subtotal - On-Behalf TPAF Pension System Contributions								3,494,959					
Total State Awards Subject to Single Audit Major Program Determination								<u>\$ (2,398,112)</u>					

N/A - Not Applicable/Available

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE 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 includes the federal and state grant activity of the Board of Education, Long Hill Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with 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*. 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 using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE 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 from the budgetary basis to the GAAP basis is (\$15,142) for the General Fund, and \$10,836 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 Board's basic financial statements on a GAAP basis as follows:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund		\$ 5,826,151	\$ 5,826,151
Special Revenue Fund	\$ 354,828	63,642	418,470
Proprietary Fund	<u>5,311</u>	<u> </u>	<u>5,311</u>
Total Financial Assistance	<u>\$ 360,139</u>	<u>\$ 5,889,793</u>	<u>\$ 6,249,932</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 employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

LONG HILL TOWNSHIP 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

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

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
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Identification of major programs:

Program Name or Cluster	State Grant No.	<u>Grant Period</u>		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 911,645	\$ 911,645
Categorical Security Aid	24-495-034-5120-084	7/1/23	6/30/24	78,115	78,115

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ X _____	No
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LONG HILL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

The audit did not disclose any findings.