

**LONG HILL TOWNSHIP SCHOOL DISTRICT**

**Prepared by:  
Long Hill Township Board of Education  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive  
Financial Report**

**of the**

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

**For the Fiscal Year Ended June 30, 2023**

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

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INTRODUCTORY SECTION  
(UNAUDITED)



# LONG HILL TOWNSHIP SCHOOL DISTRICT

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

Robbin Boehmer  
Business Administrator/Board Secretary

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

October 13, 2023

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, 2023, 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 2022-2023 fiscal year with an enrollment of 832 students, which is an increase of 1 student or 0.12% from the previous year's enrollment.

## 2) ECONOMIC CONDITION AND OUTLOOK:

Long Hill Township is a suburban community in the southern part of Morris County. The District had an enrollment of 871 students at the start of the 2023-2024 school year.

Despite the need for facility upgrades and the challenges of containing special education costs, 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 2023-2024 school year. These goals are closely aligned with the District's five-year strategic plan.

- Raise academic performance by deepening student understanding through inquiry-based strategies, personalized learning, and critical and creative problem solving.
- Engage school-community stakeholders in actively supporting excellence in education.
- Align instructional spaces to support innovative teaching and learning and seek additional revenue streams and cost-saving opportunities.
- Promote an inclusive school community that honors the voices and potential of all individuals.

The District is committed to a culture of inquiry and collaboration. Professional Learning Communities (PLCs) are at the core of this commitment to collaborative learning, innovative teaching approaches, and data-based decision-making. The District continues to increase the rigor of its instructional programs through curricular revisions and professional learning opportunities and has invested in instructional programs designed to support personalized learning. The preschool has been redesigned to combine the three- and four-year-old classes, and a new curriculum has been implemented. Funds for professional development for teachers and administrators were increased in the District's budget to support more training in mathematics and literacy in grades K-8 and science in grades 5-8. The district also received grant funds from the federal government through the Every Student Succeeds Act (ESSA), Titles I, II, III, and IV.

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

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



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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2023.

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

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

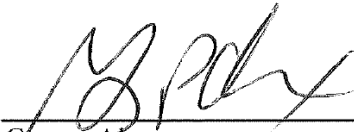
8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Health benefits are provided to District employees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

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

The Honorable President and Members of  
the Board of Education  
Long Hill Township School District  
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October 13, 2023

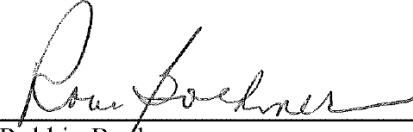
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Long Hill Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance 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,



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George Alexis  
Superintendent

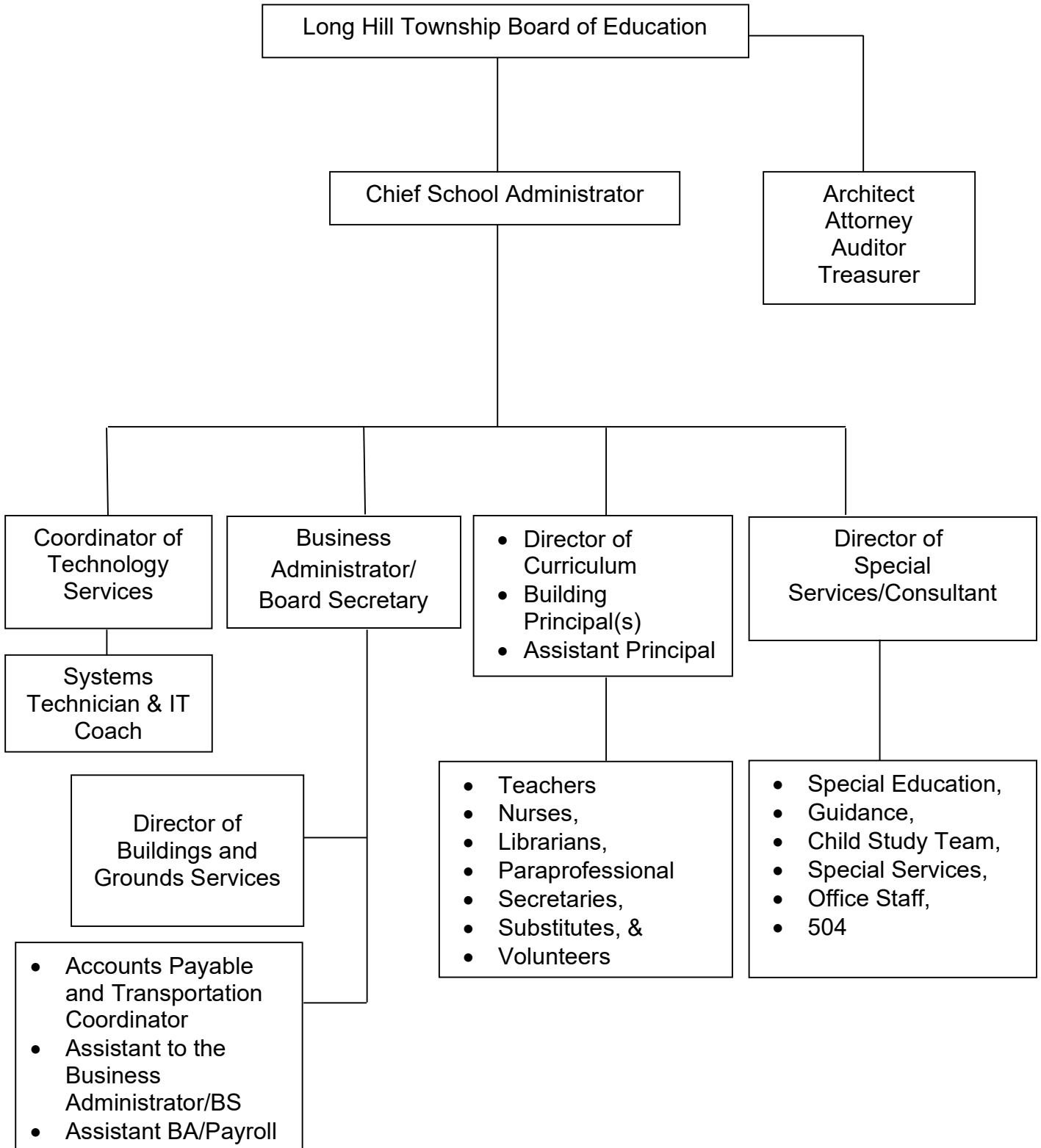


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Robbin Boehmer  
Business Administrator/Board Secretary

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

**ORGANIZATIONAL CHART**



**LONG HILL TOWNSHIP SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kim Case, President	2023
Ann Butler, Vice President	2025
Alexander D'Jamoos	2023
Danielle Daley	2024
Matthew DiGiorgio	2025
Thomas Grosskopf	2023
Katie McLennan	2024
Karen Ann Nyquist	2025
Melissa Ruvolo	2024

<u>Other Officials</u>	<u>Title</u>
Dr. Anne Mucci	Interim Superintendent of Schools (7/1/22 to 12/31/22)
Dr. Rene Rovtar	Interim Superintendent of Schools (1/2/23 to 6/30/23)
George Alexis	Superintendent of Schools (From 7/1/23)
Daniel Borgo	Interim Business Administrator/Board Secretary (To 6/30/23)
Robbin Boehmer	Business Administrator/Board Secretary (From 7/1/23)
Paula Hatch	Treasurer of School Monies

**LONG HILL TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
YEAR ENDED JUNE 30, 2023**

**AUDIT FIRM**

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

**ATTORNEYS**

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(Board Attorney)

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Lyndhurst, NJ 07071  
(Special Education Counsel)

**OFFICIAL DEPOSITORY**

PNC Bank  
1057 Valley Road  
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**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Hill Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

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

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023 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 13, 2023

*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, 2023**

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, 2023. 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**

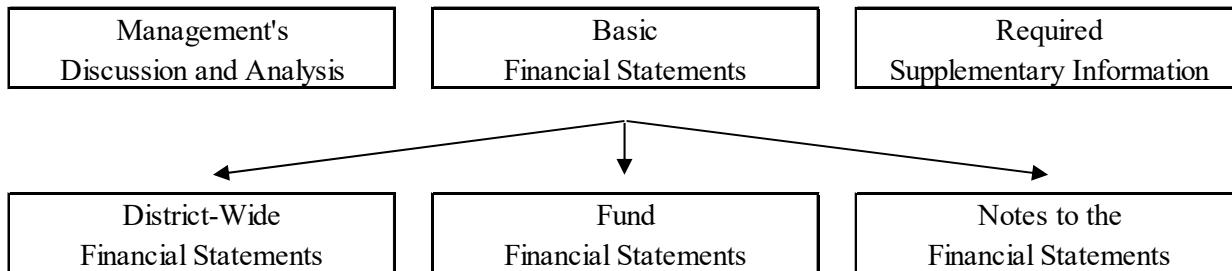


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position decreased by 5.40%. Net position from governmental activities decreased \$941,203 and net position from business-type activities decreased \$59.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Current and							
Other Assets	\$ 6,344,999	\$ 6,389,788	\$ 8,753	\$ 7,995	\$ 6,353,752	\$ 6,397,783	
Capital Assets, Net	18,302,981	20,437,367	9,970	10,787	18,312,951	20,448,154	
Lease Assets, Net	98,211	135,040			98,211	135,040	
Total Assets	<u>24,746,191</u>	<u>26,962,195</u>	<u>18,723</u>	<u>18,782</u>	<u>24,764,914</u>	<u>26,980,977</u>	-8.21%
Deferred Outflows of Resources	<u>352,196</u>	<u>264,096</u>			<u>352,196</u>	<u>264,096</u>	33.36%
Other Liabilities	376,396	562,602			376,396	562,602	
Long-Term Liabilities	<u>7,747,642</u>	<u>8,010,516</u>			<u>7,747,642</u>	<u>8,010,516</u>	
Total Liabilities	<u>8,124,038</u>	<u>8,573,118</u>			<u>8,124,038</u>	<u>8,573,118</u>	-5.24%
Deferred Inflows of Resources	<u>519,496</u>	<u>1,257,117</u>			<u>519,496</u>	<u>1,257,117</u>	-58.68%
Net Position:							
Net Investment in Capital Assets	13,005,762	14,446,049	9,970	10,787	13,015,732	14,456,836	
Restricted	4,798,942	4,283,836			4,798,942	4,283,836	
Unrestricted/(Deficit)	<u>(1,349,851)</u>	<u>(1,333,829)</u>	<u>8,753</u>	<u>7,995</u>	<u>(1,341,098)</u>	<u>(1,325,834)</u>	
Total Net Position	<u>\$ 16,454,853</u>	<u>\$ 17,396,056</u>	<u>\$ 18,723</u>	<u>\$ 18,782</u>	<u>\$ 16,473,576</u>	<u>\$ 17,414,838</u>	-5.40%

*Changes in Net Position.* The District's combined net position was \$16,473,576 on June 30, 2023, \$941,262 or 5.40% less than it was the year before (See Figure A-3). Net investment in capital assets decreased by \$1,441,104 mainly due to depreciation offset by capital asset additions, and by the payment of bond principal. Restricted net position increased by \$515,106 mainly due to the transfer to the reserve accounts. Unrestricted net position decreased by \$15,264 as a result of changes in net pension liability and related deferred inflows and outflows, offset by changes in compensated absences payable and normal operations and (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	Percentage Change 2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 462,232	\$ 329,719	\$ 4,035	\$ 4,611	\$ 466,267	\$ 334,330	
Grants and Contributions:							
Operating	4,242,857	5,077,140	4,301	3,737	4,247,158	5,080,877	
General Revenue:							
Property Taxes	18,795,845	18,532,651			18,795,845	18,532,651	
Other	236,867	283,602	67	1	236,934	283,603	
Total Revenue	<u>23,737,801</u>	<u>24,223,112</u>	<u>8,403</u>	<u>8,349</u>	<u>23,746,204</u>	<u>24,231,461</u>	-2.00%
Expenses:							
Instruction	11,755,827	11,943,086			11,755,827	11,943,086	
Pupil and Instruction Services	5,586,157	5,346,265			5,586,157	5,346,265	
Administrative and Business	2,126,250	1,979,090			2,126,250	1,979,090	
Maintenance and Operations	2,925,907	2,749,660			2,925,907	2,749,660	
Transportation	1,203,331	1,043,046			1,203,331	1,043,046	
Other	1,081,532	419,961	8,462	6,686	1,089,994	426,647	
Total Expenses	<u>24,679,004</u>	<u>23,481,108</u>	<u>8,462</u>	<u>6,686</u>	<u>24,687,466</u>	<u>23,487,794</u>	5.11%
Increase/(Decrease) in Net Position	<u>\$ (941,203)</u>	<u>\$ 742,004</u>	<u>\$ (59)</u>	<u>\$ 1,663</u>	<u>\$ (941,262)</u>	<u>\$ 743,667</u>	<u>-226.57%</u>

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of governmental activities has decreased by \$941,203. 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	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 11,755,827	\$ 11,943,086	\$ 7,546,117	\$ 7,125,268
Student and Instruction Services	5,586,157	5,346,265	5,494,368	5,222,085
Administrative and Business	2,126,250	1,979,090	2,006,833	1,807,247
Maintenance and Operations	2,925,907	2,749,660	2,925,907	2,705,838
Transportation	1,203,331	1,043,046	941,912	793,850
Other	1,081,532	419,961	1,058,778	419,961
	<u>\$ 24,679,004</u>	<u>\$ 23,481,108</u>	<u>\$ 19,973,915</u>	<u>\$ 18,074,249</u>

**Business-Type Activities**

Net position from the District’s business-type activities, milk service, decreased \$59 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 decreased during the year with difficult economic times which have had a direct impact upon the District’s expenditures. 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
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Land	\$ 8,567,700	\$ 8,567,700			\$ 8,567,700	\$ 8,567,700	
Land Improvements	327,859	330,663			327,859	330,663	
Buildings and Building Improvements	9,119,244	11,283,057			9,119,244	11,283,057	
Machinery and Equipment	288,178	255,947	\$ 9,970	\$ 10,787	298,148	266,734	
<b>Total Capital Assets, Net of Depreciation</b>	<b>\$ 18,302,981</b>	<b>\$ 20,437,367</b>	<b>\$ 9,970</b>	<b>\$ 10,787</b>	<b>\$ 18,312,951</b>	<b>\$ 20,448,154</b>	<b>-10.44%</b>

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 \$4,564,000 in general obligation bonds – a reduction of \$770,000 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
	2022/2023	2021/2022	2022/2023
General Obligation Bonds, (Financed with Property Taxes)	\$ 4,564,000	\$ 5,334,000	
Net Pension Liability	1,947,958	1,457,976	
Financed Purchases	168,383		
Other Long-Term Liabilities	1,067,301	1,218,540	
	<b>\$ 7,747,642</b>	<b>\$ 8,010,516</b>	<b>-3.28%</b>

## **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:

- The District continues to face 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 District is in the process of updating its Capital Improvement Plan, which will form the foundation of a revised Long Range Facilities Plan to address aging building structures, including mechanical, electrical, and plumbing systems in all three schools. Continuing maintenance and repairs to building HVAC systems will require a comprehensive solution. The district has filed for and anticipates receiving a ROD grant that will cover a portion of the necessary upgrades.
- The District continues to focus on the delivery of special education services in the most cost-effective manner, which includes keeping as many students as possible in the district and adhering to the 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, 2023

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,326,437	\$ 8,006	\$ 1,334,443
Receivables from Other Governments	522,564	747	523,311
Receivables - Other	35,861		35,861
Restricted Assets - Cash and Cash Equivalents	4,460,137		4,460,137
Capital Assets:			
Sites (Land)	8,567,700		8,567,700
Depreciable Land Improvements, Buildings and Building Improvements, and Machinery and Equipment	9,735,281	9,970	9,745,251
Lease Assets	98,211		98,211
Total Assets	<u>24,746,191</u>	<u>18,723</u>	<u>24,764,914</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	352,196		352,196
Total Deferred Outflows of Resources	<u>352,196</u>		<u>352,196</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	173,633		173,633
Accrued Interest Payable	82,408		82,408
Payable to State Government	887		887
Unearned Revenue	119,468		119,468
<b>Noncurrent Liabilities:</b>			
Due Within One Year	1,023,190		1,023,190
Due Beyond One Year	6,724,452		6,724,452
Total Liabilities	<u>8,124,038</u>		<u>8,124,038</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	519,496		519,496
Total Deferred Outflows of Resources	<u>519,496</u>		<u>519,496</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,005,762	9,970	13,015,732
<b>Restricted for:</b>			
Capital Projects	2,988,644		2,988,644
Debt Service	8,805		8,805
Maintenance Reserve	960,139		960,139
Emergency Reserve	250,000		250,000
Unemployment Compensation	227,454		227,454
Student Activities	33,900		33,900
Excess Surplus	330,000		330,000
Unrestricted/(Deficit)	(1,349,851)	8,753	(1,341,098)
Total Net Position	<u>\$ 16,454,853</u>	<u>\$ 18,723</u>	<u>\$ 16,473,576</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, 2023

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
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 8,594,163	\$ 370,443	\$ 1,681,682	\$ (6,542,038)		\$ (6,542,038)
Special Education	2,496,404		2,038,094	(458,310)		(458,310)
Other Special Instruction	480,248		119,491	(360,757)		(360,757)
Other Instruction	185,012			(185,012)		(185,012)
<b>Support Services:</b>						
Tuition	1,119,871			(1,119,871)		(1,119,871)
Student & Instruction Related Services	4,466,286	91,789		(4,374,497)		(4,374,497)
General Administrative Services	563,535			(563,535)		(563,535)
School Administrative Services	1,022,910		119,417	(903,493)		(903,493)
Central Services	487,930			(487,930)		(487,930)
Administration Information Technology	51,875			(51,875)		(51,875)
Plant Operations and Maintenance	2,925,907			(2,925,907)		(2,925,907)
Pupil Transportation	1,203,331		261,419	(941,912)		(941,912)
Transfer to Charter Schools	114,445			(114,445)		(114,445)
Interest on Long-Term Debt	132,301			(132,301)		(132,301)
Capital Outlay	834,786		22,754	(812,032)		(812,032)
<b>Total Governmental Activities</b>	<b>24,679,004</b>	<b>462,232</b>	<b>4,242,857</b>	<b>(19,973,915)</b>		<b>(19,973,915)</b>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 8,462	\$ 4,035	\$ 4,301		\$ (126)	\$ (126)
Total Business-Type Activities	8,462	4,035	4,301		(126)	(126)
Total Primary Government	\$ 24,687,466	\$ 466,267	\$ 4,247,158	\$ (19,973,915)	(126)	(19,974,041)
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, Net				17,770,453		17,770,453
Taxes Levied for Debt Service				1,025,392		1,025,392
Interest and Unrestricted Miscellaneous Revenue				225,350	67	225,417
Restricted Miscellaneous Revenue				11,517		11,517
Total General Revenues				19,032,712	67	19,032,779
Change in Net Position				(941,203)	(59)	(941,262)
Net Position - Beginning				17,396,056	18,782	17,414,838
Net Position - Ending				\$ 16,454,853	\$ 18,723	\$ 16,473,576

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,317,632		\$ 8,805	\$ 1,326,437
Interfund Receivables	40,780			40,780
Receivables from State Government	453,469			453,469
Receivables from Federal Government		\$ 69,095		69,095
Other Accounts Receivable	35,861			35,861
Restricted Cash and Cash Equivalents	4,426,237	33,900		4,460,137
<b>Total Assets</b>	<u>\$ 6,273,979</u>	<u>\$ 102,995</u>	<u>\$ 8,805</u>	<u>\$ 6,385,779</u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>				
Accounts Payable - Vendors	\$ 30,798			\$ 30,798
Interfund Payable		\$ 40,780		40,780
Payable to State Government		887		887
Unearned Revenue	92,040	27,428		119,468
<b>Total Liabilities</b>	<u>122,838</u>	<u>69,095</u>		<u>191,933</u>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	2,988,644			2,988,644
Maintenance Reserve Account	960,139			960,139
Emergency Reserve Account	250,000			250,000
Excess Surplus - 2024-2025	330,000			330,000
Unemployment	227,454			227,454
Student Activities		33,900		33,900
Debt Service			\$ 8,805	8,805

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):				
Assigned:				
Year-End Encumbrances	\$ 337,409			\$ 337,409
Designated for Subsequent Year's Expenditures	336,361			336,361
Unassigned:				
General Fund	721,134			721,134
Total Fund Balances	6,151,141	\$ 33,900	\$ 8,805	6,193,846
Total Liabilities and Fund Balances	\$ 6,273,979	\$ 102,995	\$ 8,805	

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.				18,302,981
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.				98,211
Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.				(82,408)
Bond issuance Premiums are reported as revenue in the governmental funds in the year the bonds are sold.				(595,937)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds				(1,947,958)
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				209,361
Deferred Inflows - Pensions				(519,496)
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)				(5,203,747)
Net Position of Governmental Activities				\$ 16,454,853

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 17,770,453		\$ 1,025,392	\$ 18,795,845
Transportation Fees from Individuals	67,745			67,745
Tuition From Individuals	315,578			315,578
Rents and Royalties	54,865			54,865
Interest Earned on Maintenance Reserve Funds	50			50
Interest on Capital Reserve Funds	100			100
Restricted Miscellaneous	11,517	\$ 91,789		103,306
Unrestricted Miscellaneous	216,399	22,041	8,801	247,241
Total - Local Sources	18,436,707	113,830	1,034,193	19,584,730
State Sources	5,392,085	69,826		5,461,911
Federal Sources	514,017	514,017		514,017
Total Revenues	23,828,792	697,673	1,034,193	25,560,658
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	5,044,572	356,158		5,400,730
Special Education Instruction	1,181,874	226,972		1,408,846
Other Special Instruction	264,453			264,453
Other Instruction	176,369			176,369
Support Services and Undistributed Costs:				
Tuition	1,119,871			1,119,871
Student & Instruction Related Services	2,958,918	99,513		3,058,431
General Administrative Services	432,885			432,885
School Administrative Services	633,311			633,311
Central Services	372,875			372,875
Administration Information Technology	36,006			36,006

LONG HILL TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>EXPENDITURES</b>				
Support Services and Undistributed Costs: (Cont'd)				
Plant Operations and Maintenance	\$ 2,499,304			\$ 2,499,304
Pupil Transportation	1,240,498			1,240,498
Unallocated Benefits	6,720,604			6,720,604
Debt Service:				
Principal			\$ 770,000	770,000
Interest and Other Charges			255,391	255,391
Capital Outlay	1,205,834	\$ 22,754		1,228,588
Transfer of Funds to Charter Schools	114,445			114,445
Total Expenditures	<u>24,001,819</u>	<u>705,397</u>	<u>1,025,391</u>	<u>25,732,607</u>
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	<u>(173,027)</u>	<u>(7,724)</u>	<u>8,802</u>	<u>(171,949)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>				
Financed Purchases (Non-Budgeted)	210,479			210,479
Total Other Financing Sources/(Uses)	<u>210,479</u>	<u>-0-</u>	<u>-0-</u>	<u>210,479</u>
Net Change in Fund Balances	37,452	(7,724)	8,802	38,530
Fund Balance—July 1	6,113,689	41,624	3	6,155,316
Fund Balance—June 30	<u>\$ 6,151,141</u>	<u>\$ 33,900</u>	<u>\$ 8,805</u>	<u>\$ 6,193,846</u>

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 38,530

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

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

Capital Asset Additions	\$ 360,621
Depreciation	<u>(2,495,007)</u>
	(2,134,386)

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.

770,000

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.

35,879

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.

99,858

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 (+).

56,413

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, 2023

Financed Purchases are an other financing source in the governmental funds. They are not revenue in the statement of activities; financed purchases increase long-term liabilities in the statement of net position. \$ (210,479)

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 42,096

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(489,982)
Change in Deferred Outflows	134,574
Change in Deferred Inflows	737,621

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) 15,502

\$ (941,203)

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, 2023

	Business-type Activities - Enterprise Funds
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 8,006
Accounts Receivable:	
Federal	747
	8,753
Total Current Assets	8,753
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	(2,286)
	9,970
Total Non-Current Assets	9,970
Total Assets	18,723
NET POSITION:	
Investment in Capital Assets	9,970
Unrestricted	8,753
	18,723
Total Net Position	\$ 18,723

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, 2023

	Business-type Activities - Enterprise Fund
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
Special Milk Program	\$ 4,035
Total Operating Revenue	4,035
Operating Expenses:	
Cost of Sales - Reimbursable Programs	7,568
Depreciation	817
Total Operating Expenses	8,462
Operating (Loss)	(4,427)
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	4,301
Local Sources:	
Interest Revenue	67
Total Non-Operating Revenue	4,368
Change in Net Position	(59)
Net Position - Beginning of Year	18,782
Net Position - End of Year	\$ 18,723

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, 2023

	<u>Enterprise Funds</u>
	Business-type Activities -
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,035
Miscellaneous Expenses	(77)
Payments of Suppliers	<u>(7,568)</u>
Net Cash (Used for) Operating Activities	<u>(3,610)</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>67</u>
Net Cash Provided by Investing Activities	<u>67</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	<u>4,397</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,397</u>
Net Increase in Cash and Cash Equivalents	854
Cash and Cash Equivalents, July 1	<u>7,152</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 8,006</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (4,427)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	<u>817</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (3,610)</u></u>

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, 2023

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, 2023  
(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, 2023  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

Enterprise (Milk Service) Fund: This Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria operations. The fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2023 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, 2023  
(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	\$ 23,846,402	\$ 637,424
Differences - 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.		60,249
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	85,349	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(102,959)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 23,828,792	\$ 697,673
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,001,819	\$ 645,148
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.		60,249
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 24,001,819	\$ 705,397

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, 2023  
(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, 2023  
(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, 2023.

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:

	Estimated Useful Life
Land Improvements	10 to 20 years
Buildings	40 years
Building Improvements	20 years
Machinery and Equipment	10 to 15 years

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

L. Lease Assets:

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



LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

M. Subscription Assets

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. There were \$2,977 in accrued salaries and wages as of June 30, 2023 mostly for accumulated sick day payouts that were paid in the next payroll.

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$6,151,141 General Fund fund balance at June 30, 2023, \$2,988,644 is restricted in the capital reserve account; \$960,139 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$227,454 is restricted for unemployment compensation; \$330,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$337,409 is assigned for encumbrances; \$336,361 is designated for subsequent year expenditures and \$721,134 is unassigned which is \$102,959 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, 2024 on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 of \$33,900 is restricted for student activities.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2023 of \$8,805 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 \$102,959 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,349,851 in governmental activities, which is primarily due to compensated absences payable and net pension liability and related deferred liabilities and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

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

The District has deferred outflows related to pensions. The District had deferred inflows of resources at June 30, 2023 related to pensions. Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a maintenance reserve, a capital reserve, an emergency reserve, unemployment compensation, student activities and Debt Service.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2023.

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, 2023.

X. Operating Revenue and Expenses:

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

Y. Revenue - Exchange and Nonexchange Transactions:

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 1,334,443	\$ 4,460,137	\$ 5,794,580
	\$ 1,334,443	\$ 4,460,137	\$ 5,794,580

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$5,794,580 and the bank balance was \$6,124,642.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 2,788,544
Interest Earnings	100
Transfer by Board Resolution - June 5, 2023	1,200,000
Budgeted Withdrawal	(1,000,000)
Ending Balance, June 30, 2023	\$ 2,988,644

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



LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, 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.

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 987,728
Interest Earnings	50
Transfer by Board Resolution - June 5, 2023	122,361
Budgeted Withdrawal	<u>(150,000)</u>
Ending Balance, June 30, 2023	<u>\$ 960,139</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 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:				
Land Improvement	369,705	\$ 16,505		386,210
Buildings and Building Improvements	37,106,938	264,198		37,371,136
Machinery and Equipment	855,234	79,918	\$ (159,300)	775,852
Total Capital Assets Being Depreciated	<u>38,331,877</u>	<u>360,621</u>	<u>(159,300)</u>	<u>38,533,198</u>
Governmental Activities Capital Assets	<u>46,899,577</u>	<u>360,621</u>	<u>(159,300)</u>	<u>47,100,898</u>
Less Accumulated Depreciation for:				
Land Improvement	(39,042)	(19,309)		(58,351)
Buildings and Building Improvements	(25,823,881)	(2,428,011)		(28,251,892)
Machinery and Equipment	(599,287)	(47,687)	159,300	(487,674)
	<u>(26,462,210)</u>	<u>(2,495,007)</u>	<u>159,300</u>	<u>(28,797,917)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,437,367</u>	<u>\$ (2,134,386)</u>	<u>\$ -0-</u>	<u>\$ 18,302,981</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 12,256			\$ 12,256
Less Accumulated Depreciation	(1,469)	\$ (817)		(2,286)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,787</u>	<u>\$ (817)</u>	<u>\$ -0-</u>	<u>\$ 9,970</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

As of June 30, 2023, the District did not have active capital construction projects in process. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 855,017
Special Education	268,186
Other Instruction	6,849
Student and Instructional Support Services	691,325
General Administrative	73,371
School Administrative	107,342
Central Services	63,200
Administration Information Technology	6,103
Plant Operations and Maintenance	<u>423,614</u>
	<u>\$ 2,495,007</u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 184,145			\$ 184,145
Total Lease Assets Being Amortized	<u>184,145</u>			<u>184,145</u>
Governmental Activities Lease Assets	<u>184,145</u>			<u>184,145</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(49,105)</u>	\$ (36,829)		<u>(85,934)</u>
	<u>(49,105)</u>	<u>(36,829)</u>		<u>(85,934)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 135,040</u>	<u>\$ (36,829)</u>	<u>\$ -0-</u>	<u>\$ 98,211</u>

Amortization expense was charged to governmental functions as follows:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023
Serial Bonds Payable	\$ 5,334,000		\$ 770,000	\$ 4,564,000
Financed Purchases Payable		\$ 210,479	42,096	168,383
Leases Payable	138,332		35,879	102,453
Compensated Absences Payable	384,413		15,502	368,911
Net Pension Liability	1,457,976	489,982		1,947,958
Bond Issuance Premium	695,795		99,858	595,937
	<u>\$ 8,010,516</u>	<u>\$ 700,461</u>	<u>\$ 963,335</u>	<u>\$ 7,747,642</u>

A. Bonds Premium:

The Unamortized bond issuance premium of the governmental fund types is recorded in the non-current liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$99,858 and the long-term portion is \$496,079.

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, 2023 as follows:

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds of 2022	1/15/2029	4.00%	\$ 4,380,000
School Bonds of 2014	1/15/2024	2.50%	184,000
			<u>\$ 4,564,000</u>

The current portion of bonds payable at June 30, 2023 is \$844,000.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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
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	775,000	63,000	838,000
2029	800,000	32,000	832,000
	<u>\$ 4,564,000</u>	<u>\$ 637,600</u>	<u>\$ 5,201,600</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2023, 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 \$368,911. There is no current portion of the compensated absences liability at June 30, 2023. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, 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, 2023 is \$-0- and the long-term portion is \$1,947,958. 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, 2023  
(Continued)

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

F. Leases Payable:

The District had leases outstanding as of June 30, 2023 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>\$ 102,453</u>
					<u>\$ 102,453</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
2024	\$ 37,236	\$ 3,180
2025	38,645	1,771
2026	<u>26,572</u>	<u>372</u>
	<u>\$ 102,453</u>	<u>\$ 5,323</u>

G. Financed Purchases Payable

The District has a financed purchase agreement for lighting fixtures in the gymnasium. The financed purchase agreement is for four years. The District has entered into a financed purchase agreement for \$210,479 of which \$42,096 has been liquidated as of June 30, 2023 for governmental activities. A schedule of the future minimum financed purchase payments under this financed purchase, and the present value of the net minimum financed purchase payments at June 30, 2023 is as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ 42,096
2025	42,096
2026	42,096
2027	<u>42,095</u>
Total Minimum Lease Payments	168,383
Less: Amount Representing Interest	<u>-0-</u>
Present Value of Net Minimum Lease Payments	<u>\$ 168,383</u>

The current portion for the financed purchase payable is \$42,096 and the long-term portion is \$126,287. The financed purchase will be liquidated by the General Fund.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. EMERGENCY RESERVE ACCOUNT

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

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1<sup>st</sup> and June 30<sup>th</sup>. 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 250,000
Ending Balance, June 30, 2023	<u>\$ 250,000</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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](http://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. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.



LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

District contributions to PERS amounted to \$162,773 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,099 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$1,947,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.01295%, which was an increase of 0.00064% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$219,441 related to the District's proportionate share of the net pension liability.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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)

Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,099 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

At June 30, 2023, 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, 2023  
(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	2018	5.48		\$ (46,824)
	2019	5.21		(58,516)
	2020	5.16		(172,068)
	2021	5.13		(14,278)
	2022	5.04	\$ 6,035	(291,686)
			<u>6,035</u>	<u>(291,686)</u>
Changes in Proportion	2018	5.48	17,084	
	2019	5.21		(3,621)
	2020	5.16		(199,465)
	2021	5.13		(12,326)
	2022	5.04	91,549	(215,412)
			<u>108,633</u>	<u>(215,412)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	1,926	
	2020	5.00	57,907	
	2021	5.00	(361,184)	
	2022	5.00	381,975	
			<u>80,624</u>	
Difference Between Expected and Actual Experience	2018	5.48		(1,782)
	2019	5.21	4,473	
	2020	5.16	9,586	
	2021	5.13		(4,800)
	2022	5.04		(5,816)
			<u>14,059</u>	<u>(12,398)</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	142,835	
			<u>\$ 352,186</u>	<u>\$ (519,496)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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
2023	\$ (167,093)
2024	(85,129)
2025	(41,516)
2026	90,571
2027	(199)
	\$ (203,366)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023  
(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, 2022 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, 2022		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,502,555	\$ 1,947,958	\$ 1,475,973

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](http://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  
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(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:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$2,581,873 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$877,958.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$32,622,330. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0662%, which was an decrease of 0.003% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>32,622,330</u>
Total	\$	<u>32,622,330</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$877,958 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 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, 2023  
(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	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2022. 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, 2023  
(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, 2022 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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 38,250,375	\$ 32,622,330	\$ 27,881,409

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 \$38,375 for the year ended June 30, 2023. Employee contributions to DCRP amounted to \$52,131 for the year ended June 30, 2023.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

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

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

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2021	\$ 32,989,336
Changes for Year:	
Service Cost	1,498,135
Interest Cost	746,657
Differences between Expected and Actual Experience	1,214,372
Changes in Assumptions	(7,558,079)
Member Contributions	23,726
Gross Benefit Payments	(739,586)
Net Changes	(4,814,775)
Balance at June 30, 2022	\$ 28,174,561

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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
	Total OPEB Liability Attributable to the District	\$ 33,116,233	\$ 28,174,561

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

The information on the following page shows the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 23,287,997	\$ 28,174,561	\$ 34,593,360

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$568,720 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, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.



LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 1,462,853
	2018	9.51		1,395,978
	2019	9.29	\$ 197,091	
	2020	9.24	4,653,407	
	2021	9.24	25,805	
	2022	9.13		6,730,250
				<u>4,876,303</u>
Differences between Expected and Actual Experience	2018	9.51		1,319,634
	2019	9.29		2,319,772
	2020	9.24	4,337,158	
	2021	9.24		4,962,613
	2022	9.13	693,119	
			<u>5,030,277</u>	<u>8,602,019</u>
Changes in Proportion	N/A	N/A	<u>380,257</u>	<u>1,808,010</u>
			<u>\$ 10,286,837</u>	<u>\$ 19,999,110</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (1,400,288)
2024	(1,400,288)
2025	(1,400,288)
2026	(1,210,200)
2027	(692,008)
Thereafter	<u>(2,181,448)</u>
	<u>\$ (8,284,520)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 13. RISK MANAGEMENT

The District maintains commercial insurance coverage for property, liability and individual surety bonds. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Compensation Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table on the following page is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 11,517		\$ 227,454
2022	17,136		215,937
2021	15,718	\$ 1,655	198,801

Property and Liability

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The June 30, 2023 audit report of the MEIG was not available as of the date of this report. Selected financial information for MEIG as of June 30, 2022 is as follows:

	<u>Morris Essex Insurance Group</u>
Total Assets	<u>\$ 12,130,798</u>
Net Position	<u>\$ 7,494,542</u>
Total Revenue	<u>\$ 3,715,390</u>
Total Expenses	<u>\$ 3,715,752</u>
Change in Net Position	<u>\$ (111,509)</u>
Net Position Distribution to Participating Members	<u>\$ (1,114,730)</u>

Property, Liability and Health Benefits

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

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

NOTE 14. ECONOMIC DEPENDENCY

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 40,780	
Special Revenue Fund		\$ 40,780
	<u>\$ 40,780</u>	<u>\$ 40,780</u>

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

NOTE 16. DEFERRED COMPENSATION

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

- AXA Equitable
- Variable Annuity Life Insurance Company (VALIC)
- Aspire

NOTE 17. TAX CALENDAR

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 18. COMMITMENTS AND CONTINGENCIES

Litigation:

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would have a material adverse effect on the District's financial position.

Grant Programs:

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

Encumbrances:

The following encumbrance balances existed as of June 30, 2023:

	Governmental Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
	Encumbrances	\$ 337,409	\$ 47,148

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$0 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$47,148 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, 2023:

	Governmental Funds	District Contribution Subsequent to the Measurement Date	Total Governmental Activities
	General Fund		
Vendors	\$ 30,798		\$ 30,798
State of New Jersey		\$ 142,835	142,835
	\$ 30,798	\$ 142,835	\$ 173,633

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

LONG HILL TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0153385750%	0.0150636512%	0.0154202164%	0.0139082413%	0.0145851379%	0.0145163165%	0.0123998404%	0.0123072328%	0.0129077559%
District's proportionate share of the net pension liability	\$ 2,871,801	\$ 3,381,488	\$ 4,567,026	\$ 3,237,616	\$ 2,871,741	\$ 2,615,620	\$ 2,022,090	\$ 1,457,976	\$ 1,947,958
District's covered employee payroll	\$ 968,092	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	296.65%	325.54%	460.06%	337.42%	300.86%	289.18%	232.94%	150.20%	237.06%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 126,449	\$ 129,507	\$ 136,991	\$ 128,845	\$ 145,075	\$ 142,100	\$ 135,649	\$ 144,132	\$ 162,773
Contributions in relation to the contractually required contribution	(126,449)	(129,507)	(136,991)	(128,845)	(145,075)	(142,100)	(135,649)	(144,132)	(162,773)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709	\$ 782,998
Contributions as a percentage of covered employee payroll	12.17%	13.05%	14.28%	13.50%	16.04%	16.37%	13.97%	17.54%	20.79%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0669638876%	0.0626910940%	0.0673556169%	0.0675625112%	0.0643526151%	0.0657441105%	0.0657667367%	0.0661894929%	0.0632284117%
State's proportionate share of the net pension liability attributable to the District	\$ 35,790,018	\$ 39,623,449	\$ 52,986,217	\$ 45,553,081	\$ 40,939,751	\$ 40,347,781	\$ 43,306,605	\$ 31,820,724	\$ 32,622,330
District's covered employee payroll	\$ 6,724,784	\$ 6,604,240	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	532.21%	599.97%	802.31%	670.51%	586.16%	573.08%	613.74%	454.25%	433.73%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,925,839	\$ 2,419,368	\$ 3,981,177	\$ 3,155,687	\$ 2,386,644	\$ 2,379,820	\$ 2,692,989	\$ 748,756	\$ 877,958
Contributions in relation to the contractually required contribution	(613,712)	(904,010)	(1,201,443)	(1,681,149)	(1,293,028)	(1,442,517)	(1,924,048)	(2,602,897)	(2,581,873)
Contribution deficiency/(excess)	\$ 1,312,127	\$ 1,515,358	\$ 2,779,734	\$ 1,474,538	\$ 1,093,616	\$ 937,303	\$ 768,941	\$ (1,854,141)	\$ (1,703,915)
District's covered employee payroll	\$ 6,724,784	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355	\$ 7,789,801
Contributions as a percentage of covered employee payroll	28.64%	36.63%	58.60%	45.18%	33.90%	33.73%	38.44%	9.96%	11.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,264,188	\$ 1,048,075	\$ 941,188	\$ 1,002,530	\$ 1,783,723	\$ 1,498,135
Interest Cost	1,014,047	1,173,806	1,068,273	858,469	855,778	746,657
Change of Benefit Terms					(35,113)	
Differences between Expected and Actual Experience		(3,495,423)	(4,829,278)	5,684,545	(6,618,143)	1,214,372
Changes in Assumptions	(4,148,799)	(3,100,045)	355,456	6,872,389	32,546	(7,558,079)
Member Contributions	27,365	24,966	21,693	19,852	21,878	23,726
Gross Benefit Payments	(743,167)	(722,357)	(731,816)	(654,982)	(674,113)	(739,586)
Net Change in Total OPEB Liability	(2,586,366)	(5,070,978)	(3,174,484)	13,782,803	(4,633,444)	(4,814,775)
Total OPEB Liability - Beginning	34,671,805	32,085,439	27,014,461	23,839,977	37,622,780	32,989,336
Total OPEB Liability - Ending	<u>\$ 32,085,439</u>	<u>\$ 27,014,461</u>	<u>\$ 23,839,977</u>	<u>\$ 37,622,780</u>	<u>\$ 32,989,336</u>	<u>\$ 28,174,561</u>
District's Covered Employee Payroll *	\$ 7,596,939	\$ 7,753,347	\$ 7,938,936	\$ 7,944,980	\$ 7,924,211	\$ 7,975,850
Total OPEB Liability as a Percentage of Covered Employee Payroll	422%	348%	300%	474%	416%	353%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation, the salary increases were 2.75%-6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation, the salary increases were 2.75%-5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

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

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

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4,5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 17,770,453		\$ 17,770,453	\$ 17,770,453	
Tuition From Individuals	140,938		140,938	315,578	\$ 174,640
Transportation Fees From Individuals	57,800		57,800	67,745	9,945
Rents and Royalties	25,000		25,000	54,865	29,865
Unrestricted Miscellaneous Revenues	58,000		58,000	216,399	158,399
Interest Earned on Maintenance Reserve	50		50	50	
Interest Earned on Capital Reserve Funds	100		100	100	
Other Restricted Miscellaneous Revenues				11,517	11,517
Total Revenues from Local Sources	18,052,341		18,052,341	18,436,707	384,366
Revenues from State Sources:					
Categorical Transportation Aid	171,428		171,428	171,428	
Categorical Special Education Aid	874,433		874,433	874,433	
Categorical Security Aid	71,907		71,907	71,907	
Extraordinary Aid				403,129	403,129
Other State Aids				22,464	22,464
TPAF Post Retirement Medical Contributions (Non-Budgeted)				687,662	687,662
TPAF Pension Contributions (Non-Budgeted)				2,581,873	2,581,873
TPAF Non-Contributory Insurance (Non-Budgeted)				35,821	35,821
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,099	1,099
Reimbursed TPAF Social Security Contributions				559,879	559,879
Total Revenues from State Sources	1,117,768		1,117,768	5,409,695	4,291,927
TOTAL REVENUE	19,170,109		19,170,109	23,846,402	4,676,293

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 223,365	\$ (1,665)	\$ 221,700	\$ 221,700	
Kindergarten - Salaries of Teachers	443,918	5,110	449,028	449,028	
Grades 1-5 - Salaries of Teachers	2,526,399	(23,744)	2,502,655	2,502,655	
Grades 6-8 - Salaries of Teachers	1,390,563	98,056	1,488,619	1,488,619	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(8,377)	1,623	1,623	
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	45,000	(16,973)	28,027	6,511	\$ 21,516
Other Purchased Services (400-500 series)	73,203	19,756	92,959	85,162	7,797
General Supplies	320,008	(34,456)	285,552	268,833	16,719
Textbooks	11,100	13,729	24,829	19,613	5,216
Other Objects	8,300	1,629	9,929	828	9,101
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>5,051,856</u>	<u>53,065</u>	<u>5,104,921</u>	<u>5,044,572</u>	<u>60,349</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Behavioral Disabilities:					
Salaries of Teachers		425	425	425	
Total Behavioral Disabilities		<u>425</u>	<u>425</u>	<u>425</u>	
Resource Room/Resource Center:					
Salaries of Teachers	1,175,205	(4,723)	1,170,482	1,170,482	
General Supplies	11,200	(1,699)	9,501	9,372	129
Textbooks	500		500	500	500
Total Resource Room/Resource Center	<u>1,186,905</u>	<u>(6,422)</u>	<u>1,180,483</u>	<u>1,179,854</u>	<u>629</u>



LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 1,595		\$ 1,595	\$ 1,595	
Total Preschool Disabilities - Part-Time	1,595		1,595	1,595	
Home Instruction:					
Salaries of Teachers	\$ 11,000	(11,000)			
Total Home Instruction	11,000	(11,000)			
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,197,905	(15,402)	1,182,503	1,181,874	\$ 629
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	256,855	(1,339)	255,516	255,516	
General Supplies	500	8,600	9,100	8,937	163
Total Basic Skills/Remedial - Instruction	257,355	7,261	264,616	264,453	163
Bilingual Education - Instruction:					
Salaries of Teachers	135,575		135,575	135,575	
Other Purchased Services (400-500 series)		40	40	40	
General Supplies	500	77	577	343	234
Total Bilingual Education - Instruction	136,075	117	136,192	135,958	234
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	29,000	(1,716)	27,284	16,987	10,297
Supplies and Materials	2,500	(2,350)	150		150
Other Objects	1,300	2,350	3,650	2,850	800
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	32,800	(1,716)	31,084	19,837	11,247
School-Sponsored Athletics - Instruction:					
Salaries	40,000	2,668	42,668	15,666	27,002
Supplies and Materials	1,000	3,360	4,360	3,908	452
Other Objects	1,000		1,000	1,000	
Total School-Sponsored Athletics - Instruction	42,000	6,028	48,028	20,574	27,454
TOTAL INSTRUCTION	6,717,991	49,353	6,767,344	6,667,268	100,076

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 249,362	\$ 93,663	\$ 343,025	\$ 340,181	\$ 2,844
Tuition to Priv. Sch. for the Handicap. W/I State	730,000	63,690	793,690	779,690	14,000
Total Undistributed Expenditures - Instruction	<u>979,362</u>	<u>157,353</u>	<u>1,136,715</u>	<u>1,119,871</u>	<u>16,844</u>
Undistributed Expenditures - Health Services:					
Salaries	287,385	9,365	296,750	296,161	589
Purchased Professional and Technical Services	7,710	2,790	10,500	5,480	5,020
Supplies and Materials	6,500		6,500	6,360	140
Total Undist. Expenditures - Health Services	<u>301,595</u>	<u>12,155</u>	<u>313,750</u>	<u>308,001</u>	<u>5,749</u>
Undistributed Expenditures - Speech, OT, PT, Related Services:					
Salaries	345,690	(681)	345,009	345,009	
Purchased Professional - Educational Services	51,650	(7,066)	44,584	44,584	
Supplies and Materials	6,523	(1,170)	5,353	4,794	559
Total Undist. Expend. - Speech, OT, PT, Related Services	<u>403,863</u>	<u>(8,917)</u>	<u>394,946</u>	<u>394,387</u>	<u>559</u>
Undistributed Expenditures - Other Supp. Serv. Students-Extra. Services:					
Salaries	979,724	(37,016)	942,708	942,005	703
Purchased Professional - Educational Services	150,000	(23,223)	126,777	87,068	39,709
Supplies and Materials	9,000		9,000	8,767	233
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	<u>1,138,724</u>	<u>(60,239)</u>	<u>1,078,485</u>	<u>1,037,840</u>	<u>40,645</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	209,016	(2,011)	207,005	197,013	9,992
Other Purchased Prof. and Tech. Services	4,000		4,000		4,000
Supplies and Materials	400	(95)	305		305
Total Undist Expend. - Guidance	<u>213,416</u>	<u>(2,106)</u>	<u>211,310</u>	<u>197,013</u>	<u>14,297</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	\$ 410,640	\$ 21,738	\$ 432,378	\$ 424,001	\$ 8,377
Salaries of Secretarial and Clerical Assistants	63,918	3,366	67,284	67,284	
Other Purchased Prof. and Tech. Services	14,000		14,000	13,477	523
Other Purchased Services (400-500 series)	1,000		1,000	657	343
Supplies and Materials	8,000		8,000	5,712	2,288
Other Objects	1,500		1,500	1,390	110
<b>Total Undist Expend. - Child Study Team</b>	<b>499,058</b>	<b>25,104</b>	<b>524,162</b>	<b>512,521</b>	<b>11,641</b>
Undistributed Expenditures - Improv. of Inst. Services:					
Salaries of Supervisors of Instruction	74,396		74,396	74,220	176
Salaries of Other Professional Staff	12,000	(10,600)	1,400	1,329	71
Salaries of Secretarial and Clerical Assistants	31,344	1	31,345	31,344	1
Purchased Professional - Educational Services	5,900	904	6,804	6,804	
<b>Total Undist. Expend.-Improv. of Inst. Services</b>	<b>123,640</b>	<b>(9,695)</b>	<b>113,945</b>	<b>113,697</b>	<b>248</b>
Undistributed Expenditures - Edu. Media Services/School Library:					
Salaries	210,297	3,504	213,801	213,801	
Salaries of Technology Coordinators	102,815	(102,815)			
Purchased Professional and Technical Services	52,326	123,518	175,844	169,514	6,330
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	27,112	(13,200)	13,912	10,057	3,855
Other Objects	300	(300)			
<b>Total Undist Expend-Edu. Media Services/School Library</b>	<b>393,350</b>	<b>10,707</b>	<b>404,057</b>	<b>393,372</b>	<b>10,685</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Service	500		500		500
Other Purchased Professional and Tech. Services	1,150		1,150	195	955
Other Purchased Services (400-500 series)	7,500	(2,461)	5,039	1,892	3,147
<b>Total Undistributed Expend. - Instructional Staff Training Services</b>	<b>9,150</b>	<b>(2,461)</b>	<b>6,689</b>	<b>2,087</b>	<b>4,602</b>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - General Admin.:					
Salaries	\$ 241,585	\$ (3,809)	\$ 237,776	\$ 237,776	
Salaries-Governance Staff (BOE Direct Reports only)	4,326		4,326	4,326	
Legal Services	75,000	(37,569)	37,431	31,675	\$ 5,756
Audit Fees	59,500		59,500	24,500	35,000
Architectural/Engineering Services	6,000	(6,000)			
Other Purchased Professional Services	500	1,500	2,000	2,000	
Communications / Telephone	58,800	34,611	93,411	67,091	26,320
BOE Other Purchased Services	2,000	1,523	3,523	2,985	538
Other Purch. Serv. (400-500 series other than 530 & 585)	6,400	27	6,427	3,401	3,026
General Supplies	2,750	(1,100)	1,650	1,103	547
BOE In-house training/ Meeting Supplies		307	307	292	15
Judgments Against The School District		50,000	50,000	46,873	3,127
Miscellaneous Expenditures	6,500	(1,388)	5,112	3,229	1,883
BOE Membership Dues and Fees	8,000	8,241	16,241	7,634	8,607
Total Undist. Expend. - Support Serv. - General Admin.	<u>471,361</u>	<u>46,343</u>	<u>517,704</u>	<u>432,885</u>	<u>84,819</u>
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals/Prog. Director	396,728	1,490	398,218	398,218	
Salaries of Secretarial and Clerical Assistants	235,815	(9,001)	226,814	225,291	1,523
Other Purchased Services (400-500 series)	4,650	354	5,004	2,245	2,759
Supplies and Materials	3,000	1,737	4,737	4,088	649
Other Objects	4,800	100	4,900	3,469	1,431
Total Undist. Expend. - Support Services - School Admin.	<u>644,993</u>	<u>(5,320)</u>	<u>639,673</u>	<u>633,311</u>	<u>6,362</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services:					
Salaries	\$ 341,365	\$ (152,686)	\$ 188,679	\$ 187,599	\$ 1,080
Unused Vacation Payment to Terminated/Retired Staff		4,510	4,510	4,510	
Purchased Professional Services	75,550	140,000	215,550	155,038	60,512
Purchased Technical Services	13,000	1,516	14,516	13,963	553
Miscellaneous Purchased Services (400-500 series other than 594)	3,500	5,500	9,000	6,624	2,376
Supplies and Materials	4,385	(525)	3,860	3,749	111
Other Objects	5,500	(3,098)	2,402	1,392	1,010
Total Undist. Expend. - Central Services	<u>443,300</u>	<u>(4,783)</u>	<u>438,517</u>	<u>372,875</u>	<u>65,642</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	32,077	4,604	36,681	35,333	1,348
Purchased Professional Services	5,050	(5,050)			
Other Purchased Services (400-500 series)	600	(600)			
Supplies and Materials	1,000		1,000	673	327
Other Objects	720	(720)			
Total Undist. Expend. - Admin. Info. Technology	<u>39,447</u>	<u>(1,766)</u>	<u>37,681</u>	<u>36,006</u>	<u>1,675</u>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	459,966	86,925	546,891	390,505	156,386
General Supplies	125,551	38,475	164,026	137,095	26,931
Other Objects	1,340	(1,215)	125	125	
Total Undist. Expend.- Required Maint. for School Facilities	<u>586,857</u>	<u>124,185</u>	<u>711,042</u>	<u>527,725</u>	<u>183,317</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 148,816	\$ (138,000)	\$ 10,816	\$ 10,816	
Purchased Professional and Technical Services	1,196,894	165,824	1,362,718	1,362,595	\$ 123
Cleaning, Repair, and Maintenance Services	17,000	(6,399)	17,000	15,950	1,050
Other Purchased Property Services	24,800	43,902	18,401	17,515	886
Insurance	142,000	(2,671)	185,902	185,902	
Miscellaneous Purchased Services	4,000	311	1,329	41,113	1,329
General Supplies	45,000	38,955	45,311	97,736	4,198
Energy (Natural Gas)	76,901	(61,759)	115,856	180,626	18,120
Energy (Electricity)	286,171	2,800	224,412	180,626	43,786
Energy (Gasoline)	7,200	42,963	10,000	9,739	261
Total Undist. Expend. - Custodial Services	<u>1,948,782</u>	<u>42,963</u>	<u>1,991,745</u>	<u>1,921,992</u>	<u>69,753</u>
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	5,000	12,970	17,970	14,970	3,000
Cleaning, Repair, and Maintenance Services	8,667	2,037	10,704	10,704	
General Supplies	15,000	1,691	16,691	16,671	20
Other Objects	1,300	(1,026)	274	274	
Total Care And Upkeep Of Grounds	<u>29,967</u>	<u>15,672</u>	<u>45,639</u>	<u>42,345</u>	<u>3,294</u>
Security:					
Purchased Professional and Technical Services	3,085	(3,085)	4,337	3,085	1,252
Cleaning, Repair, and Maintenance Services	8,000	(3,663)	7,657	4,157	3,500
General Supplies	7,200	457	11,994	7,242	4,752
Total Security	<u>18,285</u>	<u>(6,291)</u>	<u>11,994</u>	<u>2,499,304</u>	<u>4,752</u>
Total Undist. Expend.- Oper. and Maint. of Plant Services	<u>2,583,891</u>	<u>176,529</u>	<u>2,760,420</u>	<u>2,499,304</u>	<u>261,116</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 21,572	\$ (1,260)	\$ 20,312	\$ 18,620	\$ 1,692
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)		2,000	2,000	1,897	103
Other Purchased Professional and Technical Services	5,000	(3,095)	1,905	1,871	34
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	70,000	6,756	76,756	71,126	5,630
Contract. Serv.(Bet. Home & Sch.)-Vendors	559,000	29,708	588,708	588,708	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	2,000	10,190	12,190	11,140	1,050
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	630,000	(65,853)	564,147	547,125	17,022
Misc. Purchased Serv. - Transportation	5,000	(2,500)	2,500		2,500
General Supplies		11	11		
Total Undist. Expend.-Student Trans. Services	<u>1,292,572</u>	<u>(24,043)</u>	<u>1,268,529</u>	<u>1,240,498</u>	<u>28,031</u>
UNALLOCATED BENEFITS:					
Other Retirement Contributions - Regular	34,700	4,582	39,282	38,375	907
Social Security Contributions	205,000	(21,566)	183,434	175,764	7,670
T.P.A.F. Contributions - ERIP		659	659	659	
Other Retirement Contributions - PERS	189,309	(26,536)	162,773	162,773	
Workers Compensation	70,000		70,000	67,515	2,485
Health Benefits	2,711,000	(165,672)	2,545,328	2,299,348	245,980
Tuition Reimbursement	48,000		48,000	28,814	19,186
Other Employee Benefits	87,000		87,000	77,872	9,128
Unused Sick Payment to Terminated/Retired Staff	75,000	(15,434)	59,566	3,150	56,416
TOTAL UNALLOCATED BENEFITS	<u>3,420,009</u>	<u>(223,967)</u>	<u>3,196,042</u>	<u>2,854,270</u>	<u>341,772</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED):					
TPAF Post Retirement Medical Contributions (Non-Budgeted)				687,662	(687,662)
TPAF Pension Contributions (Non-Budgeted)				2,581,873	(2,581,873)
TPAF Non-Contributory Insurance (Non-Budgeted)				35,821	(35,821)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,099	(1,099)
Reimbursed TPAF Social Security Contributions				559,879	(559,879)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>3,866,334</u>	<u>(3,866,334)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,420,009</u>	<u>(223,967)</u>	<u>3,196,042</u>	<u>6,720,604</u>	<u>(3,524,562)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 12,957,731	\$ 84,894	\$ 13,042,625	\$ 16,014,272	\$ (2,971,647)
TOTAL GENERAL CURRENT EXPENSE	19,675,722	134,247	19,809,969	22,681,540	(2,871,571)
<b>CAPITAL OUTLAY:</b>					
<b>EQUIPMENT:</b>					
Grades 6-8		1,700	1,700	1,699	1
Undistributed:					
Undistributed Expenditures - Instruction		1,700	1,700	1,699	1
Undistributed Expenditures - General Admin.		3,399	3,399	3,399	
Undistributed Expenditures - School Admin.	8,420	150	8,570	8,570	
Undistributed Expenditures - Admin. Info. Tech.	22,761	16,395	39,156	38,658	498
Undist. Expend. - Required Maint for School Fac.		18,824	18,824	18,824	
Undist. Expend. - Care and Upkeep of Grounds		12,250	12,250	12,250	
Undist. Expend. - Security	36,962	3,977	40,939	40,939	
TOTAL EQUIPMENT	68,143	58,395	126,538	126,038	500
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	63,763	21,445	85,208	73,003	12,205
Construction Services	933,529	(106,177)	827,352	721,037	106,315
Lease Purchase Agreements - Principal		42,096	42,096	42,096	
Assessment for Debt Service on SDA Funding			33,181	33,181	
Total Facilities Acquisition and Construction Services	1,030,473	(42,636)	987,837	869,317	118,520
<b>Assets Acquired Under Financed Purchases (Non-Budgeted):</b>					
Regular Programs - Equipment				210,479	(210,479)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				210,479	(210,479)
TOTAL CAPITAL OUTLAY	1,098,616	15,759	1,114,375	1,205,834	(91,459)



LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools:					
Total Transfer of Funds to Charter Schools	\$ 115,600		\$ 115,600	\$ 114,445	\$ 1,155
TOTAL EXPENDITURES	115,600		115,600	114,445	1,155
Excess/(Deficit) of Revenues Over/(Under) Expenditures	20,889,938	\$ 150,006	21,039,944	24,001,819	(2,961,875)
	(1,719,829)	(150,006)	(1,869,835)	(155,417)	(1,714,418)
OTHER FINANCING SOURCES/(USES):					
Financed Purchases (Non-Budgeted)				210,479	210,479
Transfers to Cover Deficit (Enterprise Fund)	(22,013)		(22,013)		22,013
TOTAL OTHER FINANCING SOURCES/(USES)	(22,013)		(22,013)	210,479	232,492
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,741,842)	(150,006)	(1,891,848)	55,062	(1,946,910)
Fund Balance, July 1	6,199,038		6,199,038	6,199,038	
Fund Balance, June 30	\$ 4,457,196	\$ (150,006)	\$ 4,307,190	\$ 6,254,100	\$ (1,946,910)
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 330,000	
Capital Reserve				2,988,644	
Maintenance Reserve				960,139	
Emergency Reserve				250,000	
Unemployment Compensation				227,454	
Assigned Fund Balance:					
Year End Encumbrances				337,409	
Designated for Subsequent Year's Expenditures				336,361	
Unassigned Fund Balance				824,093	
				6,254,100	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(102,959)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,151,141	

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 255,184	\$ 364,839	\$ 620,023	\$ 450,683	\$(169,340)
State Sources	35,913	53,586	89,499	68,111	(21,388)
Local Sources	26,504	104,360	130,864	118,630	(12,234)
<b>Total Revenues</b>	<b>317,601</b>	<b>522,785</b>	<b>840,386</b>	<b>637,424</b>	<b>(202,962)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers		55,428	55,428	58,295	(2,867)
Purchased Professional - Educational Services		2,929	2,929		2,929
Tuition	170,572	41,422	211,994	211,994	
Other Purchased Services		12,450	12,450	12,450	
General Supplies	45,460	153,374	198,834	128,636	70,198
Textbooks	5,282	856	6,138	6,138	
<b>Total Instruction</b>	<b>221,314</b>	<b>266,459</b>	<b>487,773</b>	<b>417,513</b>	<b>70,260</b>
Support Services:					
Personal Services - Employee Benefits		3,840	3,840	2,721	1,119
Purchased Professional - Technical Services	30,631	40,922	71,553	15,484	56,069
Other Purchased Professional Services	30,146	106,909	137,055	84,455	52,600
Supplies and Materials	10,205	(7,187)	3,018	2,708	310
Student Activities	25,305	74,208	99,513	99,513	
<b>Total Support Services</b>	<b>96,287</b>	<b>218,692</b>	<b>314,979</b>	<b>204,881</b>	<b>110,098</b>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		37,634	37,634	22,754	14,880
<b>Total Expenditures</b>	<b>317,601</b>	<b>522,785</b>	<b>840,386</b>	<b>645,148</b>	<b>195,238</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (7,724)</u>	<u>\$ (7,724)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 23,846,402	\$ 637,424
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.		60,249
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	85,349	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(102,959)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 23,828,792	\$ 697,673
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,001,819	\$ 645,148
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.		60,249
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 24,001,819	\$ 705,397

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, 2023 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, 2023

	Every Student Succeeds Act		Nonpublic Handicapped		Nonpublic Security			
	Title I	Title II, Part A	Title III	Title IV		Exam and Classification	Corrective Speech	Nonpublic Textbooks
REVENUE:								
Local Sources								
State Sources	\$ 32,661	\$ 7,900	\$ 2,529	\$ 16,597	\$ 1,706	\$ 1,116	\$ 6,138	\$ 19,209
Federal Sources	32,661	7,900	2,529	16,597	1,706	1,116	6,138	19,209
Total Revenue								
EXPENDITURES:								
Instruction:								
Salaries of Teachers						1,116		
Tuition								
Other Purchased Services	15,385		1,629	16,597			6,138	19,209
General Supplies								
Textbooks							6,138	
Total Instruction	15,385		1,629	16,597		1,116	6,138	19,209
Support Services:								
Personal Services - Employee Benefits		3,250			1,706			
Purchased Professional Technical Services	17,276	4,650	900					
Other Purchased Professional Services								
Supplies and Materials								
Student Activities								
Total Support Services	17,276	7,900	900		1,706			
Facilities Acquisition:								
Non-Instructional Equipment								
Total Facilities Acquisition	\$ 32,661	\$ 7,900	\$ 2,529	\$ 16,597	\$ 1,706	\$ 1,116	\$ 6,138	\$ 19,209
Total Expenditures								

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	IDEA Part B		CRRSA		School Climate Change Pilot	SDA Emergent Needs and Capital Maintenance	Nonpublic Technology
	ARP - Basic	Basic	ESSER II	Learning Acceleration			
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 2,690	\$ 211,994	\$ 8,027	\$ 10,763	\$ 6,660	\$ 18,848	\$ 3,906
Total Revenue	2,690	211,994	8,027	10,763	6,660	18,848	3,906
EXPENDITURES:							
Instruction:							
Salaries of Teachers	2,499			8,560			
Tuition		211,994					
Other Purchased Services				450			
General Supplies					6,660		
Textbooks							
Total Instruction	2,499	211,994		9,010	6,660		
Support Services:							
Personal Services - Employee Benefits	191			655			
Purchased Professional Technical Services							
Other Purchased Professional Services			8,000	1,098			7,819
Supplies and Materials			27				2,681
Student Activities							
Total Support Services	191		8,027	1,753			10,500
Facilities Acquisition:							
Non-Instructional Equipment						18,848	3,906
Total Facilities Acquisition						18,848	3,906
Total Expenditures	\$ 2,690	\$ 211,994	\$ 8,027	\$ 10,763	\$ 6,660	\$ 18,848	\$ 3,906

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Nursing	ESSER III	ARP					Student Activities	Local Grants	Totals
			Accelerating Learning Coach	Summer Learning	Beyond the School Day	Mental Health				
REVENUE:										
Local Sources	\$ 10,528						\$ 91,789	\$ 26,841	\$ 118,630	
State Sources		\$ 14,731	\$ 23,416	\$ 26,379	\$ 40,000	\$ 30,208			68,111	
Federal Sources									450,683	
Total Revenue	10,528	14,731	23,416	26,379	40,000	30,208	91,789	26,841	637,424	
EXPENDITURES:										
Instruction:										
Salaries of Teachers			21,616	24,504					58,295	
Tuition									211,994	
Other Purchased Services					40,000	2,027		26,841	12,450	
General Supplies									128,636	
Textbooks									6,138	
Total Instruction			21,616	24,504	40,000	2,027		26,841	417,513	
Support Services:										
Personal Services - Employee Benefits				1,875					2,721	
Purchased Professional Technical Services	10,528	14,731	1,800			28,181			15,484	
Other Purchased Professional Services									84,455	
Supplies and Materials							99,513		2,708	
Student Activities									99,513	
Total Support Services	10,528	14,731	1,800	1,875		28,181	99,513		204,881	
Facilities Acquisition:										
Non-Instructional Equipment									22,754	
Total Facilities Acquisition									22,754	
Total Expenditures	\$ 10,528	\$ 14,731	\$ 23,416	\$ 26,379	\$ 40,000	\$ 30,208	\$ 99,513	\$ 26,841	\$ 645,148	



CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

LONG HILL TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Milk Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 8,006
Accounts Receivable:	
Federal	747
Total Current Assets	8,753
Non-Current Assets:	
Capital Assets	12,256
Less: Accumulated Depreciation	(2,286)
Total Non-Current Assets	9,970
Total Assets	18,723
NET POSITION:	
Investment in Capital Assets	9,970
Unrestricted	8,753
Total Net Position	\$ 18,723

LONG HILL TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Milk Service</u>
Operating Revenue:	
Daily Sales - Reimbursable Program:	
Special Milk Program	\$ 4,035
Total Operating Revenue	4,035
Operating Expenses:	
Cost of Sales - Reimbursable Program	7,568
Depreciation	817
Miscellaneous Expenses	77
Total Operating Expenses	8,462
Operating (Loss)	(4,427)
Non-Operating Revenue:	
Federal Sources:	
Special Milk Program	4,301
Local Sources:	
Interest Revenue	67
Total Non-Operating Revenue	4,368
Change in Net Position	(59)
Net Position - Beginning of Year	18,782
Net Positon - End of Year	\$ 18,723

LONG HILL TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Milk Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,035
Miscellaneous Expenses	(77)
Payments to Suppliers	(7,568)
Net Cash (Used for) Operating Activities	(3,610)
Cash Flows from Investing Activities:	
Interest Revenue	67
Net Cash Provided by Investing Activities	67
Cash Flows from Noncapital Financing Activities:	
Federal Sources - Special Milk Program	4,397
Net Cash Provided by Noncapital Financing Activities	4,397
Net Increase in Cash and Cash Equivalents	854
Cash and Cash Equivalents, July 1	7,152
Cash and Cash Equivalents, June 30	\$ 8,006
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (4,427)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	817
Net Cash (Used for) Operating Activities	\$ (3,610)

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
			Date	Amount				
School Refunding Bonds of 2021	10/19/21	\$ 4,970,000	1/15/24	\$ 660,000	4.00%	\$ 4,970,000	\$ 590,000	\$ 4,380,000
			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 2014	07/18/14	1,464,000	1/15/24	184,000	2.50%	364,000	180,000	184,000
						<u>\$ 5,334,000</u>	<u>\$ 770,000</u>	<u>\$ 4,564,000</u>



LONG HILL TOWNSHIP SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2023</u>
School Light Fixtures	0.00%	\$ 210,479	<u>\$ 210,479</u>	<u>\$ 42,096</u>	<u>\$ 168,383</u>
			<u>\$ 210,479</u>	<u>\$ 42,096</u>	<u>\$ 168,383</u>

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Copiers	3.85%	\$ 184,145	<u>\$ 138,332</u>	<u>\$ 35,879</u>	<u>\$ 102,453</u>
			<u>\$ 138,332</u>	<u>\$ 35,879</u>	<u>\$ 102,453</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,025,392		\$ 1,025,392	\$ 1,025,392	
Miscellaneous Interest Income				8,801	\$ 8,801
Total Revenues	1,025,392		1,025,392	1,034,193	8,801
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	255,392		255,392	255,391	1
Redemption of Principal	770,000		770,000	770,000	
Total Expenditures	1,025,392		1,025,392	1,025,391	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	8,802	8,800
Fund Balance, July 1	3	-0-	3	3	-0-
Fund Balance, June 30	3	\$ -0-	\$ 3	\$ 8,805	\$ 8,800
Recapitulation:					
Restricted for Subsequent Year's Expenditures				\$ 8,805	

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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 Annual Comprehensive Financial Report for the relevant year.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 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	\$ 13,005,762
Restricted	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	4,798,942
Unrestricted/(Deficit)	(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)	(1,349,851)
Total Governmental Activities Net Position	\$ 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	\$ 16,454,853
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 33,336	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 9,129	\$ 10,787	\$ 9,970
Unrestricted								7,991	7,995	8,753
Total Business-Type Activities Net Position	\$ 33,336	\$ 40,622	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 17,120	\$ 18,782	\$ 18,723
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 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	\$ 13,015,732
Restricted	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	4,798,942
Unrestricted/(Deficit)	(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)	(1,341,098)
Total District Net Position	\$ 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	\$ 16,473,576

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 8,594,163
Special Education	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	2,496,404
Other Special Instruction						525,691	529,268	403,204	504,910	480,248
Other Instruction	47,017		38,359	49,075	111,411	105,750	15,845	104,686	157,727	185,012
Support Services:										
Tuition	373,716	451,199	603,911	549,914	475,166	230,733	331,057	642,042	1,006,056	1,119,871
Student & Instruction Related Services	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	4,466,286
General Administrative Services	899,858	916,395	1,302,615	1,287,909	1,282,001	541,273	520,306	559,078	467,089	563,535
School Administrative Services	841,903	865,078	1,217,675	1,399,585	1,317,464	979,863	986,664	1,030,071	979,769	1,022,910
Central Services						409,843	536,932	489,033	443,944	487,930
Administrative Information Technology						215,064	58,552	43,771	88,288	51,875
Plant Operations And Maintenance	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	2,925,907
Pupil Transportation	725,505	776,862	808,295	881,120	967,197	1,114,226	718,168	879,009	1,043,046	1,203,331
Capital Outlay						33,181		80,323		834,786
Transfer to Charter School	55,637	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445
Interest On Long-Term Debt	451,154	443,059	422,579	403,199	382,997	326,243	331,814	303,210	306,754	132,301
Total Governmental Activities Expenses	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	24,679,004
Business-Type Activities										
Milk Service Fund	14,103	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462
Total Business Type Activities	14,103	15,239	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462
Total District Expenses	\$ 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	\$ 24,687,466
<b>Program Revenues:</b>										
Governmental Activities:										
Charges For Services:										
Operating Grants and Contributions	\$ 177,193	\$ 167,115	\$ 106,595	\$ 107,630	\$ 200,200	\$ 197,611	\$ 108,734	\$ 61,628	\$ 329,719	\$ 462,232
Capital Grants and Contributions	318,106	298,591	298,315	241,757	268,502	5,074,129	4,722,664	5,219,815	5,077,140	4,242,857
Total Governmental Activities Program Revenues	1,805,111	465,706	404,910	349,387	468,702	5,271,740	4,831,398	5,281,443	5,406,859	4,705,089
Business-Type Activities:										
Charges For Services:										
Milk Service	15,520	13,829	12,293	9,999	9,845	7,780	9,921	4,611	4,611	4,035
Operating Grants and Contributions	8,266	8,685	7,580	5,879	6,497	4,160	3,323	3,737	3,737	4,301
Total Business Type Activities Program Revenues	23,786	22,514	19,873	15,878	16,342	11,940	13,244	8,348	8,348	8,336
Total District Program Revenues	\$ 1,828,897	\$ 488,220	\$ 424,783	\$ 365,265	\$ 485,044	\$ 5,283,680	\$ 4,844,642	\$ 5,281,443	\$ 5,415,207	\$ 4,713,425

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (19,973,915)
Business-Type Activities	9,683	7,275	(2,570)	(26,105)	5,557	3,809	(3,561)	(1,025)	1,662	(126)
<b>Total District-Wide Net Expense</b>	<b>\$ (14,820,244)</b>	<b>\$ (18,499,239)</b>	<b>\$ (19,882,290)</b>	<b>\$ (23,229,948)</b>	<b>\$ (24,040,378)</b>	<b>\$ (17,069,842)</b>	<b>\$ (16,209,740)</b>	<b>\$ (16,855,961)</b>	<b>\$ (18,072,587)</b>	<b>\$ (19,974,041)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	17,770,453
Taxes Levied for Debt Service	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	1,025,392
Unrestricted Grants & Contributions	2,013,937	4,079,433	4,820,457	6,745,684	7,958,315	2,606				
Investment Earnings	2,197	2,227	2,025	6,644						
Gain On Sale of Capital Assets	300									
Insurance Claim Proceeds from Storm Damage	85,328									
Transfers	(50,000)									
Miscellaneous Income	64,432	46,120	75,041	116,009	174,898	66,015	197,592	183,791	283,602	236,867
<b>Total Governmental Activities</b>	<b>17,433,724</b>	<b>19,255,625</b>	<b>20,352,003</b>	<b>22,610,958</b>	<b>24,183,164</b>	<b>16,415,281</b>	<b>17,425,130</b>	<b>18,369,034</b>	<b>18,816,253</b>	<b>19,032,712</b>
Business-Type Activities:										
Interest and Miscellaneous Income	12	11	11	7	22	176	172	5	1	67
<b>Total Business-Type Activities</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>22</b>	<b>176</b>	<b>172</b>	<b>5</b>	<b>1</b>	<b>67</b>
<b>Total District-Wide</b>	<b>\$ 17,433,736</b>	<b>\$ 19,255,636</b>	<b>\$ 20,352,014</b>	<b>\$ 22,610,965</b>	<b>\$ 24,183,186</b>	<b>\$ 16,415,457</b>	<b>\$ 17,425,302</b>	<b>\$ 18,369,039</b>	<b>\$ 18,816,254</b>	<b>\$ 19,032,779</b>
<b>Change in Net Position:</b>										
Governmental Activities	2,603,797	749,111	472,283	(592,885)	137,229	(658,370)	1,218,951	1,514,098	742,004	(941,203)
Business-Type Activities	9,695	7,286	(2,559)	(26,098)	5,579	3,985	(3,389)	(1,020)	1,663	(59)
<b>Total District</b>	<b>\$ 2,613,492</b>	<b>\$ 756,397</b>	<b>\$ 469,724</b>	<b>\$ (618,983)</b>	<b>\$ 142,808</b>	<b>\$ (654,385)</b>	<b>\$ 1,215,562</b>	<b>\$ 1,513,078</b>	<b>\$ 743,667</b>	<b>\$ (941,262)</b>

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund:</b>										
Restricted	\$ 2,001,935	\$ 2,384,266	\$ 2,398,577	\$ 2,560,694	\$ 2,853,549	\$ 2,493,406	\$ 3,195,459	\$ 4,453,069	\$ 4,453,069	\$ 4,756,237
Committed	116,301	209,792	429,087	145,377	97,506			356,894	356,894	673,770
Assigned						73,899	531,465	5,276,494	5,276,494	721,134
Unassigned	410,155	391,407	351,443	491,039	470,182	414,793	418,028			
<b>Total General Fund</b>	<b>\$ 2,528,391</b>	<b>\$ 2,985,465</b>	<b>\$ 3,179,107</b>	<b>\$ 3,197,110</b>	<b>\$ 3,421,237</b>	<b>\$ 2,982,098</b>	<b>\$ 4,144,952</b>	<b>\$ 10,086,457</b>	<b>\$ 10,086,457</b>	<b>\$ 6,151,141</b>
<b>All Other Governmental Funds:</b>										
Restricted, Reported In:										
Special Revenue Fund	\$ 166,192	\$ 1,976,741	\$ 355,643	\$ 301,939	\$ 301,939		\$ 43,913	\$ 39,064	\$ 41,624	\$ 33,900
Capital Projects Fund										
Debt Service Fund										
Assigned, Reported In:										
Debt Service Fund		998	998			2	2	2	3	8,805
<b>Total All Other Governmental Funds</b>	<b>\$ 166,192</b>	<b>\$ 1,977,739</b>	<b>\$ 356,641</b>	<b>\$ 301,939</b>	<b>\$ 301,939</b>	<b>\$ 2</b>	<b>\$ 43,915</b>	<b>\$ 39,066</b>	<b>\$ 41,627</b>	<b>\$ 42,705</b>
<b>Total Governmental Funds:</b>										
Restricted	\$ 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	\$ 4,798,942
Committed	116,301	209,792	429,087	145,377	97,506			356,894	741,991	673,770
Assigned		998	998			73,899	531,465	5,276,494	1,129,489	721,134
Unassigned	410,155	391,407	351,443	491,039	470,182	414,793	418,028			
<b>Total Governmental Funds</b>	<b>\$ 2,694,583</b>	<b>\$ 4,963,204</b>	<b>\$ 3,535,748</b>	<b>\$ 3,499,049</b>	<b>\$ 3,723,176</b>	<b>\$ 2,982,100</b>	<b>\$ 4,188,867</b>	<b>\$ 10,125,523</b>	<b>\$ 6,155,316</b>	<b>\$ 6,193,846</b>

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Tax Levy	\$ 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	\$ 18,795,845
Tuition	51,596	88,884	40,601	42,750	130,550	165,475	81,814	29,500	160,814	315,578
Transportation Fees from Individuals										
Rents and Royalties										
Interest Earnings	2,197	2,227	2,025	1,840	6,644	500	150	150	150	150
Miscellaneous	151,401	124,351	141,038	179,049	244,548	105,399	237,886	221,159	421,501	350,547
State Sources	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	5,461,911
Federal Sources	244,615	249,041	249,383	240,192	267,188	258,790	292,311	342,777	548,233	514,017
<b>Total Revenue</b>	<b>19,150,741</b>	<b>17,795,492</b>	<b>18,337,545</b>	<b>18,979,168</b>	<b>19,667,080</b>	<b>20,144,075</b>	<b>21,513,763</b>	<b>23,145,773</b>	<b>25,121,268</b>	<b>25,560,658</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	5,400,730
Special Education Instruction	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	1,408,846
Other Special Instruction	211,538	212,585	244,369	269,665	234,671	246,212	256,596	175,833	266,647	264,453
Other Instruction	47,017		38,359	29,209	63,391	67,069	12,603	103,780	151,081	176,369
<b>Support Services:</b>										
Tuition	179,561	244,357	391,202	350,099	270,364	230,733	331,057	642,042	1,006,056	1,119,871
Student & Instruction Related Services	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	3,058,431
General Administrative Services	268,558	289,326	357,429	357,324	347,819	411,430	394,571	449,292	346,290	432,885
School Administrative Services	558,934	559,572	559,914	578,403	569,198	560,654	571,358	604,280	605,181	633,311
Central Services	271,710	264,361	274,180	275,740	252,638	275,843	364,014	374,209	349,834	372,875
Administrative Information Technology	94,449	97,338	100,258	103,780	90,849	143,705	40,458	31,787	68,725	36,006
Plant Operations And Maintenance	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	2,499,304
Pupil Transportation	725,505	776,862	808,295	881,120	967,197	944,837	743,482	873,742	1,036,940	1,240,498
Allocated and Unallocated Benefits	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	6,720,604
Transfer to Charter Schools	55,637	58,986	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445
Capital Outlay	670,182	273,247	134,505	423,030	59,431	628,145	899,970	158,735	1,134,546	1,228,588
Capital Projects	556,346	740,725	1,719,160	53,704						
Special Revenue Fund	318,106	298,591	298,315	241,757	268,502					
<b>Debt Service:</b>										
Principal	825,000	525,000	670,000	715,000	735,000	760,000	785,000	815,000	850,000	770,000
Interest And Other Charges	468,081	429,331	454,000	418,769	398,819	345,136	317,938	289,838	260,637	255,391
<b>Total Expenditures</b>	<b>18,001,874</b>	<b>18,078,143</b>	<b>19,765,001</b>	<b>19,015,867</b>	<b>19,442,953</b>	<b>20,885,151</b>	<b>20,535,647</b>	<b>21,463,385</b>	<b>24,837,207</b>	<b>25,732,607</b>

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ 1,148,867	\$ (282,651)	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ (171,949)
Other Financing Sources/(Uses):	750	1,464,000								210,479
Financed Purchases (Non-Budgeted)										
Financed Purchase Agreement Proceeds										
Refunding Bonds Issued									4,970,000	
Refunding Bonds Defeased									(5,515,000)	
Bond Premium									654,026	
Bond Insurance Costs									(109,026)	
Transfers In	85,328									
Transfers Out	(50,000)									
Total Other Financing Sources/(Uses)	36,078	1,464,000								210,479
Net Change In Fund Balances	\$ 1,184,945	\$ 1,181,349	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ 38,530
Debt Service As A Percentage Of Noncapital Expenditures	7.46%	5.36%	5.73%	6.10%	5.85%	5.46%	5.62%	5.19%	4.69%	4.18%

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		
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	
2023	127,210	315,578	54,865	67,705	88,641	12,255		666,254	

Source: Long Hill Township School District records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2022 *	16,807,700	1,626,627,900	2,825,200	65,900	155,392,800	22,628,100	12,971,600	1,837,319,200	119,067,200	4,230,126	1,841,549,326	1.02	1,825,276,181

\* 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 <sup>a</sup>	General		Regional School	Township		Morris County	
		Obligation Debt Service <sup>b</sup>	Total Direct		of Long Hill			
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	
2022	* 0.96	0.06	1.02	0.39	0.61	0.26	2.27	

\* 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

	2023		2014		Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer					
Valley & Plainfield Associates LP		\$ 29,414,700	1.77 %	Valley & Plainfield Associates		\$ 21,204,400	1.69 %		
Stirling Center Associates		15,669,600	0.94 %	Stirling Center Associates		8,189,100	0.65 %		
Parthenon Realty		8,305,000	0.50 %	Trancontinental Gas Pipeline		3,400,000	0.27 %		
Trancontinental Gas Pipeline		5,354,200	0.32 %	Verizon		3,141,460	0.25 %		
Verizon		4,699,105	0.28 %	TIFA, LTD		2,999,300	0.24 %		
Stirling Manor		4,580,000	0.27 %	Parthenon c/o Walgreens		2,587,800	0.21 %		
Stirling Manor		4,580,000	0.27 %	Jilrydan, Inc		2,197,400	0.17 %		
TIFA Realty Inc.		4,468,300	0.27 %	Millington Savings Bank		2,125,200	0.17 %		
Friedman, Kenneth, Trustee		3,744,400	0.22 %	A R Valley Realty LLC		2,003,200	0.16 %		
Millington Savings Bank		3,275,800	0.20 %	Stirling Manor		1,800,000	0.14 %		
Total		<u>\$ 84,091,105</u>	<u>5.05%</u>	Total		<u>\$ 49,647,860</u>	<u>3.95%</u>		

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2023	18,795,845	18,795,845	100.00%	-0-

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

Source: 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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases	Leases			
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	0.74%	802
2022	5,334,000		138,332	5,472,332	0.59%	635
2023	4,564,000	\$ 168,383	102,453	4,834,836	0.52%	561

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			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	619
2023	4,564,000		4,564,000	0.25%	529

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, 2022  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Long Hill Township	\$ 2,673,000.00	100.00%	\$2,673,000.00
Watchung Hills Regional High School	20,987,000	21.49%	4,509,412
Morris County General Obligation Debt	253,387,955	1.77%	4,476,266
Subtotal, Overlapping Debt			<u>11,658,678</u>
Long Hill School District Direct Debt			<u>5,334,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 16,992,678</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 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 55,067,969
Total Net Debt Applicable to Limit	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	4,564,000
Legal Debt Margin	\$ 37,646,839	\$ 37,747,113	\$ 39,793,611	\$ 41,856,707	\$ 43,391,826	\$ 43,917,804	\$ 44,636,459	\$ 45,638,236	\$ 47,726,323	\$ 44,636,459
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.76%	22.90%	20.94%	19.01%	17.32%	15.94%	14.46%	14.46%	10.05%	8.29%

June 30,

	Long Hill Township
Equalized Valuation Basis	
2022	\$ 1,936,262,198
2021	1,810,916,104
2020	1,759,618,593
	<u>\$ 5,506,796,895</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,835,598,965</u>
Debt Limit (3% of average equalization value) Net Bonded School Debt as of June 30, 2023	\$ 55,067,969
Legal Debt Margin	<u>\$ 50,503,969</u>

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 <sup>a</sup>	Personal Income <sup>b</sup>	Morris County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
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	927,550,569	107,767	4.20%
2022	8,621	929,059,307 ***	107,767 *	2.70%
2023	8,621 **	929,059,307 ***	107,767 *	N/A

\* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

\*\* - Latest population data available (2022) 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

	2023		2014		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health System		10,552	U.S. Army Aramament R&D	5,841	2.27%
Novartis		6,500	Novartis	5,035	1.96%
Picatinny Arsenal		6,000	Atlantic Health System	4,463	1.74%
Barclays		3,374	ADP	2,060	0.80%
Bayer		2,713	Bayer Healthcare, LLC	1,900	0.74%
ADP		2,400	County of Morris	1,674	0.65%
Accenture		2,344	Wyndham Worldwide Corporation	1,653	0.64%
PricewaterhouseCoopers		2,095	St Clare's	1,642	0.64%
Cigna		1,686	BASF Corporation	1,500	0.58%
Deloitte & Touche		1,646	Accenture	1,480	0.58%
Total		<u>39,310</u>	Total	<u>27,248</u>	<u>10.60%</u>
Total County Labor Force		<u>262,719</u>	Total County Labor Force	<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>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>	<u>2023</u>
Instruction:										
Regular	62.10	63.90	63.05	59.70	66.00	76.83	64.87	71.85	72.85	61.25
Special Education	28.00	27.60	29.20	36.97	26.70	37.56	40.06	36.55	37.55	37.71
Support Services:										
Administration	6.00	6.00	6.00	4.92	7.00	5.92	6.92	6.92	6.92	6.83
Secretarial	8.20	8.50	8.50	8.50	7.50	8.50	6.92	6.92	6.92	7.59
Other support services	17.20	15.30	16.85	14.00	14.00	5.32	10.10	5.00	5.00	17.48
<b>Total</b>	<u>121.50</u>	<u>121.30</u>	<u>123.60</u>	<u>124.09</u>	<u>121.20</u>	<u>134.13</u>	<u>128.87</u>	<u>127.24</u>	<u>129.24</u>	<u>130.86</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
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	27,187	32.05%	88.9	1:9.4	1:11:1	841.0	804.0	4.94%	95.60%
2023	832	23,478,628	28,220	3.80%	85.0	1:9.7	1:9.9	840.4	797.5	-0.07%	94.89%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Long Hill Township School District records

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

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Gillette School (1935)</u>										
Square feet	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	157	185	202	216	231	233	225	176	209	201
<u>Millington School (1935)</u>										
Square feet	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128
Capacity (students)	604	604	604	604	604	604	604	604	604	604
Enrollment	347	333	322	360	348	363	396	366	357	353
<u>Central School (1935)</u>										
Square feet	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757
Capacity (students)	464	464	464	464	464	464	464	464	464	464
Enrollment	342	313	297	270	267	255	270	268	265	278
<u>Number of Schools at June 30, 2023</u>										
Elementary										2
Middle										1

Source: District Facilities Office

NOTE: Year of original construction is shown in parentheses. Enrollment is based on the annual October district 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gillette School	**	**	**	**	\$ 62,413	\$ 64,836	\$ 57,289	\$ 79,911	\$ 173,708	\$ 108,995
Millington School	**	**	**	**	117,741	112,075	108,074	150,752	327,698	205,618
Central School	**	**	**	**	122,032	189,571	112,013	156,246	339,642	213,112
	<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>	<u>\$ 527,725</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, 2023  
UNAUDITED

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

Source: Long Hill Township School District records

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Long Hill Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2023, 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 13, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

**Report on Compliance and Other Matters**

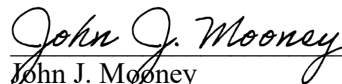
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

Mount Arlington, New Jersey  
October 13, 2023

NISIVOCCIA LLP

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

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

Independent Auditors' Report

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

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Long Hill Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2023. 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, 2023.

***Basis for Opinion on Each Major State Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major 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 13, 2023

*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, 2023

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		Budgetary Expenditures	Balance at	
			From	To		June 30, 2022 Accounts (Receivable)	Cash Received		June 30, 2023 Accounts (Receivable)	Amount Provided to Subrecipients
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	\$ (843)	\$ 843	\$ (4,301)	\$ (747)	
Special Milk Program	10.556	N/A	7/1/22	6/30/23	4,301	(843)	4,397	(4,301)	(747)	
Total Enterprise Fund						(843)	4,397	(4,301)	(747)	
Total U.S. Department of Agriculture										
U.S. Department of Education -										
Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
Title I										
Title I	84.010A	ESEA-4000-22	7/1/21	9/30/22	38,710	(6,986)	6,986	(32,661)	(10)	
Total Title I	84.010A	ESEA-4000-23	7/1/22	9/30/23	32,661	(6,986)	32,651	(32,661)	(10)	
Title II A	84.367A	ESEA-4000-22	7/1/21	9/30/22	24,051	(9,437)	9,437	(32,661)	(10)	
Title II A	84.367A	ESEA-4000-23	7/1/22	9/30/23	20,839		7,391	(7,900)	(509)	
Total Title II A						(9,437)	16,828	(7,900)	(509)	
Title III	84.365A	ESEA-4000-22	7/1/21	9/30/22	10,595	(1,482)	1,482			
Title III	84.365A	ESEA-4000-23	7/1/22	9/30/23	2,529		1,116	(2,529)	(1,413)	
Total Title III						(1,482)	2,598	(2,529)	(1,413)	
Title IV	84.424	ESEA-4000-22	7/1/21	9/30/22	14,772	(8,175)	8,175			
Title IV	84.424	ESEA-4000-23	7/1/22	9/30/23	16,597		16,597	(16,597)		
Total Title IV						(8,175)	24,772	(16,597)		
Total Elementary and Secondary Education Act						(26,080)	83,835	(59,687)	(1,932)	
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027A	IDEA-4000-23	7/1/22	9/30/23	211,994		187,644	(211,994)	(24,350)	
I.D.E.A. Part B, Preschool	84.173A	IDEA-4000-23	7/1/22	9/30/23	12,288		12,288	(12,288)		
COVID 19 - I.D.E.A. Part B, Basic - ARP	84.027X	IDEA-4000-23	7/1/21	9/30/23	34,307		2,058	(2,690)	(632)	
Total Special Education Cluster							201,990	(226,972)	(24,982)	

**LONG HILL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		
			From	To		Accounts (Receivable)	Accounts (Receivable)			Amount Provided to Subrecipients		
Education Stabilization Fund:												
COVID 19 - CRRSA:												
ESSER II	84.425D	S425D210027	3/13/20	9/30/23	\$ 89,960	\$ (23,219)	\$ 9,218	\$ (8,027)	\$ (22,028)			
Learning Acceleration	84.425D	S425D210027	3/13/20	9/30/23	25,000	(11,288)	20,951	(10,763)	(1,100)			
Mental Health	84.425D	S425D210027	3/13/20	9/30/23	45,000	(10,700)	17,700	(10,500)	(3,500)			
COVID 19 - ARP:												
ESSER III	84.425U	S425D210027	3/13/20	9/30/24	202,180	(42,673)	27,785	(14,731)	(29,619)			
Accelerated Learning Coach	84.425U	S425D210027	3/13/20	9/30/24	70,404	(46,988)	70,404	(23,416)				
Summer Learning and Enrichment	84.425U	S425D210027	3/13/20	9/30/23	40,000		24,504	(26,379)	(1,875)			
Comprehensive Beyond the School Day	84.425U	S425D210027	3/13/20	9/30/23	40,000		32,855	(40,000)	(7,145)			
Mental Health Support Staffing	84.425U	S425D210027	3/13/20	9/30/24	45,000		29,708	(30,208)	(500)			
Total Education Stabilization Fund							(134,868)	233,125	(164,024)	(65,767)		
Total U.S. Department of Education							(160,948)	518,950	(450,683)	(92,681)		
Total Special Revenue Fund							(160,948)	518,950	(450,683)	(92,681)		
<b>TOTAL FEDERAL AWARDS</b>							<b>\$ (161,791)</b>	<b>\$ 523,347</b>	<b>\$ (454,984)</b>	<b>\$ (93,428)</b>	<b>\$ -0-</b>	

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, 2023.

State Grantor/Program Title	Project Number	Grant Period From To	Program or Award Amount	Balance at July 1, 2022			Balance at June 30, 2023			MEMO		
				Budgetary (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	GAAP (Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)
State Department of Education:												
General Fund:												
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	\$ 874,433		\$ 793,887	\$ (874,433)					\$ (80,546)	\$ 874,433
Categorical Security Aid	23-495-034-5120-084	7/1/22	71,907		65,284	(71,907)					(6,623)	71,907
Categorical Transportation Aid	23-495-034-5120-014	7/1/22	171,428		155,638	(171,428)					(15,790)	171,428
Additional Non-Public Transportation Aid	23-495-034-5120-014	7/1/22	22,464			(22,464)				\$ (22,464)	(22,464)	22,464
Extraordinary Special Education Costs Aid	23-495-034-5094-004	7/1/22	403,129			(403,129)					(403,129)	403,129
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22	559,879			(559,879)					(27,876)	559,879
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	767,301		68,742							767,301
Categorical Security Aid	22-495-034-5120-084	7/1/21	13,945		1,249							13,945
Categorical Transportation Aid	22-495-034-5120-014	7/1/21	171,428		15,358							171,428
Additional Non-Public Transportation Aid	22-495-034-5120-014	7/1/21	20,300			(20,300)						20,300
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21	545,956		27,126							545,956
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	2,581,873		2,581,873	(687,662)						687,662
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	35,821		35,821	(35,821)						35,821
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	1,099		1,099	(1,099)						1,099
Total General Fund State Aid				(635,918)	5,489,185	(5,409,695)			(453,469)		(556,428)	7,431,768
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6,138		6,138	(6,138)						6,138
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	5,282		\$ 253			\$ (253)				5,029
Nursing Services (Chapter 226)	23-100-034-5120-070	7/1/22	10,528		10,528	(10,528)						10,528
Nursing Services (Chapter 226)	22-100-034-5120-070	7/1/21	10,080		589			(589)				9,491
Technology Initiative	23-100-034-5120-373	7/1/22	3,906		3,906	(3,906)						3,906
Security Aid	23-495-034-5120-084	7/1/22	19,270		19,270	(19,209)				\$ 61		19,209
Security Aid	22-495-034-5120-084	7/1/21	15,750		35			(35)				15,715
Handicapped Services (Chapter 193):												
Supplementary Instruction	23-100-034-5120-066	7/1/22	826		826							826
Examination and Classification	23-100-034-5120-066	7/1/22	1,706		1,706	(1,706)						1,706
Examination and Classification	22-100-034-5120-066	7/1/21	3,032		1,326			(1,326)				1,706
Corrective Speech	23-100-034-5120-066	7/1/22	1,116		1,116	(1,116)						1,116
Total Special Revenue Fund				2,203	43,490	(42,603)		(2,203)		887		74,544
Total State Department of Education				(635,918)	5,532,675	(5,452,298)		(2,203)		887	(556,428)	7,506,312

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023.

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
		From	To		Budgetary (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)
Special Revenue Fund:													
School Development Authority - Emergent Needs and Capital Maintenance	N/A	7/1/22	6/30/23	\$ 18,872			\$ 18,872	\$ (18,848)		\$ 24			\$ 18,848
School Climate Change Pilot	N/A	4/1/23	6/30/23	6,660			6,660	(6,660)					6,660
General Fund:													
School Development Authority - Securing Our Children's Future Bond Act (Alyssa's Law)	N/A	4/1/20	6/30/24	43,822			39,007						43,822
Total NJ Schools Development Authority								(39,007)		24			69,330
Total State Awards Subject to Single Audit Determination							\$ (674,925)	\$ (2,203)	\$ (2,203)	\$ (453,469)	\$ 887	\$ (556,428)	\$ 7,575,642
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	(687,662)				687,662					
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	(2,581,873)				2,581,873					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	(35,821)				35,821					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	(1,099)				1,099					
Subtotal - On-Behalf TPAF Pension System Contributions								3,306,455					
Total State Awards Subject to Single Audit Major Program Determination								\$ (2,171,351)					

N/A - Not Applicable/Available

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

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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, 2023

(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$17,610) for the General Fund, and \$60,249 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:

	Federal Sources	State Sources	Total
General Fund		\$ 5,392,085	\$ 5,392,085
Special Revenue Fund	\$ 514,017	69,826	583,843
Proprietary Fund	4,301		4,301
Total Financial Assistance	\$ 518,318	\$ 5,461,911	\$ 5,980,229

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, 2023.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- 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, 2023 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 Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education				
Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 874,433	\$ 874,433
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	71,907	71,907

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for state programs.

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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, 2023

Status of Prior Year Findings:

The audit did not disclose any findings.