

LONG HILL TOWNSHIP SCHOOL DISTRICT

**Prepared by:
Long Hill Township Board of Education
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

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

For the Fiscal Year Ended June 30, 2022

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

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INTRODUCTORY SECTION
(UNAUDITED)



LONG HILL TOWNSHIP SCHOOL DISTRICT

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908-647-1200

Mr. Daniel Borgo
Interim Business Administrator/Board Secretary

Phone: (908) 647-1200 ext. 1035
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October 28, 2022

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, 2022, 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 2021-2022 fiscal year with an enrollment of 831 students, which is an increase of 21 students or 2.60% from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

Long Hill Township is a mature suburban community within Morris County. The District faced many challenges, including managing the cost and availability of: 1) student transportation, 2) substitute teachers, 3) teachers for class coverage, 4) student and teacher technology needs, 5) sufficient space to teach students, and 6) supplies and custodians to clean and disinfect the facilities.

The District has been faced with making critical decisions under strict time constraints in a wholly unknown, and fluid environment. The uncertainty and anxiety created by the Coronavirus has taken not only an economic but also an emotional toll in schools, among students, staff, parents and community members. Many districts face the additional challenge of having more experienced teachers, and administrators retiring from the profession.

Despite these new and evolving challenges, the Long Hill Township Board of Education continues to be fiscally responsible when developing its budget. The Board is cognizant of the impact the school tax levy has upon taxpayers and seeks to strike a balance between maintaining its high-quality educational services in a safe and welcoming environment and its fiscal accountability to the community.

3) MAJOR INITIATIVES:

The district has established the following strategic plan goals for the 2022-2023 school year:

Student Achievement Goals:

- 1) Using the *Road Forward Data Collection* as a guide, faculty will develop learning targets for students that aim to increase their proficiency levels and ensure that each student is challenged.
- 2) With the support of Basic Skills Instructors, English Language Learner Educators, and the New Jersey Consortium for Gifted and Talented Programs; the district will introduce new programming to address COVID related learning loss and provide opportunities for learning acceleration.

Technology Goals:

- 1) Design a comprehensive professional development schedule of offerings to further the ability of faculty and staff to effectively lead their classrooms and to continue using the latest applications and methods available and implement cybersecurity best practices.
- 2) Establish a device lifecycle schedule that refreshes district technology and allows for greater productivity for all students, faculty and staff.

Facilities & Finance Goals:

- 1) Constitute an ad hoc shared services committee that will take action to improve the quality and efficiency of building and grounds maintenance.
- 2) Implement a revenue generating program such as a district run before and after care program to offset expenditures.

Culture, Climate & Communication:

- 1) In order to enhance our social and emotional learning initiatives; the district will equip students to engage in developmentally appropriate service-learning projects.
- 2) The district will make efforts to increase communication with township residents who do not have children in the schools and welcome them to engage in school activities.

Professional Learning Committees (PLC) are the vehicle through which the leadership and foundational work will serve as the catalyst for the internalization of the use of data to guide the decision-making process. The District continues to increase the rigor in its instructional programming through curricular revisions and professional learning opportunities. Funds for professional development for teachers and administrators were increased in the District's budget to allow for greater training in Mathematics and Literacy Intervention in grades K-8 and Science in grades 5-8. The district also received funds from the federal government through the Every Student Succeeds Act (ESSA) in Titles I, II, III Immigrant and IV funds.

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, 2022.

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.

The Honorable President and Members of
the Board of Education
Long Hill Township School District
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October 28, 2022

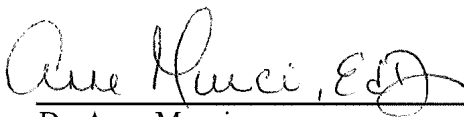
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under 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.

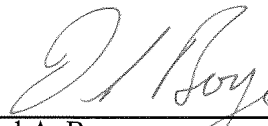
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed 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,



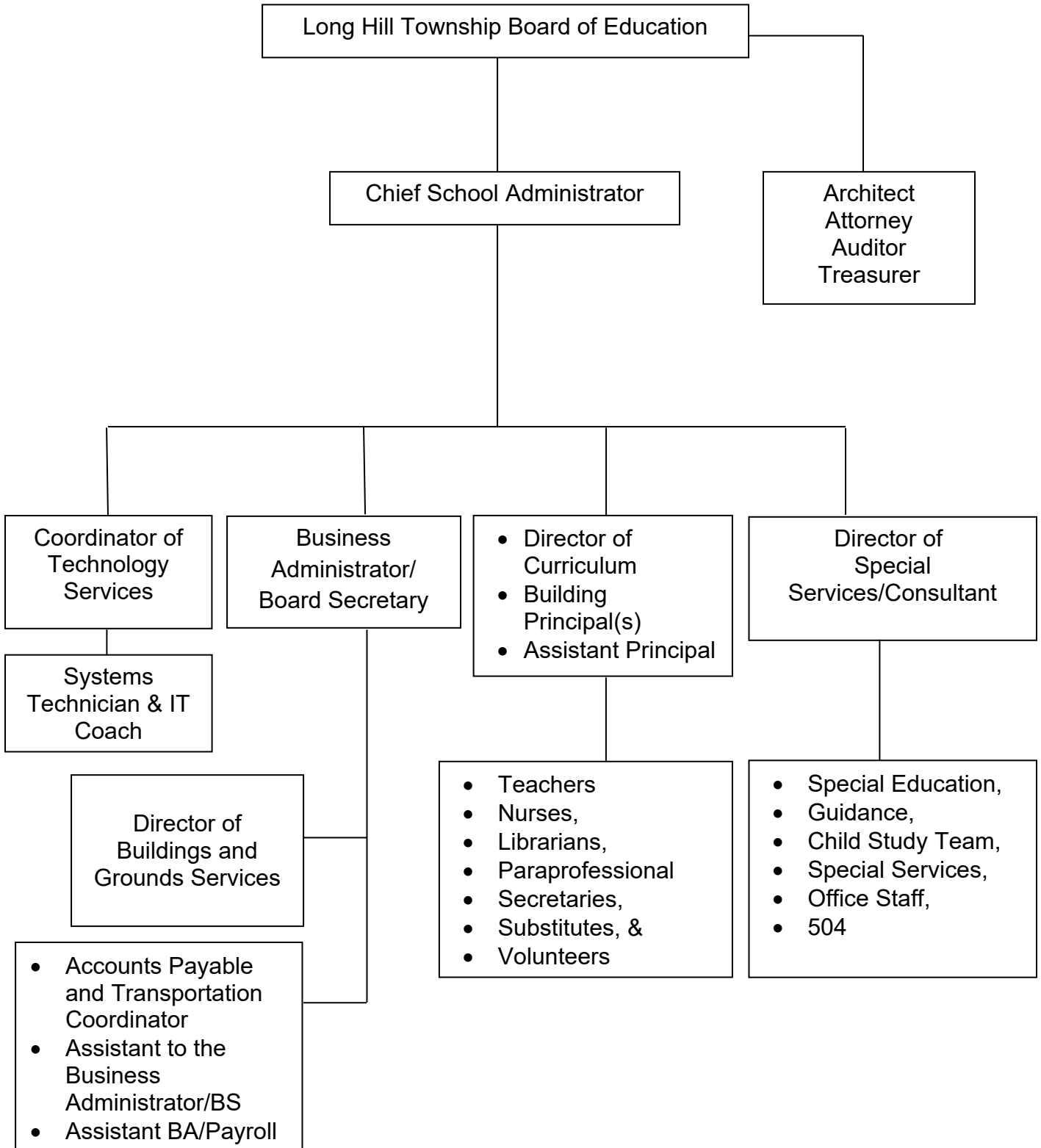
Dr. Anne Mucci
Superintendent



Daniel A. Borgo
Interim Business Administrator/Board Secretary

LONG HILL TOWNSHIP SCHOOL DISTRICT
 Gillette, New Jersey

ORGANIZATIONAL CHART



**LONG HILL TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kim Case, President	2023
Ann Butler, Vice President	2022
Alexander D'Jamoos	2023
Danielle Daley	2024
Matthew DiGiorgio	2022
Thomas Grosskopf	2023
Katie McLennan	2024
Karen Ann Nyquist	2022
Melissa Ruvolo	2024

<u>Other Officials</u>	<u>Title</u>
Dr. Anne Mucci	Superintendent of Schools
Daniel A. Borgo	Interim Board Secretary/School Business Administrator

**LONG HILL TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2022**

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Stirling, NJ 07980

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

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Long Hill Township School District (the “District”), in the County of Morris, as of and for the fiscal year ended June 30, 2022, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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 Qualified Opinion

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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 12) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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.

The Honorable President and Members
of the Board of Education
Long Hill Township School District
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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 28, 2022 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 28, 2022

Nisivoccia 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, 2022**

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, 2022. 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**

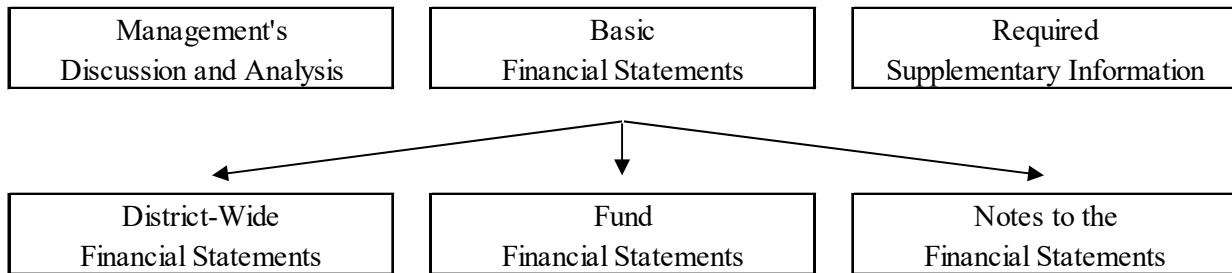


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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 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 debts) 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 4.46%. Net position from governmental activities increased \$742,004 and net position from business-type activities increased \$1,663.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	2021/2022	2020/2021*	2021/2022	2020/2021	2021/2022	2020/2021*	Change
Current and							
Other Assets	\$ 6,389,788	\$ 6,271,045	\$ 7,995	\$ 7,991	\$ 6,397,783	\$ 6,279,036	
Capital Assets, Net	20,437,367	21,456,502	10,787	9,129	20,448,154	21,465,631	
Lease Assets, Net	135,040	171,869			135,040	171,869	
Total Assets	<u>26,962,195</u>	<u>27,899,416</u>	<u>18,782</u>	<u>17,120</u>	<u>26,980,977</u>	<u>27,916,536</u>	-3.35%
Deferred Outflows of Resources	264,096	451,246			264,096	451,246	-41.47%
Other Liabilities	562,602	720,393			562,602	720,393	
Long-Term Liabilities	8,010,516	9,639,606			8,010,516	9,639,606	
Total Liabilities	<u>8,573,118</u>	<u>10,359,999</u>			<u>8,573,118</u>	<u>10,359,999</u>	-17.25%
Deferred Inflows of Resources	1,257,117	1,336,611			1,257,117	1,336,611	-5.95%
Net Position:							
Net Investment in Capital Assets	14,446,049	14,726,468	10,787	9,129	14,456,836	14,735,597	
Restricted	4,283,836	4,554,307			4,283,836	4,554,307	
Unrestricted/(Deficit)	<u>(1,333,829)</u>	<u>(2,626,723)</u>	<u>7,995</u>	<u>7,991</u>	<u>(1,325,834)</u>	<u>(2,618,732)</u>	
Total Net Position	<u>\$ 17,396,056</u>	<u>\$ 16,654,052</u>	<u>\$ 18,782</u>	<u>\$ 17,120</u>	<u>\$ 17,414,838</u>	<u>\$ 16,671,172</u>	4.46%

* - Restated

Changes in Net Position. The District's combined net position was \$17,414,838 on June 30, 2022, \$743,666 or 4.46% more than it was the year before (See Figure A-3). Net investment in capital assets decreased by \$278,761 mainly due to depreciation offset by capital asset additions, and by the payment of bond principal. Restricted net position decreased by \$270,471 mainly due to budgeted withdrawals from the reserve accounts offset by year end transfers by resolution and the return of unspent budget withdrawals. Unrestricted net position increased by \$1,292,898 as a result of normal operations, changes in net pension liability and changes in compensated absences payable (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	Change 2021/2022
Revenue:							
Program Revenue:							
Charges for Services	\$ 329,719	\$ 61,628	\$ 4,611		\$ 334,330	\$ 61,628	
Grants and Contributions:							
Operating	5,077,140	5,219,815	3,737		5,080,877	5,219,815	
General Revenue:							
Property Taxes	18,532,651	18,185,243			18,532,651	18,185,243	
Other	283,602	183,791	1	\$ 5	283,603	183,796	
Total Revenue	<u>24,223,112</u>	<u>23,650,477</u>	<u>8,349</u>	<u>5</u>	<u>24,231,461</u>	<u>23,650,482</u>	2.46%
Expenses:							
Instruction	11,943,086	11,932,705			11,943,086	11,932,705	
Pupil and Instruction Services	5,346,265	4,512,619			5,346,265	4,512,619	
Administrative and Business	1,979,090	2,121,953			1,979,090	2,121,953	
Maintenance and Operations	2,749,660	2,178,714			2,749,660	2,178,714	
Transportation	1,043,046	879,009			1,043,046	879,009	
Other	419,961	511,379	6,686	1,025	426,647	512,404	
Total Expenses	<u>23,481,108</u>	<u>22,136,379</u>	<u>6,686</u>	<u>1,025</u>	<u>23,487,794</u>	<u>22,137,404</u>	6.10%
Increase/(Decrease) in Net Position	<u>\$ 742,004</u>	<u>\$ 1,514,098</u>	<u>\$ 1,663</u>	<u>\$ (1,020)</u>	<u>\$ 743,667</u>	<u>\$ 1,513,078</u>	<u>-50.85%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of governmental activities has increased by \$742,004. However, maintaining existing programs with decreased enrollment, 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	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 11,943,086	\$ 11,932,705	\$ 7,125,268	\$ 7,090,544
Student and Instruction Services	5,346,265	4,512,619	5,222,085	4,489,086
Administrative and Business	1,979,090	2,121,953	1,807,247	1,916,319
Maintenance and Operations	2,749,660	2,178,714	2,705,838	2,178,714
Transportation	1,043,046	879,009	793,850	668,894
Other	419,961	511,379	419,961	511,379
	<u>\$ 23,481,108</u>	<u>\$ 22,136,379</u>	<u>\$ 18,074,249</u>	<u>\$ 16,854,936</u>

Business-Type Activities

Net position from the District’s business-type activities, milk service, increased \$1,663 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 General Fund financial status increased despite difficult economic times which have had a direct impact upon the District’s revenue sources. 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. Accordingly, 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
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Land	\$ 8,567,700	\$ 8,567,700			\$ 8,567,700	\$ 8,567,700	
Land Improvements	330,663	40,742			330,663	40,742	
Buildings and Building Improvements	11,283,057	12,687,035			11,283,057	12,687,035	
Machinery and Equipment	255,947	161,025	\$ 10,787	\$ 9,129	266,734	170,154	
Total Capital Assets, Net of Depreciation	\$20,437,367	\$21,456,502	\$ 10,787	\$ 9,129	\$20,448,154	\$21,465,631	-4.74%

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 \$5,334,000 in general obligation bonds – a reduction of \$1,395,000 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
	2021/2022	2020/2021*	2021/2022
General Obligation Bonds, (Financed with Property Taxes)	\$ 5,334,000	\$ 6,729,000	
Net Pension Liability	1,457,976	2,022,090	
Other Long-Term Liabilities	1,218,540	888,516	
	\$ 8,010,516	\$ 9,639,606	-16.90%

* - Restated

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

The Long Hill Township Board of Education and the administration have had discussions about how current circumstances could affect the future economic health of the School District. The following are examples of factors that may have an impact upon future financial operations:

- A major concern of the District is the lack of predictability caused by the COVID-19 pandemic. Some parents have withdrawn students in favor of private school attendance, while others have opted not to enroll, or have moved out of the District. Such a drastic fluctuation in enrollment will negatively impact the availability of State Aid to the District in the 2022-2023 budget.
- The District faces increased transportation, substitute and class coverage costs as well as encountering unbudgeted financial expenditures necessary to provide a safe and hygienic environment for students and staff.
- The unforeseen mandatory implementation of the Educators Health Plan (EHP) resulted in lower-than-budgeted employee contributions.
- The District is currently undertaking a Capital Improvement Plan that will form the backbone of a revised Long-Range Facilities Plan to address aging building structures, mechanical, electrical, and plumbing systems in all three schools. Continuing maintenance and repairs to building HVAC systems will require a comprehensive solution.
- The District continues to focus on the delivery of special education services in the most cost-effective manner yet remaining compliant with students' Individualized Education Programs (IEP).

The District is proud and grateful for the community support it receives and is committed to striking a fair balance between the local taxpayer and the educational necessities of its students. The Long Hill Township Board of Education has committed itself to sound financial practices and plans to continue its prudent fiscal management to meet the challenges of the future.

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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,398,759	\$ 7,152	\$ 1,405,911
Receivables from Other Governments	663,603	843	664,446
Receivables - Other	43,593		43,593
Restricted Assets - Cash and Cash Equivalents	4,283,833		4,283,833
Capital Assets:			
Sites (Land)	8,567,700		8,567,700
Depreciable Land Improvements, Buildings and Building Improvements, and Machinery and Equipment	11,869,667	10,787	11,880,454
Lease Assets	135,040		135,040
Total Assets	<u>26,962,195</u>	<u>18,782</u>	<u>26,980,977</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	264,096		264,096
Total Deferred Outflows of Resources	<u>264,096</u>		<u>264,096</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	305,870		305,870
Accrued Interest Payable	138,821		138,821
Payable to State Government	2,203		2,203
Unearned Revenue	115,708		115,708
Noncurrent Liabilities:			
Due Within One Year	905,737		905,737
Due Beyond One Year	7,104,779		7,104,779
Total Liabilities	<u>8,573,118</u>		<u>8,573,118</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	1,257,117		1,257,117
Total Deferred Outflows of Resources	<u>1,257,117</u>		<u>1,257,117</u>
NET POSITION			
Net Investment in Capital Assets	14,446,049	10,787	14,456,836
Restricted for:			
Capital Projects	2,788,544		2,788,544
Debt Service	3		3
Maintenance Reserve	987,728		987,728
Emergency Reserve	250,000		250,000
Unemployment Compensation	215,937		215,937
Student Activities	41,624		41,624
Unrestricted/(Deficit)	(1,333,829)	7,995	(1,325,834)
Total Net Position	<u>\$ 17,396,056</u>	<u>\$ 18,782</u>	<u>\$ 17,414,838</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, 2022

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	\$ 8,713,862	\$ 205,539	\$ 2,341,116	\$ (6,167,207)		\$ (6,167,207)
Special Education	2,566,587		2,113,552	(453,035)		(453,035)
Other Special Instruction	504,910		157,611	(347,299)		(347,299)
Other Instruction	157,727			(157,727)		(157,727)
Support Services:						
Tuition	1,006,056			(1,006,056)		(1,006,056)
Student & Instruction Related Services	4,340,209	124,180		(4,216,029)		(4,216,029)
General Administrative Services	467,089			(467,089)		(467,089)
School Administrative Services	979,769		171,843	(807,926)		(807,926)
Central Services	443,944			(443,944)		(443,944)
Administration Information Technology	88,288			(88,288)		(88,288)
Plant Operations and Maintenance	2,749,660		43,822	(2,705,838)		(2,705,838)
Pupil Transportation	1,043,046		249,196	(793,850)		(793,850)
Transfer to Charter Schools	113,207			(113,207)		(113,207)
Interest on Long-Term Debt	306,754			(306,754)		(306,754)
Capital Outlay						
Total Governmental Activities	23,481,108	329,719	5,077,140	(18,074,249)		(18,074,249)

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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:						
Milk Service	\$ 6,686	\$ 4,611	\$ 3,737		\$ 1,662	\$ 1,662
Total Business-Type Activities	6,686	4,611	3,737		1,662	1,662
Total Primary Government	\$ 23,487,794	\$ 334,330	\$ 5,080,877	\$ (18,074,249)	1,662	(18,072,587)

General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				17,422,013		17,422,013
Taxes Levied for Debt Service				1,110,638		1,110,638
Interest and Unrestricted Miscellaneous Revenue				266,466	1	266,467
Restricted Miscellaneous Revenue				17,136		17,136
Total General Revenues				18,816,253	1	18,816,254
Change in Net Position				742,004	1,663	743,667
Net Position - Beginning - Restated				16,654,052	17,119	16,671,171
Net Position - Ending				\$ 17,396,056	\$ 18,782	\$ 17,414,838

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, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,398,756		\$ 3	\$ 1,398,759
Interfund Receivables	64,437			64,437
Receivables from State Government	589,576			589,576
Receivables from Federal Government		\$ 74,027		74,027
Other Accounts Receivable	23,886	19,707		43,593
Restricted Cash and Cash Equivalents	<u>4,242,209</u>	<u>41,624</u>		<u>4,283,833</u>
Total Assets	<u>\$ 6,318,864</u>	<u>\$ 135,358</u>	<u>\$ 3</u>	<u>\$ 6,454,225</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Accounts Payable - Vendors	\$ 111,175	\$ 5,386		\$ 116,561
Interfund Payable		64,437		64,437
Payable to State Government		2,203		2,203
Unearned Revenue	<u>94,000</u>	<u>21,708</u>		<u>115,708</u>
Total Liabilities	<u>205,175</u>	<u>93,734</u>		<u>298,909</u>

Fund Balances:				
Restricted:				
Capital Reserve Account	2,788,544			2,788,544
Maintenance Reserve Account	987,728			987,728
Emergency Reserve Account	250,000			250,000
Unemployment	215,937			215,937
Student Activities		41,624		41,624
Debt Service			\$ 3	3
Assigned:				
Year-End Encumbrances	405,630			405,630
Designated for Subsequent Year's Expenditures	<u>336,361</u>			<u>336,361</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):				
Unassigned:				
General Fund	\$ 1,129,489			\$ 1,129,489
Total Fund Balances	6,113,689	\$ 41,624	\$ 3	6,155,316
Total Liabilities and Fund Balances	\$ 6,318,864	\$ 135,358	\$ 3	

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. 20,437,367

Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. 135,040

Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. (138,821)

Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold. (695,795)

The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds (1,457,976)

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 74,787

 Deferred Inflows - Pensions (1,257,117)

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) (5,856,745)

Net Position of Governmental Activities

\$ 17,396,056

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 17,422,013		\$ 1,110,638	\$ 18,532,651
Transportation Fees from Individuals	55,730			55,730
Tuition	160,814			160,814
Rents and Royalties	44,725			44,725
Interest Earned on Maintenance Reserve Funds	50			50
Interest on Capital Reserve Funds	100			100
Restricted Miscellaneous	17,136	\$ 124,180		141,316
Unrestricted Miscellaneous	266,316	13,869		280,185
Total - Local Sources	17,966,884	138,049	1,110,638	19,215,571
State Sources	5,310,696	46,768		5,357,464
Federal Sources		548,233		548,233
Total Revenues	23,277,580	733,050	1,110,638	25,121,268
EXPENDITURES				
Current:				
Regular Instruction	4,887,807	365,397		5,253,204
Special Education Instruction	1,144,550	243,473		1,388,023
Other Special Instruction	266,647			266,647
Other Instruction	151,081			151,081
Support Services and Undistributed Costs:				
Tuition	1,006,056			1,006,056
Student & Instruction Related Services	2,920,857	121,620		3,042,477
General Administrative Services	346,290			346,290
School Administrative Services	605,181			605,181
Central Services	349,834			349,834
Administration Information Technology	68,725			68,725

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES				
Support Services and Undistributed Costs: (Cont'd)				
Plant Operations and Maintenance	\$ 2,573,921			\$ 2,573,921
Pupil Transportation	1,036,940			1,036,940
Unallocated Benefits	6,390,438			6,390,438
Debt Service:				
Principal			\$ 850,000	850,000
Interest and Other Charges			260,637	260,637
Capital Outlay	1,134,546			1,134,546
Transfer of Funds to Charter Schools	113,207			113,207
Total Expenditures	22,996,080	\$ 730,490	1,110,637	24,837,207
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	281,500	2,560	1	284,061
OTHER FINANCING SOURCES/(USES):				
Refunding Bonds Issued			4,970,000	4,970,000
Refunding Bonds Defeased			(5,515,000)	(5,515,000)
Bond Premium			654,026	654,026
Bond Issuance Costs			(109,026)	(109,026)
Total Other Financing Sources/(Uses)	-0-	-0-	-0-	-0-
Net Change in Fund Balances	281,500	2,560	1	284,061
Fund Balance—July 1	5,832,189	39,064	2	5,871,255
Fund Balance—June 30	\$ 6,113,689	\$ 41,624	\$ 3	\$ 6,155,316

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, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 284,061

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 and capital asset deletions, net differs from capital outlays in the period.

Capital Asset Additions	\$ 1,489,689
Capital Asset Deletions (Net)	(1,930)
Depreciation	<u>(2,506,894)</u>
	(1,019,135)

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.

(36,829)

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.

850,000

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.

34,571

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.

6,426

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 (+).

(19,362)

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, 2022

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	\$ 564,114
Change in Deferred Outflows	(175,315)
Change in Deferred Inflows	79,494

Proceeds from debt issued for a refunding less the amount of bonds defeased are not recorded in the governmental funds

Refunding Bonds Issued	\$ (4,970,000)
Refunding Bonds Defeased	5,515,000
Bond Premium	<u>(654,026)</u>
	(109,026)

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 (+).

Change in Net Position of Governmental Activities (A-2)	<u>283,005</u>
	<u><u>\$ 742,004</u></u>

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, 2022

	Business-type Activities - Enterprise Funds
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 7,152
Accounts Receivable:	
Federal	843
Total Current Assets	7,995
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	(1,469)
Total Non-Current Assets	10,787
Total Assets	18,782
NET POSITION:	
Investment in Capital Assets	10,787
Unrestricted	7,995
Total Net Position	\$ 18,782

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, 2022

	Business-type Activities - Enterprise Fund
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
Special Milk Program	\$ 4,611
Total Operating Revenue	4,611
Operating Expenses:	
Cost of Sales - Reimbursable Programs	5,869
Depreciation	817
Total Operating Expenses	6,686
Operating (Loss)	(2,075)
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	3,737
Local Sources:	
Interest Revenue	1
Total Non-Operating Revenue	3,738
Change in Net Position	1,663
Net Position - Beginning of Year	17,119
Net Position - End of Year	\$ 18,782

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, 2022

	<u>Business-type Activities - Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,611
Payments to Suppliers	(5,869)
	(1,258)
Net Cash (Used for) Operating Activities	(1,258)
Cash Flows from Investing Activities:	
Interest Revenue	1
	1
Net Cash Provided by Investing Activities	1
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	2,894
	2,894
Net Cash Provided by Noncapital Financing Activities	2,894
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(2,475)
	(2,475)
Net Cash (Used for) Capital and Related Financing Activities	(2,475)
Net Decrease in Cash and Cash Equivalents	(838)
Cash and Cash Equivalents, July 1	7,990
Cash and Cash Equivalents, June 30	\$ 7,152
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (2,075)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	817
	817
Net Cash (Used for) Operating Activities	\$ (1,258)

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, 2022

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, 2022
(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, 2022
(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 or lease 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 or lease 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, 2022
(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, 2022 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, 2022

(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 23,301,208	\$ 827,601
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.		(94,551)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	72,685	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(85,349)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 23,288,544	\$ 733,050
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,996,080	\$ 825,041
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.		(94,551)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 22,996,080	\$ 730,490

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, 2022
(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, 2022
(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, 2022.

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>
Site 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, 2022
(Continued)

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

M. 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.

N. 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, 2022 mostly for accumulated sick day payouts that were paid in the next payroll.

O. 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.

P. 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.

Q. 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

R. Fund Balance Appropriated:

General Fund: Of the \$6,113,689 General Fund fund balance at June 30, 2022, \$2,788,544 is restricted in the capital reserve account; \$987,728 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$215,937 is restricted for unemployment compensation; \$405,630 is assigned for encumbrances; \$336,361 is designated for subsequent year expenditures and \$1,129,489 is unassigned which is \$85,349 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, 2023 on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 of \$41,624 is restricted for student activities.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2022 of \$3 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 \$85,349 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.

S. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,333,829 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

T. 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, 2022 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 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.

U. Fund Balance Restrictions, Commitments and Assignments:

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

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, 2022.

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, 2022.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

V. 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.

W. 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.

X. 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.

Y. 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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 on the following page.

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.

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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;
- (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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 1,405,911	\$ 4,283,833	\$ 5,689,744
	\$ 1,405,911	\$ 4,283,833	\$ 5,689,744

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$5,689,744 and the bank balance was \$6,311,919.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 3,236,364
Interest Earnings	100
Unexpended Balance Returned - Capital Outlay	719,091
Transfer by Board Resolution - June 6, 2022	580,909
Budgeted Withdrawal	<u>(1,747,920)</u>
Ending Balance, June 30, 2022	<u>\$ 2,788,544</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.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, there were transfers to capital outlay for equipment which did not require County Superintendent approval.

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	830,076
Interest Earnings		50
Transfer by Board Resolution - June 6, 2022		360,323
Withdrawal by Board Resolution		<u>(202,721)</u>
Ending Balance, June 30, 2022	\$	<u>987,728</u>

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 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	<u>8,567,700</u>			<u>8,567,700</u>
Capital Assets Being Depreciated:				
Site Improvement	61,300	\$ 308,405		369,705
Buildings and Building Improvements	36,085,590	1,021,348		37,106,938
Machinery and Equipment	<u>720,998</u>	<u>159,936</u>	\$ (25,700)	<u>855,234</u>
Total Capital Assets Being Depreciated	<u>36,845,381</u>	<u>1,489,689</u>	<u>(25,700)</u>	<u>38,331,877</u>
Governmental Activities Capital Assets	<u>45,435,588</u>	<u>1,489,689</u>	<u>(25,700)</u>	<u>46,899,577</u>
Less Accumulated Depreciation for:				
Site Improvement	(20,558)	(18,484)		(39,042)
Buildings and Building Improvements	(23,398,555)	(2,425,326)		(25,823,881)
Machinery and Equipment	<u>(559,973)</u>	<u>(63,084)</u>	23,770	<u>(599,287)</u>
	<u>(22,618,730)</u>	<u>(2,506,894)</u>	<u>23,770</u>	<u>(26,462,210)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,794,351</u>	<u>\$ (1,017,205)</u>	<u>\$ (1,930)</u>	<u>\$ 20,437,367</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 9,781	\$ 2,475		\$ 12,256
Less Accumulated Depreciation	(652)	(817)		(1,469)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,129</u>	<u>\$ 1,658</u>	<u>\$ -0-</u>	<u>\$ 10,787</u>

As of June 30, 2022, the District did not have active capital construction projects in process. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 855,616
Special Education	269,870
Other Instruction	3,608
Student and Instructional Support Services	687,409
General Administrative	60,618
School Administrative	105,937
Central Services	61,239
Administration Information Technology	12,030
Plant Operations and Maintenance	450,567
	<u>\$ 2,506,894</u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 184,145			\$ 184,145
Total Lease Assets Being Amortized	184,145			184,145
Governmental Activities Lease Assets	184,145			184,145
Less Accumulated Amortization for:				
Machinery and Equipment	(12,276)	\$ (36,829)		(49,105)
	(12,276)	(36,829)		(49,105)
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 171,869</u>	<u>\$ (36,829)</u>	<u>\$ -0-</u>	<u>\$ 135,040</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. LEASE ASSETS (Cont'd)

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ 36,829
	\$ 36,829

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated)		Adjustment/ Retired	Balance 6/30/2022
	Balance 6/30/2021	Accrued		
Serial Bonds Payable	\$ 6,729,000	\$ 4,970,000	\$ 6,365,000	\$ 5,334,000
Leases Payable	172,903		34,571	138,332
Compensated Absences Payable	667,418		283,005	384,413
Net Pension Liability	2,022,090		564,114	1,457,976
Bond Issuance Premium	48,195	654,026	6,426	695,795
	\$ 9,639,606	\$ 5,624,026	\$ 888,116	\$ 8,010,516

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 \$99,585 and the long-term portion is \$596,210.

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, 2022 as follows:

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds of 2021	1/15/2029	4.00%	\$ 4,970,000
School Bonds of 2014	1/15/2024	2.50%	364,000
			\$ 5,334,000

The current portion of bonds payable at June 30, 2022 is \$770,000. The District issued \$4,970,000 of refunding bonds on October 19, 2021 to refund \$5,515,000 of its 2014 school. The 2021 refunding bonds were issued with an interest rate of 4.00%.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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
2023	\$ 770,000	\$ 255,391	\$ 1,025,391
2024	844,000	179,800	1,023,800
2025	685,000	148,800	833,800
2026	720,000	121,400	841,400
2027	740,000	92,600	832,600
2028-2029	1,575,000	95,000	1,670,000
	<u>\$ 5,334,000</u>	<u>\$ 892,991</u>	<u>\$ 6,226,991</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2022, 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 \$384,413. There is no current portion of the compensated absences liability at June 30, 2022. The General Fund will be used to liquidate compensated absences payable. The balance for compensated absences payable decreased by \$283,005 mainly due to a change in accounting estimate related to who is eligible to be paid out for the liability.

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, 2022, 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, 2022 is \$-0- and the long-term portion is \$1,457,976. 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, 2022
(Continued)

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

F. Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

Purpose	Commencement Date	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Copiers	03/18/21	Monthly	02/18/26	3.85%	<u>\$ 138,332</u>
					<u>\$ 138,332</u>

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

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 35,879	\$ 4,537
2024	37,236	3,180
2025	38,645	1,771
2026	26,572	372
	<u>\$ 138,332</u>	<u>\$ 9,860</u>

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 250,000
Ending Balance, June 30, 2022	<u>\$ 250,000</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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.

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. 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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 \$144,132 for 2022.

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, 2022, the District's liability was \$1,457,976 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.01231%, which was a decrease of 0.00008% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit in the amount of \$324,161. At June 30, 2022, 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, 2022
(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	2017	5.48		\$ (61,614)
	2018	5.48		(115,514)
	2019	5.21		(101,903)
	2020	5.16		(240,018)
	2021	5.13	\$ 7,593	
				<u>7,593</u>
Changes in Proportion	2017	5.48		(28,880)
	2018	5.48	44,200	
	2019	5.21		(6,613)
	2020	5.16		(291,811)
	2021	5.13		(16,258)
				<u>44,200</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(11,389)
	2019	5.00		3,675
	2020	5.00		82,819
	2021	5.00		(459,174)
				<u>(384,069)</u>
Difference Between Expected and Actual Experience	2017	5.48	1,832	
	2018	5.48		(4,399)
	2019	5.21	7,790	
	2020	5.16	13,372	
	2021	5.13		(6,038)
				<u>22,994</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	189,309	
			<u>\$ 264,096</u>	<u>\$ (1,257,117)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (344,019)
2023	(245,629)
2022	(167,477)
2025	(125,892)
2026	49
	\$ (882,968)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2021) 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, 2021 are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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, 2022
(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, 2021 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, 2021		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,986,567	\$ 1,457,976	\$ 1,010,891

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, 2022
(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 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$2,602,897 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$748,756.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$31,820,724. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.0662%, which was an increase of 0.00005% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		31,820,724
Total	\$	31,820,724

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$748,756 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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, 2022
(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	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2021. 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, 2022
(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, 2021 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, 2021		
	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	\$ 37,649,239	\$ 31,820,724	\$ 26,925,143

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 \$38,469 for the year ended June 30, 2022. Employee contributions to DCRP amounted to \$52,138 for the year ended June 30, 2021.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

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 Education 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 GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and, “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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 Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2019	\$ 23,839,977
Changes for Year:	
Service Cost	1,002,530
Interest Cost	858,469
Differences Between Expected and Actual Experience	5,684,545
Changes in Assumptions	6,872,389
Member Contributions	19,852
Gross Benefit Payments	(654,982)
Net Changes	13,782,803
Balance at June 30, 2020	\$ 37,622,780

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, 2020, 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:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
	Total OPEB Liability Attributable to the District	\$ 45,356,203	\$ 37,622,780

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(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, 2020, 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 30,370,377	\$ 37,622,780	\$ 46,258,780

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$1,572,707 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, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,283,267
	2018	9.51		2,009,706
	2019	9.29	\$ 270,887	
	2020	9.24	6,128,624	
			6,399,511	4,292,973
Differences between Expected and Actual Experience	2018	9.51		1,899,797
	2019	9.29		3,188,354
	2020	9.24	5,712,118	
			5,712,118	5,088,151
Changes in Proportion	N/A	N/A		2,133,991
			\$ 12,111,629	\$ 11,515,115

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (24,102)
2022	(24,102)
2023	(24,102)
2024	(24,102)
2025	(24,102)
Thereafter	(2,609,995)
	\$ (2,730,505)

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.

Fiscal Year Ending June 30,	Employee Contributions	Amount Reimbursed	Ending Balance
2022	\$ 17,136		\$ 215,937
2021	15,718	\$ 1,655	198,801
2020	29,822	18,795	184,738

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

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.

The June 30, 2022 audit report of the MEIG was not available as of the date of this report. Selected financial information for MEIG as of June 30, 2021 is as follows:

	Morris Essex Insurance Group
Total Assets	\$ 12,024,566
Net Position	\$ 8,609,634
Total Revenue	\$ 3,815,160
Total Expenses	\$ 2,603,753
Change in Net Position	\$ 129,659
Net Position Distribution to Participating Members	\$ 1,081,748

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 64,437	
Special Revenue Fund		\$ 64,437
	<u>\$ 64,437</u>	<u>\$ 64,437</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.

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. COMMITMENTS AND CONTINGENCIES (Cont'd)

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, 2022:

	Governmental Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
	Encumbrances	\$ 405,630	\$ 107,398

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$0 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$107,398 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, 2022:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund		
Vendors	\$ 106,276	\$ 5,386		\$ 111,662
Accrued Salaries & Wages	2,977			2,977
Payroll Deductions and Withholdings	1,922			1,922
State of New Jersey			\$ 189,309	189,309
	\$ 111,175	\$ 5,386	\$ 189,309	\$ 305,870

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 20. PRIOR YEAR ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021 as a result of implementing GASB 87, *Leases*:

	June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance at June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Lease Assets, Net	\$ -0-	\$ 171,869	\$ 171,869
Total Assets	12,727,547	171,869	12,899,416
Noncurrent Liabilities:			
Due Within One Year	856,426	34,571	890,997
Due Beyond One Year	8,610,277	138,332	8,748,609
Total Liabilities	10,187,096	172,903	10,359,999
Net Position:			
Net Investment in Capital Assets	14,727,502	(1,034)	14,726,468
Total Net Position	16,655,086	(1,034)	16,654,052

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0153385750%	0.0150636512%	0.0154202164%	0.0139082413%	0.0145851379%	0.0145163165%	0.0123998404%	0.0123072328%
	\$ 2,871,801	\$ 3,381,488	\$ 4,567,026	\$ 3,237,616	\$ 2,871,741	\$ 2,615,620	\$ 2,022,090	\$ 1,457,976
District's proportionate share of the net pension liability	\$ 968,092	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692
District's covered employee payroll	296.65%	325.54%	460.06%	337.42%	300.86%	289.18%	232.94%	150.20%
District's proportionate share of net pension liability as a percentage of its covered employee payroll	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%
Plan fiduciary net position as a percentage of the total pension liability								

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LONG HILL TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 126,449	\$ 129,507	\$ 136,991	\$ 128,845	\$ 145,075	\$ 142,100	\$ 135,649	\$ 144,132
Contributions in relation to the contractually required contribution	<u>(126,449)</u>	<u>(129,507)</u>	<u>(136,991)</u>	<u>(128,845)</u>	<u>(145,075)</u>	<u>(142,100)</u>	<u>(135,649)</u>	<u>(144,132)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709
Contributions as a percentage of covered employee payroll	12.17%	13.05%	14.28%	13.50%	16.04%	16.37%	13.97%	17.54%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.0669638876%	0.0626910940%	0.0673556169%	0.0675625112%	0.0643526151%	0.06574411105%	0.0657667367%	0.0661894929%
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
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
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%
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%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LONG HILL TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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
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)
Contribution deficiency/(excess)	<u>\$ 1,312,127</u>	<u>\$ 1,515,358</u>	<u>\$ 2,779,734</u>	<u>\$ 1,474,538</u>	<u>\$ 1,093,616</u>	<u>\$ 937,303</u>	<u>\$ 768,941</u>	<u>\$ (1,854,141)</u>
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
Contributions as a percentage of covered employee payroll	28.64%	36.63%	58.60%	45.18%	33.90%	33.73%	38.44%	9.96%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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 FOUR FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability		2020	
Service Cost	\$ 1,264,188	\$ 1,048,075	\$ 941,188
Interest Cost	1,014,047	1,173,806	1,068,273
Differences between Expected and Actual Experience		(3,495,423)	(4,829,278)
Changes in Assumptions	(4,148,799)	(3,100,045)	355,456
Member Contributions	27,365	24,966	21,693
Gross Benefit Payments	(743,167)	(722,357)	(731,816)
Net Change in Total OPEB Liability	(2,586,366)	(5,070,978)	(3,174,484)
Total OPEB Liability - Beginning	34,671,805	32,085,439	27,014,461
Total OPEB Liability - Ending	<u>\$ 32,085,439</u>	<u>\$ 27,014,461</u>	<u>\$ 23,839,977</u>
District's Covered Employee Payroll *	\$ 7,596,939	\$ 7,753,347	\$ 7,938,936
Total OPEB Liability as a Percentage of Covered Employee Payroll	422%	348%	300%
			474%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019 and 2020 are based on the payroll on the June 30, 2016, 2017, 2018 and 2019 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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-2019. 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-2019. 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-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 17,422,013		\$ 17,422,013	\$ 17,422,013	
Tuition From Individuals	85,500		85,500	160,814	\$ 75,314
Transportation Fees From Individuals	63,000		63,000	55,730	(7,270)
Rents and Royalties	30,600		30,600	44,725	14,125
Unrestricted Miscellaneous Revenues	58,000		58,000	266,316	208,316
Interest Earned on Maintenance Reserve	50		50	50	
Interest Earned on Capital Reserve Funds	100		100	100	
Other Restricted Miscellaneous Revenues				17,136	17,136
Total Revenues from Local Sources	<u>17,659,263</u>		<u>17,659,263</u>	<u>17,966,884</u>	<u>307,621</u>
Revenues from State Sources:					
Categorical Transportation Aid	171,428		171,428	171,428	
Categorical Special Education Aid	767,301		767,301	767,301	
Categorical Security Aid	13,945		13,945	13,945	
Extraordinary Aid	76,311		76,311	503,143	426,832
Securing Our Childrens' Future Bond Act (Alyssa's Law)		\$ 43,822	43,822	43,822	
Nonpublic School Transportation Aid				20,300	20,300
TPAF Post Retirement Medical Contributions (Non-Budgeted)				616,722	616,722
TPAF Pension Contributions (Non-Budgeted)				2,602,897	2,602,897
TPAF Non-Contributory Insurance (Non-Budgeted)				36,723	36,723
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,123	1,123
Reimbursed TPAF Social Security Contributions				545,956	545,956
Total Revenues from State Sources	<u>1,028,985</u>	<u>43,822</u>	<u>1,072,807</u>	<u>5,323,360</u>	<u>4,250,553</u>
TOTAL REVENUE	<u>18,688,248</u>	<u>43,822</u>	<u>18,732,070</u>	<u>23,290,244</u>	<u>4,558,174</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	\$ 427,562	\$ 218,326	\$ 218,326	\$ 218,086	\$ 240
Kindergarten - Salaries of Teachers	2,560,608	2,570	430,132	429,508	624
Grades 1-5 - Salaries of Teachers	1,452,876	(114,375)	2,446,233	2,434,519	11,714
Grades 6-8 - Salaries of Teachers		(39,935)	1,412,941	1,412,941	
Regular Programs - Home Instruction					
Salaries of Teachers	12,000	(4,211)	7,789	1,956	5,833
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	45,500	(8,705)	36,795	36,795	
Other Purchased Services (400-500 series)	74,343	3,499	77,842	76,383	1,459
General Supplies	259,917	34,683	294,600	269,944	24,656
Textbooks	900	(900)			
Other Objects	8,000		8,000	7,675	325
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,841,706	90,952	4,932,658	4,887,807	44,851
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	1,034,628	99,870	1,134,498	1,128,488	6,010
Other Salaries for Instruction	49,076	(49,076)			
General Supplies	11,400	(1,110)	10,290	10,267	23
Textbooks	500	(500)			
Total Resource Room/Resource Center	1,095,604	49,184	1,144,788	1,138,755	6,033
Preschool Disabilities - Part-Time:					
Salaries of Teachers	212,811	(212,811)			
Other Salaries for Instruction	4,800	(4,800)			
General Supplies	5,267	193	5,460	5,459	1
Total Preschool Disabilities - Part-Time	222,878	(217,418)	5,460	5,459	1

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 11,000		\$ 11,000	\$ 336	\$ 10,664
Total Home Instruction	11,000		11,000	336	10,664
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,329,482	\$ (168,234)	1,161,248	1,144,550	16,698
Basic Skills/Remedial - Instruction					
Salaries of Teachers	176,264	91,789	268,053	266,647	1,406
General Supplies	500		500		500
Total Basic Skills/Remedial - Instruction	176,764	91,789	268,553	266,647	1,906
Bilingual Education - Instruction					
Salaries of Teachers	107,932	22,538	130,470	130,469	1
General Supplies	1,000		1,000		1,000
Total Bilingual Education - Instruction	108,932	22,538	131,470	130,469	1,001
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.					
Salaries	28,505		28,505	19,656	8,849
Purchased Services (300-500 series)	500		500		500
Supplies and Materials	1,000		1,000		1,000
Other Objects	4,850		4,850	956	3,894
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	34,855		34,855	20,612	14,243
TOTAL INSTRUCTION	6,491,739	37,045	6,528,784	6,450,085	78,699
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Special	282,362	59,000	341,362	335,028	6,334
Tuition to Priv. Sch. for the Handicap. W/I State	665,728	14,967	680,695	671,028	9,667
Total Undistributed Expenditures - Instruction	948,090	73,967	1,022,057	1,006,056	16,001
Undistributed Expenditures - Health Services					
Salaries	274,779	11,776	286,555	280,910	5,645
Purchased Professional and Technical Services	7,600	788	8,388	6,147	2,241
Supplies and Materials	6,500	(788)	5,712	3,087	2,625
Total Undist. Expenditures - Health Services	288,879	11,776	300,655	290,144	10,511

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs					
Salaries	\$ 337,786	\$ (16,237)	\$ 321,549	\$ 320,005	\$ 1,544
Purchased Professional - Educational Services	67,100	24,426	91,526	74,720	16,806
Supplies and Materials	4,903	1,671	6,574	4,557	2,017
Total Undist. Expend. - Speech, OT, PT, Related Svcs	409,789	9,860	419,649	399,282	20,367
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.					
Salaries	892,599	75,580	968,179	960,501	7,678
Purchased Professional - Educational Services	140,189	(3,525)	136,664	93,961	42,703
Supplies and Materials	1,975	6,702	8,677	8,677	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	1,034,763	78,757	1,113,520	1,063,139	50,381
Undist.Expend.-Guidance					
Salaries of Other Professional Staff	209,409	(521)	208,888	206,756	2,132
Other Purchased Prof. and Tech. Services	4,000	(3,244)	756		756
Other Purchased Services (400-500 series)	200	(171)	29		29
Supplies and Materials	400		400	107	293
Total Undist Expend. - Guidance	214,009	(3,936)	210,073	206,863	3,210
Undist. Expend.-Child Study Team					
Salaries of Other Professional Staff	399,825		399,825	399,641	184
Salaries of Secretarial and Clerical Assistants	67,621		67,621	65,087	2,534
Purchased Professional - Educational Services	73,545	(63,645)	9,900	9,900	
Other Purchased Prof. and Tech. Services	12,190	584	12,774	12,774	
Other Purchased Services (400-500 series)	1,800		1,800	658	1,142
Supplies and Materials	7,000	(416)	6,584	6,497	87
Other Objects	1,000	440	1,440	1,440	
Total Undist Expend. - Child Study Team	562,981	(63,037)	499,944	495,997	3,947

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.					
Salaries of Supervisors of Instruction	\$ 72,280		\$ 72,280	\$ 72,280	
Salaries of Other Professional Staff	2,800	\$ 7,448	10,248	10,248	
Salaries of Secretarial and Clerical Assistants	30,467		30,467	30,437	\$ 30
Purchased Professional - Educational Services	5,900	(797)	5,103		5,103
Total Undist. Expend.-Improv. of Inst. Serv.	<u>111,447</u>	<u>6,651</u>	<u>118,098</u>	<u>112,965</u>	<u>5,133</u>
Undist. Expend.-Edu. Media Serv./Sch. Library					
Salaries	206,155	138	206,293	205,668	625
Salaries of Technology Coordinators	104,296	(25,271)	79,025	79,025	
Purchased Professional and Technical Services	72,241	(28,542)	43,699	42,687	1,012
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	22,445	5,595	28,040	24,661	3,379
Other Objects	400		400	270	130
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>406,037</u>	<u>(48,080)</u>	<u>357,957</u>	<u>352,311</u>	<u>5,646</u>
Undist.Expend.-Instructional Staff Training Services					
Purchased Professional - Educational Service	500		500		500
Other Purchased Prof. And Tech. Services	3,295		3,295		3,295
Other Purchased Services (400-500 series)	8,400		8,400	156	8,244
Supplies and Materials	300		300		300
Total Undist.Expend.-Instructional Staff Training Services	<u>12,495</u>		<u>12,495</u>	<u>156</u>	<u>12,339</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.					
Salaries	\$ 238,976	\$ 524	\$ 239,500	\$ 239,500	
Salaries-Governance Staff (BOE Direct Reports only)	4,200		4,200	4,200	
Unused Vacation Payment to Terminated/Retired Staff	6,539		6,539	1,337	\$ 5,202
Legal Services	75,000	(31,281)	43,719	43,719	
Audit Fees	35,000		35,000		35,000
Architectural/Engineering Services	6,000		6,000		6,000
Other Purchased Professional Services	350	(15)	335	45	290
Communications / Telephone	60,771	(21,656)	39,115	39,115	
BOE Other Purchased Services	2,650		2,650	999	1,651
Other Purch. Serv. (400-500 series other than 530 & 585)	4,670		4,670	1,872	2,798
General Supplies	2,750	1,931	4,681	4,329	352
Miscellaneous Expenditures	6,700		6,700	3,540	3,160
BOE Membership Dues and Fees	8,000		8,000	7,634	366
Total Undist. Expend.-Support Serv.-Gen. Admin.	451,606	(50,497)	401,109	346,290	54,819
Undist. Expend.-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals/Prog. Director	387,321		387,321	385,952	1,369
Salaries of Secretarial and Clerical Assistants	230,735	(17,687)	213,048	213,048	
Other Purchased Services (400-500 series)	5,450	(4,190)	1,260	1,260	
Supplies and Materials	3,600	(900)	2,700	1,541	1,159
Other Objects	4,800		4,800	3,380	1,420
Total Undist. Expend.-Support Serv.-School Adm.	631,906	(22,777)	609,129	605,181	3,948

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 323,084	\$ (142,515)	\$ 180,569	\$ 179,232	\$ 1,337
Purchased Professional Services	35,796	(5,642)	30,154	26,236	3,918
Purchased Technical Services	12,533	120,943	133,476	132,563	913
Miscellaneous Purchased Services (400-500 series other than 594)	3,500	2,565	6,065	5,496	569
Supplies and Materials	3,750	1,902	5,652	5,017	635
Other Objects	6,000		6,000	1,290	4,710
Total Undist. Expend. - Central Services	<u>384,663</u>	<u>(22,747)</u>	<u>361,916</u>	<u>349,834</u>	<u>12,082</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	31,643		31,643	31,143	500
Purchased Professional Services	6,500	31,082	37,582	37,582	
Other Purchased Services (400-500 series)	600		600		600
Supplies and Materials	1,000	(1,000)			
Other Objects	360		360		360
Total Undist. Expend. - Admin. Info. Technology	<u>40,103</u>	<u>30,082</u>	<u>70,185</u>	<u>68,725</u>	<u>1,460</u>
Undist. Expend.-Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	311,230	557,695	868,925	690,449	178,476
General Supplies	146,512	7,758	154,270	147,519	6,751
Other Objects	1,340	1,740	3,080	3,080	
Total Undist. Expend.- Required Maint. for School Facilities	<u>459,082</u>	<u>567,193</u>	<u>1,026,275</u>	<u>841,048</u>	<u>185,227</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services					
Salaries	\$ 98,551	\$ (87,550)	\$ 11,001	\$ 10,501	\$ 500
Salaries of Non-Instructional Aides	6,000	(6,000)			
Purchased Professional and Technical Services	1,003,643	129,022	1,132,665	1,131,004	1,661
Cleaning, Repair, and Maintenance Services	16,000	(400)	15,600	15,600	
Other Purchased Property Services	24,800	(2,200)	22,600	17,555	5,045
Insurance	136,303	14,783	151,086	151,086	
Miscellaneous Purchased Services	4,000	(4,000)			
General Supplies	41,000	7,864	48,864	48,864	
Energy (Natural Gas)	90,000	(22,629)	67,371	65,701	1,670
Energy (Electricity)	278,000	(18,000)	260,000	201,829	58,171
Energy (Gasoline)	7,200	(478)	6,722	6,722	
Total Undist. Expend.-Custodial Services	1,705,497	10,412	1,715,909	1,648,862	67,047
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	7,900	27,002	34,902	34,902	
Cleaning, Repair, and Maintenance Services	11,200	(4,130)	7,070	7,070	
General Supplies	21,450	(4,499)	16,951	16,673	278
Other Objects	1,300	(1,300)			
TOTAL CARE AND UPKEEP OF GROUNDS	41,850	17,073	58,923	58,645	278
Security					
Purchased Professional and Technical Services	4,500	8,165	12,665	9,580	3,085
Cleaning, Repair, and Maintenance Services	2,500	(2,500)			
General Supplies	10,540	(1,594)	8,946	8,946	
Other Objects		6,840	6,840	6,840	
TOTAL SECURITY	17,540	10,911	28,451	25,366	3,085
Total Undist. Expend.-Oper. and Maint. of Plant Serv.	2,223,969	605,589	2,829,558	2,573,921	255,637

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 20,944	\$ (2,882)	\$ 18,062	\$ 18,062	
Other Purchased Professional and Technical Services	4,750	8,850	13,600	13,600	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	83,000		83,000	72,100	\$ 10,900
Contract. Serv.(Bet. Home & Sch.)-Vendors	565,548	(5,968)	559,580	471,907	87,673
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	2,000		2,000	139	1,861
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	647,556	(108,967)	538,589	460,815	77,774
Misc. Purchased Serv. - Transportation	5,000		5,000	317	4,683
Total Undist. Expend.-Student Trans. Serv.	1,328,798	(108,967)	1,219,831	1,036,940	182,891
UNALLOCATED BENEFITS					
Other Retirement Contributions - Regular	34,700	3,769	38,469	38,469	
Social Security Contributions	202,496	36,974	239,470	181,179	58,291
Other Retirement Contributions - PERS	201,144	(39,215)	161,929	144,132	17,797
Workers Compensation	67,662	604	68,266	68,266	
Health Benefits	2,594,066	(425,375)	2,168,691	2,019,308	149,383
Tuition Reimbursement	48,000		48,000	29,239	18,761
Other Employee Benefits	99,000		99,000	77,999	21,001
Unused Sick Payment to Terminated/Retired Staff	75,000		75,000	28,425	46,575
TOTAL UNALLOCATED BENEFITS	3,322,068	(423,243)	2,898,825	2,587,017	311,808
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Medical Contributions (Non-Budgeted)				616,722	(616,722)
TPAF Pension Contributions (Non-Budgeted)				2,602,897	(2,602,897)
TPAF Non-Contributory Insurance (Non-Budgeted)				36,723	(36,723)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,123	(1,123)
Reimbursed TPAF Social Security Contributions				545,956	(545,956)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,803,421	(3,803,421)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,322,068	(423,243)	2,898,825	6,390,438	(3,491,613)
TOTAL UNDISTRIBUTED EXPENDITURES	12,371,603	73,398	12,445,001	15,298,242	(2,853,241)
TOTAL GENERAL CURRENT EXPENSE	18,863,342	110,443	18,973,785	21,748,327	(2,774,542)

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
EQUIPMENT					
Grades 1-5	\$ 1,401	\$ (1,401)			
Undistributed:					
Undistributed Expenditures - School Admin.		8,450	\$ 8,450		\$ 8,450
Undistributed Expenditures - Admin. Info. Tech.	33,861	85,734	119,595	\$ 96,834	22,761
Undist. Expend. - Security		43,137	43,137	6,175	36,962
TOTAL EQUIPMENT	35,262	135,920	171,182	103,009	68,173
Facilities Acquisition and Construction Services					
Legal Services	47,100		47,100		47,100
Architectural/Engineering Services	125,400		125,400	32,857	92,543
Other Purchased Prof. and Tech. Services	10,670		10,670		10,670
Construction Services	1,422,500		1,422,500	965,499	457,001
Supplies and Materials	142,250		142,250		142,250
Assessment for Debt Service on SDA Funding	33,181		33,181	33,181	
Total Facilities Acquisition and Construction Services	1,781,101		1,781,101	1,031,537	749,564
TOTAL CAPITAL OUTLAY	1,816,363	135,920	1,952,283	1,134,546	817,737
Transfer of Funds to Charter Schools	113,207		113,207	113,207	
Total Transfer of Funds to Charter Schools	113,207		113,207	113,207	
TOTAL EXPENDITURES	20,792,912	246,363	21,039,275	22,996,080	(1,956,805)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,104,664)	(202,541)	(2,307,205)	294,164	2,601,369
Fund Balance, July 1	5,904,874		5,904,874	5,904,874	
Fund Balance, June 30	\$ 3,800,210	\$ (202,541)	\$ 3,597,669	\$ 6,199,038	\$ 2,601,369

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 2,788,544	
Maintenance Reserve				987,728	
Emergency Reserve				250,000	
Unemployment Compensation				215,937	
Assigned Fund Balance:					
Year End Encumbrances				405,630	
Designated for Subsequent Year's Expenditures				336,361	
Unassigned Fund Balance				1,214,838	
				<u>6,199,038</u>	
				<u>(85,349)</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					\$ 6,113,689
Fund Balance per Governmental Funds (GAAP)					<u><u>6,113,689</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 256,076	\$ 595,345	\$ 851,421	\$ 635,153	\$ (216,268)
State Sources	30,621	38,827	69,448	54,399	(15,049)
Local Sources		176,721	176,721	138,049	(38,672)
Total Revenues	286,697	810,893	1,097,590	827,601	(269,989)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		60,049	60,049	19,403	40,646
Purchased Professional - Educational Services		13,997	13,997		13,997
Tuition	213,306	28,782	242,088	242,088	
General Supplies	31,728	139,506	171,234	111,998	59,236
Textbooks	4,725	557	5,282	5,029	253
Other Objects		4,365	4,365	365	4,000
Total Instruction	249,759	247,256	497,015	378,883	118,132
Support Services:					
Salaries of Other Professional Staff		9,271	9,271	9,271	
Personal Services - Employee Benefits		6,062	6,062	1,922	4,140
Purchased Professional - Educational Services		181,860	181,860	159,255	22,605
Purchased Professional - Technical Services	31,417	117,199	148,616	66,701	81,915
Other Purchased Professional Services	5,521	69,171	74,692	52,604	22,088
Supplies and Materials		20,167	20,167	16,023	4,144
Student Activities		121,620	121,620	121,620	
Total Support Services	36,938	525,350	562,288	427,396	134,892
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		38,287	38,287	18,762	19,525
Total Expenditures	286,697	810,893	1,097,590	825,041	272,549
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,560</u>	<u>\$ 2,560</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 23,290,244	\$ 827,601
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.		(94,551)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	72,685	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(85,349)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 23,277,580	\$ 733,050
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,996,080	\$ 825,041
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.		(94,551)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 22,996,080	\$ 730,490

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, 2022 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, 2022

	Every Student Succeeds Act		Nonpublic				
	Title I	Title II, Part A	Title III	Title IV	Handicapped Exam and Classification	Nonpublic Textbooks	Nonpublic Security
REVENUE:							
Local Sources	\$ 34,256	\$ 17,555	\$ 8,066	\$ 8,175	\$ 1,706	\$ 5,029	\$ 15,715
State Sources							
Federal Sources							
Total Revenue	34,256	17,555	8,066	8,175	1,706	5,029	15,715
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Tuition							
General Supplies	23,962		7,328	8,175		5,029	15,715
Textbooks							
Other Objects							
Total Instruction	23,962		7,328	8,175		5,029	15,715
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional Educational Services		7,604			1,706		
Purchased Professional Technical Services	10,294	9,951	738				
Other Purchased Professional Services							
Supplies and Materials							
Student Activities							
Total Support Services	10,294	17,555	738		1,706		
Facilities Acquisition:							
Non-Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	\$ 34,256	\$ 17,555	\$ 8,066	\$ 8,175	\$ 1,706	\$ 5,029	\$ 15,715

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA Part B		CARES Emergency Relief I	SDA Emergent and Capital Maintenance Needs	Nonpublic Technology	Nonpublic Nursing
	ARP - Basic	Preschool				
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 31,385	\$ 11,415	\$ 9,326	\$ 18,762	\$ 3,696	\$ 9,491
Total Revenue	31,385	11,415	9,326	18,762	3,696	9,491
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Tuition	30,000	11,415				
General Supplies	1,385		3,668			
Textbooks						
Other Objects						
Total Instruction	31,385	11,415	3,668			
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional Educational Services						
Purchased Professional Technical Services					3,696	9,491
Other Purchased Professional Services						
Supplies and Materials			5,658			
Student Activities						
Total Support Services			5,658		3,696	9,491
Facilities Acquisition:						
Non-Instructional Equipment				18,762		
Total Facilities Acquisition				18,762		
Total Expenditures	\$ 31,385	\$ 11,415	\$ 9,326	\$ 18,762	\$ 3,696	\$ 9,491

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA		ARP			Local Grants	Totals
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Accelerating Learning Coach		
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 64,509	\$ 11,288	\$ 34,500	\$ 156,340	\$ 46,988	\$ 13,869	\$ 138,049
Total Revenue	64,509	11,288	34,500	156,340	46,988	13,869	827,601
EXPENDITURES:							
Instruction:							
Salaries of Teachers	6,651	8,798				3,954	19,403
Tuition							242,088
General Supplies	2,500				39,038	9,550	111,998
Textbooks							5,029
Other Objects						365	365
Total Instruction	9,151	8,798			39,038	13,869	378,883
Support Services:							
Salaries of Other Professional Staff	9,271						9,271
Personal Services - Employee Benefits	1,218	704					1,922
Purchased Professional Educational Services				151,305	7,950		159,255
Purchased Professional Technical Services	12,904		31,300				66,701
Other Purchased Professional Services	22,000	1,786	2,800	5,035			52,604
Supplies and Materials	9,965		400				16,023
Student Activities							121,620
Total Support Services	55,358	2,490	34,500	156,340	7,950		427,396
Facilities Acquisition:							
Non-Instructional Equipment							18,762
Total Facilities Acquisition							18,762
Total Expenditures	\$ 64,509	\$ 11,288	\$ 34,500	\$ 156,340	\$ 46,988	\$ 13,869	\$ 825,041

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Milk Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 7,152
Accounts Receivable:	
Federal	843
Total Current Assets	7,995
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	(1,469)
Total Non-Current Assets	10,787
Total Assets	18,782
NET POSITION:	
Investment in Capital Assets	10,787
Unrestricted	7,995
Total Net Position	\$ 18,782

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Milk Service</u>
Operating Revenue:	
Daily Sales - Reimbursable Program:	
Special Milk Program	\$ 4,611
Total Operating Revenue	4,611
Operating Expenses:	
Cost of Sales - Reimbursable Program	5,869
Depreciation	817
Total Operating Expenses	6,686
Operating (Loss)	(2,075)
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	3,737
Local Sources:	
Interest Revenue	1
Total Non-Operating Revenue	3,738
Change in Net Position	1,663
Net Position - Beginning of Year	17,119
Net Positon - End of Year	\$ 18,782

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Milk Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,611
Payments to Suppliers	<u>(5,869)</u>
Net Cash (Used for) Operating Activities	<u>(1,258)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>1</u>
Net Cash Provided by Investing Activities	<u>1</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	<u>2,894</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,894</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(2,475)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(2,475)</u>
Net Decrease in Cash and Cash Equivalents	(838)
Cash and Cash Equivalents, July 1	<u>7,990</u>
Cash and Cash Equivalents, June 30	<u>\$ 7,152</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (2,075)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	<u>817</u>
Net Cash (Used for) Operating Activities	<u>\$ (1,258)</u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2021	Issued	Retired or Matured	Defeased Debt	Balance June 30, 2022
			Date	Amount						
School Refunding Bonds of 2021	10/19/21	\$ 4,970,000	1/15/23	\$ 590,000	4.00%		\$ 4,970,000			\$ 4,970,000
			1/15/24	660,000	4.00%					
			1/15/25	685,000	4.00%					
			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 2012	03/16/12	9,880,000				\$ 6,190,000		\$ 675,000	\$ 5,515,000	
School Bonds of 2014	07/18/14	1,464,000	1/15/23	180,000	2.50%	539,000		175,000		364,000
			1/15/24	184,000	2.50%					
						\$ 6,729,000	\$ 4,970,000	\$ 850,000	\$ 5,515,000	\$ 5,334,000

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>(Restated) Balance July 1, 2021</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
Copiers	3.85%	\$ 184,145	<u>\$ 172,903</u>	<u>\$ 34,571</u>	<u>\$ 138,332</u>
			<u>\$ 172,903</u>	<u>\$ 34,571</u>	<u>\$ 138,332</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,110,638		\$ 1,110,638	\$ 1,110,638	
Total Revenues	1,110,638		1,110,638	1,110,638	
EXPENDITURES:					
Regular Debt Service:					
Interest	260,638		260,638	260,637	\$ 1
Redemption of Principal	850,000		850,000	850,000	
Total Expenditures	1,110,638		1,110,638	1,110,637	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	1	1
Other Financing Sources/(Uses):					
Serial Bonds Issued				4,970,000	4,970,000
Serial Bonds Defeased				(5,515,000)	(5,515,000)
Bond Premium				654,026	654,026
Bond Issuance Costs				(109,026)	(109,026)
Total Other Financing Sources/(Uses)				-0-	-0-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources/(Uses)	-0-	\$ -0-	-0-	1	1
Fund Balance, July 1	2	-0-	2	2	-0-
Fund Balance, June 30	2	\$ -0-	\$ 2	\$ 3	\$ 1
Recapitulation:					
Restricted for Subsequent Year's Expenditures				\$ 3	\$ 3

STATISTICAL SECTION
(UNAUDITED)

This part of the School's comprehensive annual 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 School's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School'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 School'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 School's current levels of outstanding debt and the School'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 School'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 School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 20,881,684	\$ 22,285,634	\$ 21,681,875	\$ 23,496,715	\$ 23,902,254	\$ 14,955,113	\$ 14,959,257	\$ 15,250,351	\$ 14,726,468	\$ 14,446,049
Restricted	1,515,827	1,514,987	3,795,434	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836
Unrestricted/(Deficit)	210,364	(1,349,281)	(2,276,858)	(2,023,635)	(3,117,357)	(3,198,309)	(3,759,279)	(3,348,737)	1,689,717	(1,333,829)
Total Governmental Activities Net Position	\$ 22,607,875	\$ 22,451,340	\$ 23,200,451	\$ 23,672,734	\$ 23,079,849	\$ 14,351,756	\$ 13,693,386	\$ 15,140,988	\$ 20,908,320	\$ 17,396,056
Business-Type Activities										
Net Investment in Capital Assets										
Unrestricted	\$ 23,641	\$ 33,336	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 9,129	\$ 10,787
Total Business-Type Activities Net Position	\$ 23,641	\$ 33,336	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 17,120	\$ 18,782
District-Wide:										
Net Investment in Capital Assets	\$ 20,881,684	\$ 22,285,634	\$ 21,681,875	\$ 23,496,715	\$ 23,902,254	\$ 14,955,113	\$ 14,959,257	\$ 15,250,351	\$ 14,735,597	\$ 14,456,836
Restricted	1,515,827	1,514,987	3,795,434	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836
Unrestricted/(Deficit)	234,005	(1,315,945)	(2,236,236)	(1,985,572)	(3,105,392)	(3,180,765)	(3,737,750)	(3,330,597)	1,697,708	(1,325,834)
Total District Net Position	\$ 22,631,516	\$ 22,484,676	\$ 23,241,073	\$ 23,710,797	\$ 23,091,814	\$ 14,369,300	\$ 13,714,915	\$ 15,159,128	\$ 20,925,440	\$ 17,414,838

* Restated

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 6,294,323	\$ 6,033,482	\$ 7,648,481	\$ 7,499,034	\$ 8,606,961	\$ 9,344,474	\$ 9,267,572	\$ 8,894,214	\$ 8,621,366	\$ 8,713,862
Special Education	2,621,952	2,566,332	2,875,287	3,567,004	3,771,860	3,619,367	2,752,521	2,500,320	2,803,449	2,566,587
Other Special Instruction							525,691	529,268	403,204	504,910
Other Instruction	14,067	47,017		38,359	49,075	111,411	105,750	15,845	104,686	157,727
Support Services:										
Tuition	517,792	373,716	451,199	603,911	549,914	475,166	230,733	331,057	642,042	1,006,056
Student & Instruction Related Services	3,097,528	3,167,895	3,422,924	3,266,554	4,786,166	5,162,316	3,638,625	3,723,333	3,870,577	4,340,209
General Administrative Services	853,858	899,858	916,395	1,302,615	1,287,909	1,282,001	541,273	520,306	559,078	467,089
School Administrative Services	776,974	841,903	865,078	1,217,675	1,399,585	1,317,464	979,863	986,664	1,030,071	979,769
Central Services							409,843	536,932	489,033	443,944
Administrative Information Technology							215,064	58,552	43,771	88,288
Plant Operations And Maintenance	1,439,681	1,472,539	1,513,949	1,530,921	1,745,474	1,738,866	2,079,997	1,778,048	2,178,714	2,749,660
Pupil Transportation	880,259	725,505	776,862	808,295	881,120	967,197	1,114,226	718,168	879,009	1,043,046
Capital Outlay							33,181		80,323	
Transfer to Charter School	38,307	55,637	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207
Interest On Long-Term Debt	477,568	451,154	443,059	422,579	403,199	382,997	326,243	331,814	303,210	306,754
Total Governmental Activities Expenses	17,012,309	16,635,038	18,972,220	20,284,630	23,553,230	24,514,637	22,345,391	21,037,577	22,136,379	23,481,108
Business-Type Activities										
Milk Service Fund	21,968	14,103	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686
Total Business Type Activities	21,968	14,103	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686
Total District Expenses	\$ 17,034,277	\$ 16,649,141	\$ 18,987,459	\$ 20,307,073	\$ 23,595,213	\$ 24,525,422	\$ 22,353,522	\$ 21,054,382	\$ 22,137,404	\$ 23,487,794
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Operating Grants and Contributions	\$ 284,780	\$ 177,193	\$ 167,115	\$ 106,595	\$ 107,630	\$ 200,200	\$ 197,611	\$ 108,734	\$ 61,628	\$ 329,719
Capital Grants and Contributions	344,643	318,106	298,591	298,315	241,757	268,502	5,074,129	4,722,664	5,219,815	5,077,140
Total Governmental Activities Program Revenues	629,423	1,805,111	465,706	404,910	349,387	468,702	5,271,740	4,831,398	5,281,443	5,406,859
Business-Type Activities:										
Charges For Services:										
Milk Service	15,899	15,520	13,829	12,293	9,999	9,845	7,780	9,921		4,611
Operating Grants and Contributions	8,204	8,266	8,685	7,580	5,879	6,497	4,160	3,323		3,737
Total Business Type Activities Program Revenues	24,103	23,786	22,514	19,873	15,878	16,342	11,940	13,244		8,348
Total District Program Revenues	\$ 653,526	\$ 1,828,897	\$ 488,220	\$ 424,783	\$ 365,265	\$ 485,044	\$ 5,283,680	\$ 4,844,642	\$ 5,281,443	\$ 5,415,207

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (16,382,886)	\$ (14,829,927)	\$ (18,506,514)	\$ (19,879,720)	\$ (23,203,843)	\$ (24,045,935)	\$ (17,073,651)	\$ (16,206,179)	\$ (16,854,936)	\$ (18,074,249)
Business-Type Activities	2,135	9,683	7,275	(2,570)	(26,105)	5,557	3,809	(3,561)	(1,025)	1,662
Total District-Wide Net Expense	\$ (16,380,751)	\$ (14,820,244)	\$ (18,499,239)	\$ (19,882,290)	\$ (23,229,948)	\$ (24,040,378)	\$ (17,069,842)	\$ (16,209,740)	\$ (16,855,961)	\$ (18,072,587)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	13,841,574	14,105,638	14,206,695	14,363,661	14,649,675	14,942,669	15,241,522	16,124,600	17,080,405	17,422,013
Taxes Levied for Debt Service	1,244,143	1,211,892	921,150	1,090,819	1,099,590	1,100,638	1,105,138	1,102,938	1,104,838	1,110,638
Unrestricted Grants & Contributions	2,204,491	2,013,937	4,079,433	4,820,457	6,745,684	7,958,315	2,606			
Investment Earnings	2,864	2,197	2,227	2,025		6,644				
Gain On Sale of Capital Assets										
Insurance Claim Proceeds from Storm Damage Transfers	24,376	85,328								
Miscellaneous Income	49,650	64,432	46,120	75,041	116,009	174,898	66,015	197,592	183,791	283,602
Total Governmental Activities	17,367,098	17,433,724	19,255,625	20,352,003	22,610,958	24,183,164	16,415,281	17,425,130	18,369,034	18,816,253
Business-Type Activities:										
Interest and Miscellaneous Income	7	12	11	11	7	22	176	172	5	1
Total Business-Type Activities	7	12	11	11	7	22	176	172	5	1
Total District-Wide	\$ 17,367,105	\$ 17,433,736	\$ 19,255,636	\$ 20,352,014	\$ 22,610,965	\$ 24,183,186	\$ 16,415,457	\$ 17,425,302	\$ 18,369,039	\$ 18,816,254
Change in Net Position:										
Governmental Activities	984,212	2,603,797	749,111	472,283	(592,885)	137,229	(658,370)	1,218,951	1,514,098	742,004
Business-Type Activities	2,142	9,695	7,286	(2,559)	(26,098)	5,579	3,985	(3,389)	(1,020)	1,663
Total District	\$ 986,354	\$ 2,613,492	\$ 756,397	\$ 469,724	\$ (618,983)	\$ 142,808	\$ (654,385)	\$ 1,215,562	\$ 1,513,078	\$ 743,667

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 2,061,504	\$ 2,001,935	\$ 2,384,266	\$ 2,398,577	\$ 2,560,694	\$ 2,853,549	\$ 2,493,406	\$ 3,195,459	\$ 4,453,069	\$ 4,242,209
Committed	72,892	116,301	209,792	429,087	145,377	97,506		531,465	356,894	741,991
Assigned							73,899			
Unassigned	414,508	410,155	391,407	351,443	491,039	470,182	414,793	418,028	5,276,494	1,129,489
Total General Fund	\$ 2,548,904	\$ 2,528,391	\$ 2,985,465	\$ 3,179,107	\$ 3,197,110	\$ 3,421,237	\$ 2,982,098	\$ 4,144,952	\$ 10,086,457	\$ 6,113,689
All Other Governmental Funds:										
Restricted, Reported In:										
Special Revenue Fund								\$ 43,913	\$ 39,064	\$ 41,624
Capital Projects Fund										
Debt Service Fund										
Assigned, Reported In:										
Debt Service Fund	\$ 48,008		998	998			\$ 2	2	2	3
Total All Other Governmental Funds	\$ 48,008	\$ 166,192	\$ 1,976,741	\$ 355,643	\$ 301,939	\$ 301,939	\$ 2	\$ 43,915	\$ 39,066	\$ 41,627
Total Governmental Funds:										
Restricted	\$ 2,061,504	\$ 2,168,127	\$ 4,361,007	\$ 2,754,220	\$ 2,862,633	\$ 3,155,488	\$ 2,493,408	\$ 3,239,374	\$ 4,492,135	\$ 4,283,836
Committed	72,892	116,301	209,792	429,087	145,377	97,506		531,465	356,894	741,991
Assigned	48,008		998	998			73,899			
Unassigned	414,508	410,155	391,407	351,443	491,039	470,182	414,793	418,028	5,276,494	1,129,489
Total Governmental Funds	\$ 2,596,912	\$ 2,694,583	\$ 4,963,204	\$ 3,535,748	\$ 3,499,049	\$ 3,723,176	\$ 2,982,100	\$ 4,188,867	\$ 10,125,523	\$ 6,155,316

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 15,085,717	\$ 15,317,530	\$ 15,127,845	\$ 15,454,480	\$ 15,749,265	\$ 16,043,307	\$ 16,346,660	\$ 17,227,538	\$ 18,185,243	\$ 18,532,651
Tuition	205,543	51,596	88,884	40,601	42,750	130,550	165,475	81,814	29,500	160,814
Transportation Fees from Individuals								42,813	16,640	55,730
Rents and Royalties							32,136	26,920	8,595	44,725
Interest Earnings	2,864	2,197	2,227	2,025	1,840	6,644	500	150	150	150
Miscellaneous	132,733	151,401	124,351	141,038	179,049	244,548	105,399	237,886	221,159	421,501
State Sources	2,275,509	3,383,402	2,203,144	2,450,018	2,766,072	2,974,843	3,215,885	3,604,331	4,341,709	5,357,464
Federal Sources	269,779	244,615	249,041	249,383	240,192	267,188	258,790	292,311	342,777	548,233
Total Revenue	17,972,145	19,150,741	17,795,492	18,337,545	18,979,168	19,667,080	20,144,075	21,513,763	23,145,773	25,121,268
Expenditures:										
Instruction:										
Regular Instruction	4,324,883	4,206,186	4,473,077	4,619,096	4,480,458	4,643,462	5,036,949	4,815,326	4,864,115	5,253,204
Special Education Instruction	1,536,818	1,470,375	1,519,534	1,389,625	1,456,020	1,521,761	1,409,001	1,419,329	1,494,608	1,388,023
Other Special Instruction	208,972	211,538	212,585	244,369	269,665	234,671	246,212	256,596	175,833	266,647
Other Instruction	13,213	47,017		38,359	29,209	63,391	67,069	12,603	103,780	151,081
Support Services:										
Tuition	296,756	179,561	244,357	391,202	350,099	270,364	230,733	331,057	642,042	1,006,056
Student & Instruction Related Services	2,098,959	2,137,306	2,177,813	2,138,681	2,178,400	2,402,988	2,664,402	2,693,051	2,833,845	3,042,477
General Administrative Services	261,847	268,558	289,326	357,429	357,324	347,819	411,430	394,571	449,292	346,290
School Administrative Services	548,876	558,934	559,572	559,914	578,403	569,198	560,654	571,358	604,280	605,181
Central Services	258,082	271,710	264,361	274,180	275,740	252,638	275,843	364,014	374,209	349,834
Administrative Information Technology	92,597	94,449	97,338	100,258	103,780	90,849	143,705	40,458	31,787	68,725
Plant Operations And Maintenance	1,426,991	1,453,580	1,499,746	1,500,569	1,690,661	1,684,276	1,873,268	1,595,953	1,936,329	2,573,921
Pupil Transportation	880,259	725,505	776,862	808,295	881,120	967,197	944,837	743,482	873,742	1,036,940
Allocated and Unallocated Benefits	3,610,786	3,483,803	3,637,692	4,039,361	4,440,761	4,819,209	5,162,958	5,181,885	5,688,104	6,390,438
Transfer to Charter Schools	38,307	55,637	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207
Capital Outlay	613,553	670,182	273,247	134,505	423,030	59,431	628,145	899,970	158,735	1,134,546
Capital Projects		556,346	740,725	1,719,160	53,704					
Special Revenue Fund	344,643	318,106	298,591	298,315	241,757	268,502				
Debt Service:										
Principal	790,000	825,000	525,000	670,000	715,000	735,000	760,000	785,000	815,000	850,000
Interest And Other Charges	441,522	468,081	429,331	454,000	418,769	398,819	345,136	317,938	289,838	260,637
Total Expenditures	17,787,064	18,001,874	18,078,143	19,765,001	19,015,867	19,442,953	20,885,151	20,535,647	21,463,385	24,837,207

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess/(Deficiency) Of Revenues	\$ 185,081	\$ 1,148,867	\$ (282,651)	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061
Over/(Under) Expenditures										
Other Financing Sources/(Uses):										
Financed Purchases (Non-Budgeted)		750	1,464,000							4,970,000
Financed Purchase Agreement Proceeds										(5,515,000)
Refunding Bonds Issued										654,026
Refunding Bonds Defeased										(109,026)
Bond Premium										
Bond Insurance Costs										
Transfers In	24,376	85,328								
Transfers Out	29,701	(50,000)								
Total Other Financing Sources/(Uses)	54,077	36,078	1,464,000							
Net Change In Fund Balances	\$ 239,158	\$ 1,184,945	\$ 1,181,349	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061

Debt Service As A Percentage	7.17%	7.46%	5.36%	5.73%	6.10%	5.85%	5.46%	5.62%	5.19%	4.69%
Of Noncapital Expenditures										

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	Fees			Miscellaneous		
2013	\$ 2,864	205,543	\$ 26,400	\$ 52,837	\$ 44,670	\$ 4,980	\$ 337,294		
2014	2,197	51,596	26,075	53,483	43,103	14,902	191,356		
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		

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		Farm		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)
2012	\$ 17,735,400	\$ 1,127,011,200	\$ 3,103,600	\$ 45,700	\$ 103,707,100	\$ 16,541,200	\$ 6,268,200	\$ 1,274,412,400	\$ 124,960,500	\$ 4,714,115	\$ 1,279,126,515	\$	\$ 1.18	\$ 1,691,966,290							
2013	16,751,400	1,115,697,400	4,113,800	47,600	102,227,500	16,445,900	6,268,200	1,261,551,800	125,135,200	3,796,526	1,265,348,326		1.25	1,618,882,929							
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							

* 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)

Year Ended December 31,	Long Hill Township School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional School	Township of Long Hill	Morris County	
2012	\$ 1.09	\$ 0.09	\$ 1.18	\$ 0.59	\$ 0.76	\$ 0.33	\$ 2.86
2013	1.15	0.10	1.25	0.59	0.79	0.32	2.95
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

* 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

LONG HILL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022		2012			% of Total	
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value		District Net Assessed Value	District Net Assessed Value
Valley & Plainfield Associates LP		\$ 26,704,600		Valley & Plainfield Associates LLP	\$ 21,204,400		1.66 %
Stirling Center Associates		15,179,900		Stirling Center Associates	9,896,500		0.77 %
Stirling Manor		6,267,800		Verizon	4,714,115		0.37 %
Prism Millington LLC		4,271,000		Stirling Manor	3,600,000		0.28 %
Transcontinental Gas Pipeline Corp.		4,170,000		Transcontinental Gas Pipeline Corp.	3,400,000		0.27 %
Verizon		4,078,468		TIFA Realty Inc.	2,999,300		0.23 %
M&M Realty Management LLC		3,429,900		Jilrydan Inc.	2,197,400		0.17 %
Parthenon C/O Walgreens		3,380,500		Millington Savings Bank	2,125,200		0.17 %
Millington Savings Bank		3,109,600		AR Valley Realty, Inc.	2,003,200		0.16 %
Jilrydan Inc.		2,739,900		Jaeger Lumber & Supply Co. Inc	1,697,100		0.13 %
Total		\$ 73,331,668		Total	\$ 53,837,215		4.21%

Note: A revaluation occurred in 2016.
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	
2013	\$ 15,085,717	\$ 15,085,717	100.00%	-0-
2014	15,317,530	15,317,530	100.00%	-0-
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-

- 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			
2013	\$ 11,095,000			\$ 11,095,000	1.58%	\$ 1,264
2014	10,270,000			10,270,000	1.44%	1,168
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	0.78%	802
2022	5,334,000		138,332	5,472,332	0.62%	636

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			
2013	\$ 11,095,000		\$ 11,095,000	0.88%	\$ 1,264
2014	10,270,000		10,270,000	0.82%	1,168
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%	620

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, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Long Hill Township	\$ -0-	100.00%	\$ -0-
Watchung Hills Regional High School	23,731,000	21.49%	5,099,007
Morris County General Obligation Debt	235,030,042	1.77%	<u>4,151,962</u>
Subtotal, Overlapping Debt			9,250,968
Long Hill School District Direct Debt			<u>5,873,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 15,123,968</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 2022

Equalized Valuation Basis	Long Hill Township
2021	\$ 1,810,916,104
2020	1,759,618,593
2019	1,735,497,637
	<u>\$ 5,306,032,334</u>

Average Equalized Valuation of Taxable Property
 Debt Limit (3% of average equalization value)
 Net Bonded School Debt as of June 30, 2022
 Legal Debt Margin

June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 51,171,706	\$ 49,381,557	\$ 48,956,831	\$ 50,332,611	\$ 51,680,707	\$ 52,480,826	\$ 52,246,804	\$ 52,180,459	\$ 52,367,236	\$ 53,060,323
Total Net Debt Applicable to Limit	11,095,000	11,734,718	11,209,718	10,539,000	9,824,000	9,089,000	8,329,000	7,544,000	6,729,000	5,334,000
Legal Debt Margin	<u>\$ 40,076,706</u>	<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>\$ 47,726,323</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.68%	23.76%	22.90%	20.94%	19.01%	17.32%	15.94%	14.46%	14.46%	10.05%
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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
2013	8,751	\$ 707,212,065	\$ 80,815	6.80%
2014	8,725	735,325,550	84,278	4.40%
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	879,867,789 ***	102,227 *	4.20%
2022	8,607 **	879,867,789 ***	102,227 *	N/A

* - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest personal income data available (2021) 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

	2022		2013		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health System		10,516	U.S. Army Armament R&D	5,841	2.13%
U.S. Army Armament R&D		6,000	Novartis	5,035	1.84%
Novartis		5,200	Atlantic Health System	4,463	1.63%
Bayer		3,483	ADP	2,060	0.75%
Barclays		3,000	Bayer Healthear, LLC	1,900	0.69%
Automatic Data Processing, Inc.		2,200	County of Morris	1,674	0.61%
Accenture		2,009	Wyndham Worldwide Corporation	1,653	0.60%
Deloitte & Touche		1,492	St. Clare's Health System	1,642	0.60%
St. Clare's Health System		1,491	BASF Corporation	1,500	0.55%
County of Morris		1,438	Accenture	1,480	0.54%
Total		<u>36,829</u>		<u>27,248</u>	<u>9.94%</u>
Total County Labor Force		<u>262,719</u>		<u>274,179</u>	

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	61.75	62.10	63.90	63.05	59.70	66.00	76.83	64.87	71.85	72.85
Special Education	26.40	28.00	27.60	29.20	36.97	26.70	37.56	40.06	36.55	37.55
Support Services:										
Administration	6.00	6.00	6.00	6.00	4.92	7.00	5.92	6.92	6.92	6.92
Secretarial	8.30	8.20	8.50	8.50	8.50	7.50	8.50	6.92	6.92	6.92
Other support services	16.00	17.20	15.30	16.85	14.00	14.00	5.32	10.10	5.00	5.00
Total	118.45	121.50	121.30	123.60	124.09	121.20	134.13	128.87	127.24	129.24

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				
2013	869	\$ 15,941,989	\$ 18,343	7.55%	100.0	1:11.8	1:7.9	869.1	835.8	-5.62%	96.17%
2014	851	15,482,265	18,199	-0.78%	97.0	1:9.4	1:10.5	850.7	818.0	-2.12%	96.16%
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	21,590	4.30%	88.9	1:9.4	1:11:1	841.0	804.0	4.70%	95.60%

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

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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)	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0
Enrollment	154.0	157.0	185.0	202.0	216.0	231.0	233.0	225.0	176.0	209.0
<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)	604.0	604.0	604.0	604.0	604.0	604.0	604.0	604.0	604.0	604.0
Enrollment	368.0	347.0	333.0	322.0	360.0	348.0	363.0	396.0	366.0	357.0
<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)	464.0	464.0	464.0	464.0	464.0	464.0	464.0	464.0	464.0	464.0
Enrollment	326.0	342.0	313.0	297.0	270.0	267.0	255.0	270.0	268.0	265.0

Number of Schools at June 30, 2022

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 count.

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gillette School	**	**	**	**	**	\$ 62,413	\$ 64,836	\$ 57,289	\$ 79,911	\$ 173,708
Millington School	**	**	**	**	**	117,741	112,075	108,074	150,752	327,698
Central School	**	**	**	**	**	122,032	189,571	112,013	156,246	339,642
	<u>\$ 270,943</u>	<u>\$ 203,694</u>	<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>

* 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, 2022
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	\$ 37,069,064	\$ 5,000
	Systems Breakdown	\$ 50,000,000	\$ 5,000
	Commercial General Liability	\$ 2,000,000	
	Crime - Blanket Employee Dishonesty	\$ 500,000	\$ 5,000
	Excess Umbrella - Policy Limit	\$ 10,000,000	\$ 10,000
	Automobile Liability	\$ 1,000,000	\$ 1,000
	Excess Umbrella - Policy Limit	\$ 10,000,000	
	School Board Legal Liability - Policy Limit	\$ 1,000,000	\$10,000 - SBLL
	- SBLL & Employment Practices		\$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 Carrier)	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 "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Long Hill Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2022, 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 28, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

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.

The Honorable President and Members
of the Board of Education
Long Hill Township School District
Page 2

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

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 28, 2022

Nisivoccia 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 *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2022. 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, 2022.

Basis for Opinion on Each Major and State Program

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

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

The Honorable President and Members
of the Board of Education
Long Hill Township School District
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. 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 28, 2022

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

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, 2022

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, 2021 Accounts (Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022 Accounts (Receivable)	Amount Provided to Subrecipients
			From	To								
State Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Special Milk Program	10.556	N/A	7/1/21	6/30/22	\$ 3,737		\$ 2,894	\$ (3,737)			\$ (843)	
Total Enterprise Fund							2,894	(3,737)			(843)	
Total U.S. Department of Agriculture							2,894	(3,737)			(843)	
U.S. Department of Education -												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA-4000-22	7/1/21	9/30/22	38,710		27,270	(34,256)			(6,986)	
Title II A	84.367A	ESEA-4000-22	7/1/21	9/30/22	24,051		8,118	(17,555)			(9,437)	
Title II A	84.367A	ESEA-4000-21	7/1/20	9/30/21	19,362	\$ (350)	350					
Total Title IIA						(350)	8,468	(17,555)			(9,437)	
Title III	84.365A	ESEA-4000-22	7/1/21	9/30/22	10,595		6,584	(8,066)			(1,482)	
Title IV	84.424	ESEA-4000-22	7/1/21	9/30/22	14,772			(8,175)			(8,175)	
Title IV	84.424	ESEA-4000-21	7/1/20	9/30/21	11,001	(2,029)	2,029					
Total Title IV						(2,029)	2,029	(8,175)			(8,175)	
Total Elementary and Secondary Education Act						(2,379)	44,351	(68,052)			(26,080)	
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027A	IDEA-4000-22	7/1/21	9/30/22	200,673		200,673	(200,673)				
COVID 19 - I.D.E.A. Part B, Basic Regular - ARP	84.027X	IDEA-4000-22	7/1/21	9/30/22	34,307		31,385	(31,385)				
I.D.E.A. Part B, Preschool	84.173A	IDEA-4000-22	7/1/21	9/30/22	11,415		11,415	(11,415)				
Total Special Education Cluster							243,473	(243,473)				

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022 Accounts (Receivable)	Amount Provided to Subrecipients
			From	To		Due to Accounts (Receivable)	Grantor					
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84-425D	CARES400020	3/13/20	9/30/22	\$ 23,527		\$ 9,326	\$ (9,326)				
COVID 19 - CRRSA:												
ESSER II	84-425D	S425D210027	3/13/20	9/30/23	89,960	\$ (12,909)	54,199	(64,509)			\$ (23,219)	
Learning Acceleration	84-425D	S425D210027	3/13/20	9/30/23	25,000			(11,288)			(11,288)	
Mental Health	84-425D	S425D210027	3/13/20	9/30/23	45,000		23,800	(34,500)			(10,700)	
COVID 19 - ARP:												
ESSER III	84-425U	S425D210027	3/13/20	9/30/24	202,180		113,667	(156,340)			(42,673)	
Accelerated Learning Coach	84-425U	S425D210027	3/13/20	9/30/24	70,404			(46,988)			(46,988)	
Mental Health Support Staffing	84-425U	S425D210027	3/13/20	9/30/24	45,000		677	(677)				
Total Education Stabilization Fund						(12,909)	201,669	(323,628)			(134,868)	
Total U.S. Department of Education						(15,288)	489,493	(635,153)			(160,948)	
U.S. Department of Treasury -												
Passed-through State Department of Education:												
COVID 19 - Coronavirus Relief Fund	21-019	N/A	3/1/20	12/30/20	3,959				\$ 358			
Non-Public Technology												
Total U.S. Department of Treasury												
Total Special Revenue Fund						(15,288)	489,493	(635,153)		358	(160,948)	
TOTAL FEDERAL AWARDS						\$ (15,288)	\$ 492,387	\$ (638,890)		\$ 358	\$ (161,791)	\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at July 1, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Budgetary (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	21-495-034-5120-089	7/1/20 6/30/21	\$ 637,649	\$ (56,313)	\$ 56,313						\$	637,649
Categorical Security Aid	21-495-034-5120-084	7/1/20 6/30/21	13,945	(1,232)	1,232							13,945
Categorical Transportation Aid	21-495-034-5120-014	7/1/20 6/30/21	171,428	(15,140)	15,140							171,428
Extraordinary Special Education Costs Aid	21-495-034-5094-004	7/1/20 6/30/21	397,384	(397,384)	397,384							397,384
Additional Non-Public Transportation Aid	21-495-034-5120-014	7/1/20 6/30/21	22,620	(22,620)	22,620							22,620
Special Education Categorical Aid	22-495-034-5120-089	7/1/21 6/30/22	767,301		698,559	\$ (767,301)					\$ (68,742)	767,301
Categorical Security Aid	22-495-034-5120-084	7/1/21 6/30/22	13,945		12,696	(13,945)					(1,249)	13,945
Categorical Transportation Aid	22-495-034-5120-014	7/1/21 6/30/22	171,428		156,070	(171,428)					(15,358)	171,428
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21 6/30/22	503,143			(503,143)					(503,143)	503,143
Additional Non-Public Transportation Aid	22-495-034-5120-014	7/1/21 6/30/22	20,300			(20,300)					(20,300)	20,300
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 6/30/22	545,956		518,830	(545,956)					(27,126)	545,956
On-Behalf TPAF Post Retirement Medical Contributions	22-495-034-5094-001	7/1/21 6/30/22	616,722		616,722	(616,722)					(27,126)	616,722
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 6/30/22	2,602,897		2,602,897	(2,602,897)						2,602,897
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 6/30/22	36,723		36,723	(36,723)						36,723
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 6/30/22	1,123		1,123	(1,123)						1,123
Total General Fund State Aid			5,136,309	(492,689)	5,136,309	(5,279,538)			(550,569)		(635,918)	6,522,564
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21 6/30/22	5,282		5,282	(5,029)					\$ 253	5,029
Nursing Services (Chapter 226)	22-100-034-5120-070	7/1/21 6/30/22	10,080		10,080	(9,491)					589	9,491
Technology Initiative	22-100-034-5120-373	7/1/21 6/30/22	3,696		3,696	(3,696)						3,696
Security Aid	21-495-034-5120-084	7/1/20 6/30/21	15,925		\$ 1,242			\$ (1,242)				14,683
Security Aid	22-495-034-5120-084	7/1/21 6/30/22	15,750		15,750	(15,715)					35	15,715
Handicapped Services (Chapter 193): Examination and Classification	22-100-034-5120-066	7/1/21 6/30/22	3,032		3,032	(1,706)					1,326	1,706
Total Special Revenue Fund			30,765	(1,242)	37,840	(35,637)		(1,242)		2,203		50,320
Total State Department of Education												
NJ Schools Development Authority:												
Special Revenue Fund:												
School Development Authority - Emergent and Capital Maintenance Needs	N/A	11/19/21 6/30/22	18,762		18,762	(18,762)						18,762
School Development Authority - Securing Our Children's Future Bond Act (Alyssa's Law)	N/A	4/1/20 6/30/24	43,822		4,815	(43,822)					(39,007)	43,822
Total NJ Schools Development Authority			62,584		23,577	(62,584)					(39,007)	62,584
Total State Awards Subject to Single Audit Determination			\$ (492,689)	\$ 1,242	\$ 5,197,726	(5,377,759)		\$ (1,242)	\$ (589,576)	\$ 2,203	\$ (674,925)	\$ 6,635,468
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21 6/30/22	(616,722)			616,722						(616,722)
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 6/30/22	(2,602,897)			2,602,897						(2,602,897)
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 6/30/22	(36,723)			36,723						(36,723)
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 6/30/22	(1,123)			1,123						(1,123)
Subtotal - On-Behalf TPAF Pension System Contributions			3,257,465			(3,257,465)						\$ (2,120,294)
Total State Awards Subject to Single Audit Major Program Determination			N/A			\$ (2,120,294)						\$ (2,120,294)

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

N/A - Not Applicable/Available

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022

(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,664) for the General Fund, and (\$94,551) 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		\$ 5,310,696	\$ 5,310,696
Special Revenue Fund	\$ 548,233	46,768	595,001
Proprietary Fund	<u>3,737</u>	<u> </u>	<u>3,737</u>
Total Financial Assistance	<u>\$ 551,970</u>	<u>\$ 5,357,464</u>	<u>\$ 5,909,434</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, 2022.

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJ OMB 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on the major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2022 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as a major state program for the current fiscal year consisted of the following:

<u>State:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education				
Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 767,301	\$ 767,301
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	13,945	13,945

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

LONG HILL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

The audit did not disclose any findings.