

**SOUTH HUNTERDON REGIONAL
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

**Responsibility of the Management of
South Hunterdon Regional School District
Hunterdon County, New Jersey**



Certified Public Accountants, PC

**SOUTH HUNTERDON REGIONAL
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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South Hunterdon Regional School District

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December 18, 2024

Honorable President and Members
of the Board of Education
South Hunterdon Regional School District
County of Hunterdon, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the South Hunterdon Regional School District for the fiscal year ending June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the South Hunterdon Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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:

- A. The Introductory Section: Introduces the reader to the report and includes this transmittal letter, a list of principal officials, and the District's Organizational Charts.
- B. The Financial Section: Consists of the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and combining individual fund statements and schedules.
- C. The Statistical Section: Contains selected financial and demographic information, generally presented on a multi-year basis.
- D. The Single Audit: Includes the auditors' report on the internal control structure, compliance with applicable laws and regulations and findings and recommendations.

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South Hunterdon Regional High School – Jennifer Beresh MacKnight, Principal (609) 397-2060 (609) 397-2366 Fax
West Amwell Township Elementary School – David Miller, Principal (609) 397-0819 (609) 397-4350 Fax

The District is required to undergo an annual single audit in conformity with 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 State of New Jersey 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' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit Section of this report.

DESCRIPTION OF THE DISTRICT

South Hunterdon Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No.14. All funds and account groups of the District are included in this report. The South Hunterdon Regional School District and its PreK-12 comprehensive elementary, middle, and high schools constitute the District's reporting entity.

The District has four buildings located in the Township of West Amwell, City of Lambertville and Stockton Borough. The State of New Jersey requires submission of enrollment data as of October 15 of each year. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as education for special needs students. The District completed the 2023-24 fiscal year with an Average Daily Enrollment of 767. The following details the changes in the student enrollment of the District over the last nine years since regionalization.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	767	(5.70)
2022-23	813	5.91
2021-22	768	(14.29)
2020-21	896	(2.79)
2019-20	921	1.77
2018-19	905	(0.96)
2017-18	935	(0.53)
2016-17	940	0.11
2015-16	939	(2.19)

Economic Condition and Outlook

In January of 2014, the Board of Education voted to eliminate the vote on the annual school budget and to move the election of school board members to the general election in November. The Municipal Councils of the City of Lambertville, West Amwell Township and Stockton Borough, also voted to eliminate the annual school budget.

Major Initiatives

There are a number of initiatives of note which are a source of pride for our school, and we hope, for our community. These include:

1. Facilities

Projects included 2023-24 budget:

Renovation of Lambertville Public School into a district PreK-4 Elementary School

Construction of a new 5-8 Middle School

2. Administrative Team

The administrative team remained consistent and unchanged for the 2023-2024 school year.

3. Strategic Planning/District Goals/Board Goals

The District completed and BOE approved a new 5-year strategic plan in 2023-2024.

2023-2024 Goals Included:

Goal 1: To improve the academic success of all students through data monitoring that empowers leadership and staff to make informed decisions regarding academic programming and support.

Goal 2: Continue with the implementation of a Multi-Tiered System of Support (MTSS) for all students that focuses on providing interventions and enrichment based on individual student needs.

Goal 3: Professional Learning Communities focused on essential standards, formative assessment and data analysis.

Goal 4: To build community and promote healthy relationships among educators and students to teach the social-emotional and conflict resolution skills necessary to reduce conflict.

Goal 5: Facility planning for the new 5-8 school as well as planning the future of the preschool program.

4. Student Achievement

Increasing student achievement continued to be a district goal for 2023-2024. Teachers are committed to deliver content rich standards-based curriculum. State and local assessments provide data to guide strategies that will support all students.

Professional development is provided to help deliver sound instructional practices in all classrooms. Students are supported by staff and appropriate resources throughout the school year. Students are challenged with 21st Century Learning skills at all levels. Advanced placement courses are offered at the high school that support plans to continue education in higher education settings.

South Hunterdon continues to welcome 97 students yearly from nearby districts participating in the Inter-District School Choice Program. In addition to providing revenue, the program has increased the diversity among our Pre-K-12 student population.

Student achievement is under constant review by administration and staff throughout the school year.

Student achievement is reviewed by administration via classroom observations and review of teacher SGO's throughout the school year.

5. Academic Partnerships

Teachers from South Hunterdon Regional School District continue to have a greater opportunity to collaborate since the formation of the regionalized District. Emphasis is placed on articulation and alignment of curriculum Pre-K-12. Professional development outside the District continues to grow providing staff with opportunities to enrich and enhance their instruction.

Students at South Hunterdon Regional High School had the opportunity to participate in our Dual Enrollment program with Seton Hall University.

Additionally, South participates in Hunterdon County consortiums that share, among other topics, information about technology and continue to host college admission representatives. South also has a close relationship with TCNJ and often hosts their student teachers.

South also continues its relationship with colleges who take part in a college visitation day and evening, prepping our students for their post-high school experiences.

6. Communication with Public

The South Hunterdon Board of Education encourages and supports communication with all the stakeholders that comprise the local communities of Lambertville, Stockton, and West Amwell. Daily, weekly, and monthly messages regarding all aspects of our public schools are communicated via our SHRSB website, Facebook, letters to parents and School Messenger, and increased use of social media. Additionally, a weekly update highlights District accomplishments.

Traditional events such as "Senior Breakfast", "Senior Holiday Luncheon", "Senior Dinner and Musical", and "Senior Basketball Night" continue to be well attended.

Monthly public board meetings provide opportunities to report information about the District and provide opportunities for public comment.

7. Technology

The South Hunterdon Regional School District continues to make technology acquisitions and improvements to areas such as infrastructure, communications systems such as Internet and Voice services, student, faculty and staff devices, classroom systems, software applications and IT support staffing needs in order to support all of our stakeholders.

During the 2023-2024 school year normal levels of support were anticipated for the school year; however, the model could be modified given the still lingering uncertainty surrounding the pandemic. With Remote Learning comes a need for Wi-Fi hotspots for families without home Internet, the sending of all 1:1 Devices home (instead of just 7-12th Grades), remote troubleshooting and repair, and the potential need for a variety of new software services to support remote teaching and learning.

8. Parent Involvement

The Parent Teacher Student Organization continues to be a very active and energetic support system. Parental participation levels are high, and the generosity of the Elementary PTA/PTO underwrite many school activities.

The Lambertville Education Foundation continues to be a great support for all of our schools. They sponsored major fund-raising events this year that helped fund STEM projects, cardio fitness equipment, school trips, individual classroom teacher projects, and Mind of the Student. Teachers can apply for mini grants that help support classroom learning.

The LAEF Golf Day fundraiser continues to contribute to technology, library E-books and Info-based learning technology and other initiatives that support teaching and learning.

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management. The establishment of GAAP has been able to give management a day-to-day actual account of all moneys being received and spent. The preparation of these monthly reports provides a clear picture of all activity generated from the District.

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

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

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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. Budget costs have been contained while maintaining sound educational programs for the children.

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 an expropriation of fund balance in the subsequent year. Those amounts to be expropriated are reported as reservations of fund balance.

Accounting System and Reports

The District's accounting records reflect GAAP, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting systems of the District are organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

Debt Administration

The District's debt service payment for principal and interest during 2023-2024 school year were \$1,435,000 and \$1,809,896, respectively.

The District had \$36,387,000 in outstanding debt as of June 30, 2024.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires Governmental Units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

Risk Management

The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, hazard and theft, insurance on property and contents, workers compensation and fidelity bonds.

Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements, combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

We would like to express our appreciation to the members of the South Hunterdon Regional School District 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 our financial and accounting staff.

Respectfully submitted,

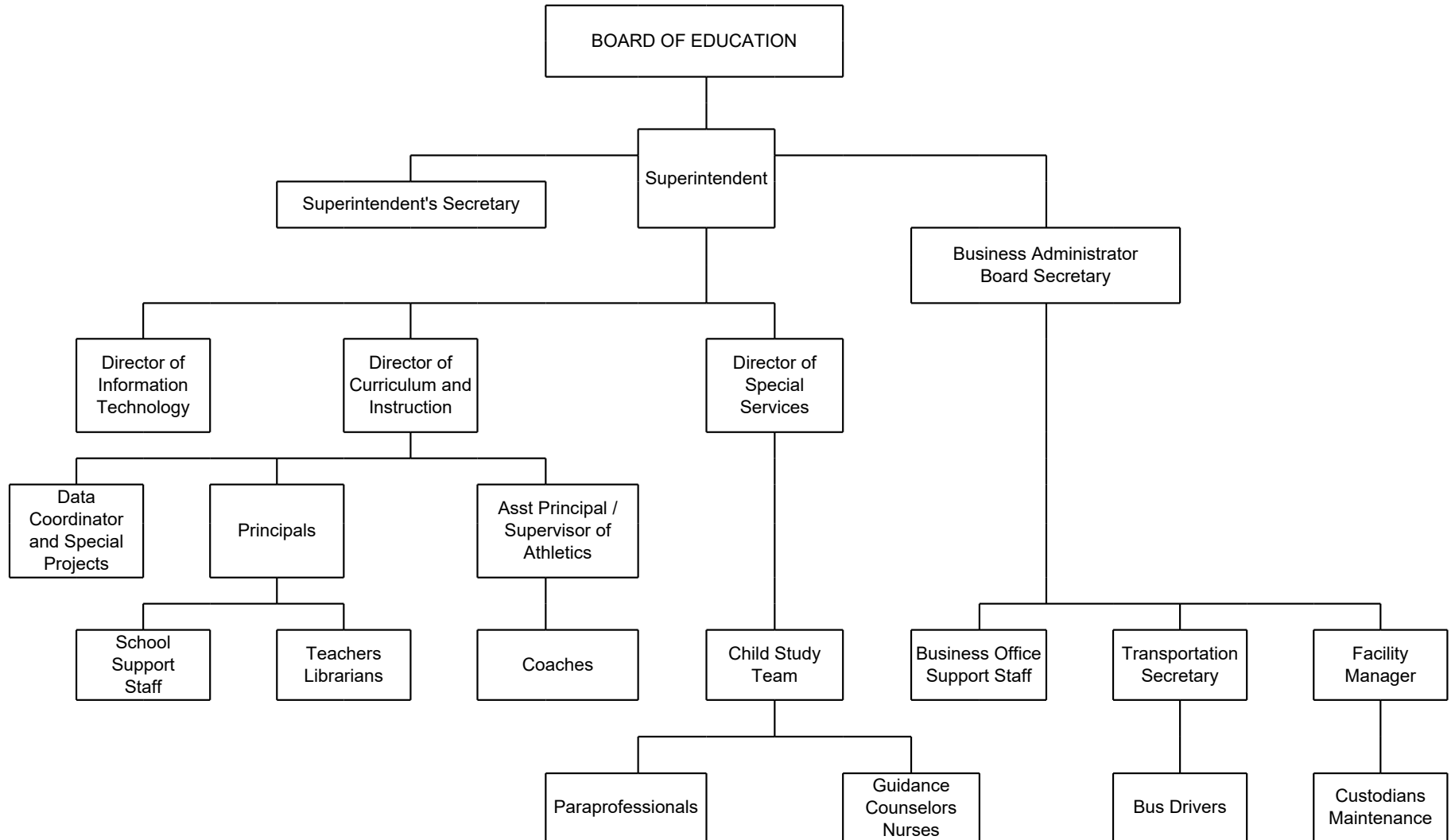


Anthony Suozzo
Superintendent



Andrew Harris
Business Administrator/Board Secretary

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Organizational Chart**



SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
Jim Gallagher	President	2025
Roni Todd-Marino	Vice President	2026
Jennifer Batchellor		2024
Martha Dennis		2024
Brian Keyes		2024
Gina Fischetti		2025
Kevin Koveloski		2025
Meagan Warner		2025
Michael Strouse		2026

Other Officials	Title
Anthony Suozzo	Superintendent
J. Andrew Harris	Business Administrator/Board Secretary

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

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Certified Public Accountants, PC
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Independent Auditors' Report

Honorable President and
Members of the Board of Education
South Hunterdon Regional School District
Lambertville, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Hunterdon Regional School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA

NO. 20CS00265600

December 18, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of South Hunterdon Regional School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the Basic Financial Statements and Notes to the Financial Statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$4,462,252 which represents a 29.47% increase from 2023.
- General revenues accounted for \$37,866,165 in revenue or 91.90% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$3,335,456 or 8.10% to total revenues of \$41,201,621.
- Total assets of governmental activities increased by \$1,459,990, as cash and cash equivalents decreased by \$12,295,611 receivables and other assets increased by \$265,728, and capital assets increased by \$13,489,873.
- The School District had \$36,542,543 in expenses; only \$3,335,456 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$37,866,165 were adequate to provide for these programs.
- Among major funds, the general fund had \$31,292,547 in revenues, \$29,139,073 in expenditures and \$1,699,588 in net other financing uses. The general fund's balance increased \$453,886 from 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of South Hunterdon Regional School District, the general fund is by far the most significant fund.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provided.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

Table 1
Net Position

	06/30/24	06/30/23	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 25,048,770	\$ 37,014,981	\$ (11,966,211)	-32.33%
Capital assets	38,065,211	24,548,291	13,516,920	55.06%
Total assets	<u>63,113,981</u>	<u>61,563,272</u>	<u>1,550,709</u>	<u>2.52%</u>
Deferred outflows of resources				
Deferred amount on pension activity	767,701	965,446	(197,745)	-20.48%
Deferred amount on bond premium	199,682	299,525	(99,843)	-33.33%
Deferred amount on loss on refunding long-term debt	3,603	5,403	(1,800)	-33.31%
Total deferred outflows of resources	<u>970,986</u>	<u>1,270,374</u>	<u>(299,388)</u>	<u>-23.57%</u>
Liabilities				
Long-term liabilities	42,694,802	44,153,588	(1,458,786)	-3.30%
Other liabilities	1,402,485	2,650,358	(1,247,873)	-47.08%
Total liabilities	<u>44,097,287</u>	<u>46,803,946</u>	<u>(2,706,659)</u>	<u>-5.78%</u>
Deferred inflows of resources				
Deferred amount on pension liability	364,384	858,224	(493,840)	-57.54%
Deferred amount on gain on refunding long-term debt	20,867	31,299	(10,432)	-33.33%
Total deferred inflows of resources	<u>385,251</u>	<u>889,523</u>	<u>(504,272)</u>	<u>-56.69%</u>
Net position				
Net investment in capital assets	1,231,162	17,812,096	(16,580,934)	-93.09%
Restricted	23,060,141	2,899,703	20,160,438	695.26%
Unrestricted	(4,688,874)	(5,571,622)	882,748	15.84%
Total net position	<u>\$ 19,602,429</u>	<u>\$ 15,140,177</u>	<u>\$ 4,462,252</u>	<u>29.47%</u>

Total assets increased \$1,714,584. Cash and cash equivalents decreased by \$12,022,522, receivables and other assets increased by \$220,186, and capital assets increased by \$13,516,920. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$882,748.

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The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2
Changes in Net Position

	06/30/24	06/30/23	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 467,032	\$ 466,077	\$ 955	0.20%
Operating grants and contributions	2,381,395	2,076,151	305,244	14.70%
General revenues				
Property taxes	22,634,137	20,976,977	1,657,160	7.90%
Grants and entitlements	12,516,831	12,196,442	320,389	2.63%
Other	2,715,197	176,406	2,538,791	1439.17%
Total revenues	41,201,621	35,892,053	5,309,568	14.79%
Expenses				
Instruction				
Regular	13,699,070	13,420,286	278,784	2.08%
Special	4,067,573	4,136,991	(69,418)	-1.68%
Other	2,501,632	2,479,022	22,610	0.91%
Support services				
Tuition	1,826,038	1,733,502	92,536	5.34%
Student & instructional related services	5,756,756	5,388,944	367,812	6.83%
General & business administration	1,231,484	1,274,776	(43,292)	-3.40%
School administration	1,150,433	1,176,254	(25,821)	-2.20%
Maintenance	2,887,974	2,248,682	639,292	28.43%
Transportation	1,494,354	1,442,380	51,974	3.60%
Food service	489,159	469,666	19,493	4.15%
Interest on long-term debt	1,438,070	1,592,125	(154,055)	-9.68%
Total expenses	36,542,543	35,362,628	1,179,915	3.34%
Change in net position before special item	4,659,079	529,425	4,129,653	780.03%
Loss on disposal of assets	(196,826)	-	(196,826)	*
Change in net position	\$ 4,462,252	\$ 529,425	\$ 3,932,827	748.85%

*Undefined

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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Governmental Activities

Local property taxes made up 56.59% of revenues for governmental activities for the South Hunterdon Regional School District for fiscal year 2024.

Instruction comprises 55.46% of District expenses. Support services expenses and interest on long-term debt make up 44.54% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District’s cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/24	06/30/23	06/30/24	06/30/23
Instruction	\$ 20,268,275	\$ 20,036,299	\$ 19,078,956	\$ 19,165,709
Support services				
Tuition	1,826,038	1,733,502	1,394,109	1,431,002
Student & instructional staff	5,756,756	5,388,944	4,851,204	4,741,724
General & business administration	1,231,484	1,274,776	1,214,925	1,274,776
School administration	1,150,433	1,176,254	1,132,413	1,176,254
Plant operations & maintenance	2,887,974	2,248,682	2,694,846	2,078,138
Pupil transportation	1,494,354	1,442,380	1,430,603	1,399,068
Food services	489,159	469,666	(28,039)	(38,396)
Interest on long-term debt	1,438,070	1,592,125	1,438,070	1,592,125
Total expenses	\$ 36,542,543	\$ 35,362,628	\$ 33,207,087	\$ 32,820,400

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

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

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

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

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

The dependence upon tax revenues is apparent. For all activities, general revenue support is 91.90%. The community, as a whole, is the primary support or funding source for the South Hunterdon Regional School District.

The School District’s Funds

Information about the School District’s major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$37,559,204, expenditures of \$49,046,418 and other financing sources of \$403,618. The capital fund had the largest change in fund balance of (\$11,471,717).

General Fund Budgeting Highlights

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

The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenue was \$25,721,768, \$2,489,723 below original budgeted estimates of \$23,232,045. This difference was due primarily to receiving increased interest received.

Capital Assets

At the end of the fiscal year 2024, the School District had \$38,065,211 invested in land, building, furniture, equipment and vehicles. Table 4 shows June 30, 2024 balances compared to June 30, 2023.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/24	06/30/23	Variance	
			Dollars	Percent
Land	\$ 302,743	\$ 498,143	\$ (195,400)	-39.23%
Construction in progress	16,576,958	2,484,738	14,092,220	567.15%
Buildings & improvements	19,821,565	20,262,685	(441,120)	-2.18%
Furniture & equipment	1,029,718	1,013,483	16,235	1.60%
Vehicles	334,227	289,242	44,985	15.55%
	<u>\$ 38,065,211</u>	<u>\$ 24,548,291</u>	<u>\$ 13,516,920</u>	<u>55.06%</u>

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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Overall capital assets decreased \$1,458,786 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2024, the School District had \$42,694,802 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2023 compared to June 30, 2024.

Table 5
Long-Term Liabilities at Year End

	06/30/24	06/30/23	Variance	
			Dollars	Percent
General obligation bonds payable	\$ 36,387,000	\$ 37,822,000	\$ (1,435,000)	-3.79%
Compensated absences payable	203,998	248,349	(44,351)	-17.86%
PERS net pension liability	4,918,626	5,046,300	(127,674)	-2.53%
Leases payable	429,785	162,541	267,244	164.42%
Bond premium	755,393	874,398	(119,005)	-13.61%
	<u>\$ 42,694,802</u>	<u>\$ 44,153,588</u>	<u>\$ (1,458,786)</u>	<u>-3.30%</u>

For the Future

The District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Andrew Harris, School Business Administrator/Board Secretary at South Hunterdon Regional School District, 301 Mt. Airy-Harbourton Road, Lambertville, NJ 08530.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 839,414	\$ 260,176	\$ 1,099,590
Receivables, net	1,127,195	14,741	1,141,936
Inventory	-	18,984	18,984
Restricted assets			
Capital reserve account - cash	2,642,155	-	2,642,155
Maintenance reserve - cash	163,232	-	163,232
Unemployment claims - cash	235,898	-	235,898
Scholarships - cash	47,408	-	47,408
Student activities - cash	158,744	-	158,744
Capital projects - cash	19,704,698	-	19,704,698
Capital assets, net			
Land	302,743	-	302,743
Capital assets not being depreciated	16,576,958	-	16,576,958
Other capital assets, net of depreciation	21,069,689	115,821	21,185,510
Total assets	62,868,134	409,722	63,277,856
Deferred outflows of resources			
Deferred amount on pension activity	767,701	-	767,701
Deferred amount on bond premium	199,682	-	199,682
Deferred amount on loss on refunding long-term debt	3,603	-	3,603
Total deferred outflows of resources	970,986	-	970,986
Liabilities			
Due to other funds, net	163,875	51,887	215,762
Accounts payable	473,386	20,663	494,049
Accrued interest	529,083	-	529,083
Payroll deductions and withholdings payable	165,996	-	165,996
Unearned revenue	152,531	8,939	161,470
Long-term liabilities			
Due within one year	2,337,983	-	2,337,983
Due beyond one year	40,356,819	-	40,356,819
Total liabilities	44,179,673	81,489	44,261,162
Deferred inflows of resources			
Deferred amount on pension liability	364,384	-	364,384
Deferred amount on gain on refunding long-term debt	20,867	-	20,867
Total deferred inflows of resources	385,251	-	385,251

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 1,115,341	\$ 115,821	\$ 1,231,162
Restricted for			
Capital reserve	2,642,155	-	2,642,155
Maintenance reserve	163,232	-	163,232
Unemployment claims	245,693	-	245,693
Scholarships	44,293	-	44,293
Student activities	161,859	-	161,859
Capital projects	19,802,525	-	19,802,525
Debt service	384	-	384
Unrestricted	(4,901,286)	212,412	(4,688,874)
Total net position	<u>\$ 19,274,196</u>	<u>\$ 328,233</u>	<u>\$ 19,602,429</u>

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 6,901,743	\$ 6,797,327	\$ -	\$ 790,818	\$ 222,572	\$ (12,685,680)	\$ -	\$ (12,685,680)
Special education	2,257,126	1,810,447	-	7,828	64,775	(3,994,970)	-	(3,994,970)
Other special education	743,629	564,915	-	72,643	18,020	(1,217,881)	-	(1,217,881)
Other instruction	802,164	390,924	-	-	12,663	(1,180,425)	-	(1,180,425)
Support services								
Tuition	1,826,038	-	-	431,929	-	(1,394,109)	-	(1,394,109)
Students & instruction related services	3,362,805	2,393,951	174,831	643,543	87,178	(4,851,204)	-	(4,851,204)
General & business administration services	802,667	428,817	-	-	16,559	(1,214,925)	-	(1,214,925)
School administration services	663,305	487,128	-	-	18,020	(1,132,413)	-	(1,132,413)
Plant operations & maintenance	2,457,328	430,646	165,367	-	27,761	(2,694,846)	-	(2,694,846)
Pupil transportation	1,124,924	369,430	44,270	-	19,481	(1,430,603)	-	(1,430,603)
Interest on long-term debt	1,438,070	-	-	-	-	(1,438,070)	-	(1,438,070)
Total governmental activities	22,379,799	13,673,585	384,468	1,946,761	487,029	(33,235,126)	-	(33,235,126)
Business-type activities								
Food service	489,159	-	257,395	259,803	-	-	28,039	28,039
Total business-type activities	489,159	-	257,395	259,803	-	-	28,039	28,039
Total primary government	\$ 22,868,958	\$ 13,673,585	\$ 641,863	\$ 2,206,564	\$ 487,029	(33,235,126)	28,039	(33,207,087)
General revenues, special items and transfers								
Property taxes levied for general purposes						20,023,189	-	20,023,189
Property taxes levied for debt service						2,610,948	-	2,610,948
Federal and state aid not restricted						12,516,831	-	12,516,831
Investment earnings						2,560,383	4,550	2,564,933
Miscellaneous income						148,326	1,938	150,264
Loss on disposal of assets						(196,826)	-	(196,826)
Total general revenues, special items and transfers						37,662,851	6,488	37,669,339
Change in net position						4,427,725	34,527	4,462,252
Net position - beginning						14,846,471	293,706	15,140,177
Net position - ending						\$ 19,274,196	\$ 328,233	\$ 19,602,429

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 623,652	\$ -	\$ -	\$ -	\$ 623,652
Due from other funds	414,198	-	-	384	414,582
Receivables from other governments					
State	297,886	-	487,029	-	784,915
Federal	-	47,943	-	-	47,943
Other accounts receivable	283,356	10,981	-	-	294,337
Restricted cash and cash equivalents	3,041,285	206,152	19,704,698	-	22,952,135
Total assets	\$ 4,660,377	\$ 265,076	\$ 20,191,727	\$ 384	\$ 25,117,564
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 384	\$ 24,845	\$ 337,466	\$ -	\$ 362,695
Accounts payable	399,391	22,259	51,736	-	473,386
Payroll deductions and withholdings payable	165,996	-	-	-	165,996
Unearned revenue	51,538	100,993	-	-	152,531
Total liabilities	617,309	148,097	389,202	-	1,154,608

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 154,124	\$ -	\$ -	\$ -	\$ 154,124
Excess surplus - current year	76,700	-	-	-	76,700
Capital reserve	2,642,155	-	-	-	2,642,155
Maintenance reserve	163,232	-	-	-	163,232
Scholarships	-	44,293	-	-	44,293
Student activities	-	161,859	-	-	161,859
Unemployment claims	245,693	-	-	-	245,693
Capital projects	-	-	19,802,525	-	19,802,525
Committed fund balance					
Year-end encumbrances	153,017	-	-	-	153,017
Assigned fund balance					
Debt service fund balance	-	-	-	384	384
Designated for subsequent year's expenditures	150,985	-	-	-	150,985
Unassigned fund balance	457,162	(89,173)	-	-	367,989
Total fund balances	<u>4,043,068</u>	<u>116,979</u>	<u>19,802,525</u>	<u>384</u>	<u>23,962,956</u>
Total liabilities and fund balances	<u>\$ 4,768,258</u>	<u>\$ 268,191</u>	<u>\$ 20,191,727</u>	<u>\$ 384</u>	

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

Capital assets used in government activities are not financial resources
and therefore are not reported in the funds. The cost of the assets
is \$53,689,039 and the accumulated depreciation is \$15,739,649. 37,949,390

Deferred outflows and inflows of resources are applicable to future
periods and, therefore, are not reported in the funds. 585,735

Long-term liabilities, including bonds payable and compensated absences
are not due and payable in the current period and therefore are not reported
as liabilities in the funds. (42,694,802)

Interest on long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. (529,083)

Total net position of governmental activities \$ 19,274,196

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 20,023,189	\$ -	\$ -	\$ 2,610,948	\$ 22,634,137
Transportation fees	44,270	-	-	-	44,270
Interest	2,147,358	-	413,025	-	2,560,383
Rents and royalties	165,367	-	-	-	165,367
Miscellaneous	148,326	230,609	-	-	378,935
Total local sources	<u>22,528,510</u>	<u>230,609</u>	<u>413,025</u>	<u>2,610,948</u>	<u>25,783,092</u>
State sources	8,722,191	850,195	487,029	634,063	10,693,478
Federal sources	41,846	1,040,788	-	-	1,082,634
Total revenues	<u>31,292,547</u>	<u>2,121,592</u>	<u>900,054</u>	<u>3,245,011</u>	<u>37,559,204</u>
Expenditures					
Current					
Instructional					
Regular instruction	6,134,859	832,752	-	-	6,967,611
Special education instruction	2,249,298	7,828	-	-	2,257,126
Other special instruction	626,888	116,741	-	-	743,629
Other instruction	802,164	-	-	-	802,164
Support service & undistributed costs					
Tuition	1,394,109	431,929	-	-	1,826,038
Student & instruction related services	2,654,363	708,442	-	-	3,362,805
General & business administrative services	802,667	-	-	-	802,667
School administrative services	663,305	-	-	-	663,305
Plant operations & maintenance	2,432,768	42,420	-	-	2,475,188
Pupil transportation	1,177,570	-	-	-	1,177,570
Unallocated benefits	9,656,273	216,396	-	-	9,872,669

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 531,063	\$ 24,170	\$ 14,281,771	\$ -	\$ 14,837,004
Debt service					
Principal	-	-	-	1,435,000	1,435,000
Interest & other charges	13,746	-	-	1,809,896	1,823,642
Total expenditures	<u>29,139,073</u>	<u>2,380,678</u>	<u>14,281,771</u>	<u>3,244,896</u>	<u>49,046,418</u>
Excess (deficit) of revenues over (under) expenditures	<u>2,153,474</u>	<u>(259,086)</u>	<u>(13,381,717)</u>	<u>115</u>	<u>(11,487,214)</u>
Other financing sources (uses)					
Assets acquired under lease	403,618	-	-	-	403,618
Operating transfers in (out)	(2,103,206)	193,206	1,910,000	-	-
Total other financing sources (uses)	<u>(1,699,588)</u>	<u>193,206</u>	<u>1,910,000</u>	<u>-</u>	<u>403,618</u>
Net change in fund balance	453,886	(65,880)	(11,471,717)	115	(11,083,596)
Fund balances, July 1	<u>3,589,182</u>	<u>182,859</u>	<u>31,274,242</u>	<u>269</u>	<u>35,046,552</u>
Fund balances, June 30	<u><u>\$ 4,043,068</u></u>	<u><u>\$ 116,979</u></u>	<u><u>\$ 19,802,525</u></u>	<u><u>\$ 384</u></u>	<u><u>\$ 23,962,956</u></u>

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - Governmental fund (from B-2) \$ (11,083,596)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 14,837,004	
Loss on disposal	(196,826)	
Depreciation expense	<u>(1,150,305)</u>	13,489,873

Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Debt principal payments	1,435,000	
Lease payments	<u>136,374</u>	1,571,374

Governmental funds report lease proceeds as financing sources whereas issuing debt increase long-term liabilities in the government-wide statements. (403,618)

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		119,005
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In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. 357,778

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2024

<p>In the Statement of Activities, deferred outflows and inflows from a refunding issue is amortized over the remaining life of the old or new debt, whichever is shorter.</p>	<p>\$ (91,211)</p>
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>	<p>423,769</p>
<p>In the Statement of Activities, compensated absences and early retirement benefits 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.</p>	<p style="border-top: 1px solid black;">44,351</p>
<p>Change in net position of governmental activities</p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 4,427,725</p>

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2024

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 260,176
Receivable from other Governments	
State	714
Federal	14,027
Inventory	18,984
Total current assets	<u>293,901</u>
Noncurrent assets	
Capital assets	283,931
Less: accumulated depreciation	<u>168,110</u>
Total noncurrent assets	<u>115,821</u>
Total assets	<u>409,722</u>
Liabilities	
Current liabilities	
Interfund payable	51,887
Accounts payable	20,663
Unearned revenues - commodities	6,166
Unearned revenues - prepaid sales	2,773
Total liabilities	<u>81,489</u>
Net position	
Invested in capital assets, net of related debt	115,821
Unrestricted	212,412
Total net position	<u>\$ 328,233</u>

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 125,494
Daily sales - non-reimbursable programs	131,901
Total operating revenues	257,395
Operating expenses	
Cost of sales - reimbursable programs	144,504
Cost of sales - non-reimbursable programs	65,504
Commodity food costs	40,541
Salaries	141,202
Supports services - employee benefits	21,133
Purchased professional/technical services	2,003
Purchased property services	716
Other purchased services	
Insurance	22,554
Management fee	25,578
Supplies and materials	8,199
Depreciation	16,447
Miscellaneous expenditures	778
Total operating expenses	489,159
Operating income (loss)	(231,764)

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position (continued)
For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Non-operating revenues (expenses)	
State sources	
State school lunch program	\$ 9,933
Federal sources	
National school breakfast program	
Cash assistance	46,928
National school lunch program	
Cash assistance	138,603
Non-cash assistance (commodities)	40,541
P-EBT	653
Supply chain assistance	23,145
Other sources	
Interest earned on investments	4,550
Miscellaneous	1,938
Total non-operating revenues (expenses)	266,291
Change in net position	34,527
Net position, beginning	293,706
Net position, ending	\$ 328,233

See accompanying notes to the financial statements.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Cash flows from operating activities	
Receipts from customers	\$ 255,616
Payments to Food Service Management Company	(412,632)
Payments to vendors (net)	(8,119)
Net cash provided by (used for) operating activities	(165,135)
Cash flows from non-capital financing activities	
State sources	9,311
Federal sources	198,270
Interfund receipts	51,887
Miscellaneous	1,938
Net cash provided by (used for) non-capital financing activities	261,406
Cash flows from capital financing activities	
Acquisition of equipment	(43,494)
Net cash provided by (used for) capital financing activities	(43,494)
Cash flows from investing activities	
Interest earned on investments	4,550
Net cash provided by (used for) investing activities	4,550
Net increase (decrease) in cash and cash equivalents	57,327
Cash and cash equivalents, beginning	202,849
Cash and cash equivalents, ending	\$ 260,176
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (231,764)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	16,447
Federal food donation program	40,541
Increase (decrease) in accounts payable	6,595
(Increase) decrease in inventory	5,336
Increase (decrease) in deferred revenue	(2,290)
Net cash provided by (used for) operating activities	\$ (165,135)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the South Hunterdon Regional School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-12. The District serves the communities of the Borough of Stockton, City of Lambertville and Township of West Amwell. The District had an approximate enrollment at June 30, 2024 of 802 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

Based on the aforementioned criteria, the District has no component units.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aid.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 expense by Board Resolution.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)
Proprietary fund types (continued)

Enterprise Fund - The enterprise 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 - 20 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

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 budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. 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. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

Short-term interfund receivables and 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.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 16, *Accounting for Compensated Absences*. 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.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

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

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 issuance are reported as other financing uses.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has three items that qualify for reporting in this category, deferred amount on pension activity, bond premium, and loss on refunding long-term debt. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, deferred amount on pension activity and gain on refunding long-term debt.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, investments and cash in banks.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types 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.

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 public 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 saving banks the deposits of which are federally insured.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2024, the District’s bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	3,316,070
Deposits with NJARM	20,360,867
Total bank balances	\$ 23,926,937

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 839,414
Enterprise funds, Statement of Net Position	B-4	260,176
Restricted cash		
Governmental funds, Balance Sheet	B-1	22,952,135
Total cash		\$ 24,051,725

Investments

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management fund (NJARM).

The NJARM, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District’s portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM without penalty. At June 30, 2024, the District’s balance was \$20,360,867 with NJARM, The NJARM Joint Account portfolio is rated AAA by Standard & Poor’s.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

Investments (continued)

Additionally, as of June 30, 2024, the District had one annuity with a cash value of \$29,575 and a surrender value of \$29,575. These funds were uninsured and uncollateralized.

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 498,143	\$ -	\$ 195,400	\$ 302,743
Construction in progress	2,484,738	14,301,112	208,892	16,576,958
Total	<u>2,982,881</u>	<u>14,301,112</u>	<u>404,292</u>	<u>16,879,701</u>
Capital assets, being depreciated or amortized				
Building & improvements	32,347,365	303,825	-	32,651,190
Furniture & equipment	2,445,009	297,403	36,640	2,705,772
Vehicles	1,329,030	143,556	20,210	1,452,376
Total	<u>36,121,404</u>	<u>744,784</u>	<u>56,850</u>	<u>36,809,338</u>
Accumulated depreciation & amortization				
Building & improvements	12,084,680	860,767	-	12,945,447
Furniture & equipment	1,520,300	190,864	35,214	1,676,050
Vehicles	1,039,788	98,574	20,210	1,118,152
Total	<u>14,644,768</u>	<u>1,150,305</u>	<u>55,424</u>	<u>15,739,649</u>
Total capital assets, being depreciated or amortized, net	<u>21,476,636</u>	<u>(405,521)</u>	<u>1,426</u>	<u>21,069,689</u>
Transfer	<u>-</u>	<u>(208,892)</u>	<u>(208,892)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 24,459,517</u>	<u>\$ 13,686,699</u>	<u>\$ 196,826</u>	<u>\$ 37,949,390</u>

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 240,437	\$ 43,494	\$ -	\$ 283,931
Less: accumulated depreciation or amortization	151,663	16,447	-	168,110
Business type activities capital assets, net	<u>\$ 88,774</u>	<u>\$ 27,047</u>	<u>\$ -</u>	<u>\$ 115,821</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 465,544
Special education	150,256
Other special instruction	49,503
Other instruction	53,400
Support services	
Student & instruction	223,860
General & business administration	53,433
School administration	44,156
Plant maintenance	11,580
Transportation	98,574
Total depreciation expense, governmental activities	<u>\$ 1,150,305</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 37,822,000	\$ -	\$ 1,435,000	\$ 36,387,000	\$ 2,117,000
Compensated absences payable	248,349	-	44,351	203,998	-
PERS net pension liability	5,046,300	-	127,674	4,918,626	-
Leases Payable	162,541	403,618	136,374	429,785	101,978
Bond premium	874,398	-	119,005	755,393	119,005
Total governmental activities long-term liabilities	<u>\$ 44,153,588</u>	<u>\$ 403,618</u>	<u>\$ 1,862,404</u>	<u>\$ 42,694,802</u>	<u>\$ 2,337,983</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,117,000	\$ 1,318,646	\$ 3,435,646
2026	2,110,000	1,246,885	3,356,885
2027	1,025,000	1,167,888	2,192,888
2028	1,050,000	1,134,169	2,184,169
2029	1,075,000	1,099,637	2,174,637
2030 - 2034	5,750,000	4,951,781	10,701,781
2035 - 2039	6,110,000	3,966,459	10,076,459
2040 - 2044	6,125,000	2,817,500	8,942,500
2045 - 2049	6,125,000	1,592,500	7,717,500
2050 - 2053	4,900,000	392,000	5,292,000
Total	<u>\$ 36,387,000</u>	<u>\$ 19,687,465</u>	<u>\$ 56,074,465</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2024, with their outstanding balances are comprised of the following individual issues:

\$33,412,000 - 2023 school bonds, interest at 3.00% to 4.00%, due in annual installments beginning July 15, 2024 to July 15, 2052.	\$ 33,412,000
\$9,600,000 - 2014 refunding school bonds, interest at 4.00%, due in annual installments beginning February 15, 2017 to February 15, 2026.	2,185,000
\$3,375,000 - 2015 refunding school bonds, interest at 2.15%, due in annual installments beginning February 15, 2015 to February 15, 2026.	790,000
Total	<u>\$ 36,387,000</u>

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$67,292,590. General obligation debt at June 30, 2024 is \$36,387,000, resulting in a legal debt margin of \$30,905,590.

Leases payable - Leases payable at June 30, 2024, with their outstanding balances are comprised of the following:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 101,978	\$ 13,207	\$ 115,185
2026	101,478	13,707	115,185
2027	105,527	9,658	115,185
2028	84,119	5,439	89,558
2029	36,683	1,655	38,338
Total	<u>\$ 429,785</u>	<u>\$ 43,666</u>	<u>\$ 473,451</u>

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 -	<u>Long-term debt (continued)</u>	
	\$172,637 - Lease commencing 6/3/24, 4.420% interest, due in annual installments beginning October 19, 2024 to October 19, 2028.	\$ 172,637
	\$230,981 - Lease commencing 8/1/23, 4.490% interest due in annual Installments beginning August 1, 2023 to August 1, 2027	183,795
	\$121,575 - Lease commencing 5/3/22, 2.388% interest, due in annual installments beginning August 1, 2022 to August 1, 2026.	73,353
	Total	\$ 429,785

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Plan description (continued)

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

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for 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.

The District's contractually required contribution rate for the year ended June 30, 2024 was 19.18% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective 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 non-employer contributing entities' total proportionate share of the collective pension expense 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$	4,918,626
Proportionate share		0.0339581551%
Plan fiduciary net position as a percentage of the total pension liability		65.23%

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information (continued)

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

Inflation rate

Price	2.75%
Wage	3.25%

Salary increases (based on years of service) 2.75 - 6.55%

Investment rate of return 7.00%

Preretirement 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 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023, measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 4,918,626
At a 1% lower rate (6.00%)	6,456,987
At a 1% higher rate (8.00%)	3,686,040

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,028	\$ 20,106
Changes of assumptions	10,805	298,090
Net difference between projected and actual earnings on pension plan investments	22,651	-
Changes in proportion and differences between district contributions and proportionate share of contributions	233,357	46,188
District contributions subsequent to the measurement date	453,860	-
Total	\$ 767,701	\$ 364,384

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of \$453,860 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 36,422	\$ 10,606	\$ 47,028
Changes of assumptions	15,635	(4,830)	10,805
Differences between expected and experience	208,862	(186,211)	22,651
Deferred inflows of resources			
Differences between expected and actual experience	(32,119)	12,013	(20,106)
Changes of assumptions	(755,631)	457,541	(298,090)
Difference between projected and actual earnings on pension plan investments	-	-	-
Net changes	\$ (526,831)	\$ 289,119	\$ (237,712)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2024	\$ (259,686)
2025	(144,947)
2026	202,553
2027	(36,249)
2028	617
Total	\$ (237,712)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2024, the District recognized net pension expense (benefit) of \$30,092, which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$49,577), plus the net amortization of deferred amounts from changes in proportion of \$111,856, and plus other adjustments to the net pension liability of (\$32,187). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$	411,467
Interest on total pension liability		1,553,896
Benefit changes		-
Member contributions		(331,848)
Administrative expense		7,261
Expected investment return net of investment expense		(915,946)
Pension expense related to specific liabilities of individual employers		(6,115)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		26,824
Changes of assumptions		(750,341)
Difference between projected and actual investment earnings on pension plan investments		(44,775)
Pension expense (benefit)	\$	<u>(49,577)</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a 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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statement which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for 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 employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2023, the State’s pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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 of resources or deferred inflows of resources 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 non-employer 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 non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$3,777,593 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 70,827,631
Less: State proportionate share of net pension liability	24,559,854
Net pension liability	\$ 46,267,777

Proportionate share	0.0906630544%
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Plan fiduciary net position as a percentage of the total pension liability	34.68%
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Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 – 4.25%
Investment rate of return	7.00%

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 46,267,777
At a 1% lower rate (6.00%)	54,558,105
At a 1% higher rate (8.00%)	39,285,350

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 1,235,030
Interest on total pension liability	4,769,783
Benefit changes	-
Member contributions	(844,637)
Administrative expense	12,295
Expected investment return net of investment expense	(1,542,550)
Pension expense related to specific liabilities of individual employers	(407)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	177,215
Changes of assumptions	(2,760,108)
Difference between projected and actual investment earnings on pension plan investments	90,044
Pension expense (benefit)	<u>\$ 1,136,665</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$14,853.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$1,035,531 to the TPAF for postretirement medical benefits, \$42,903 for non-contributory insurance premiums, \$1,604 for long-term disability insurance, and \$3,761,912 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$752,764 during the year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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 Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State’s level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District’s proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State’s proportionate share of the OPEB liability	\$	52,361,668,239
District’s proportionate share of the State’s OPEB liability		43,861,092
Employer OPEB expense and related revenue		1,966,727
Allocable proportionate percentage		0.0837656505%

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2022	\$ 41,674,095
Service cost	1,928,397
Interest cost	1,544,734
Change of benefit terms	-
Differences between expected and actual experiences	(209,980)
Changes of assumptions	88,406
Member contributions	39,586
Gross benefit payments	(1,204,146)
Total OPEB liability at June 30, 2023	\$ 43,861,092

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

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

Discount rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$	43,861,092
At a 1% lower rate (2.65%)		51,419,600
At a 1% higher rate (4.65%)		37,792,487

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	43,861,092
At a 1% lower rate (1% decrease)		36,411,469
At a 1% higher rate (1% increase)		53,608,944

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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 \$1,966,727 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a Trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District’s proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - 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:

- Equitable
- Lincoln Investment Planning

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$	12,955
Supplies		6,029
Total	\$	18,984

Note 10 - Contingent liabilities

Litigation

The District is involved in legal proceedings that are incidental to its operations. These legal proceedings are not likely to have material adverse effect on the financial position of the District.

Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 11 - Risk management

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Risk management (continued)

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ Unemployment Trust Fund for Benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District’s unemployment compensation insurance fund:

Fiscal Year	Other	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2023 - 2024	\$ -	\$ 5,479	\$ 27,520	\$ 93,572	\$ 245,693
2022 - 2023	-	2,181	26,698	10,208	306,266
2021 - 2022	-	279	24,541	440	287,595

Note 12 - Reserve accounts

A capital reserve account was established by the District 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) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the 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. 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:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 2,100,371	\$ 2,429,906	\$ 21,878	\$ -	\$ 1,910,000	\$ 2,642,155
Maintenance	322,966	-	5,537	-	165,271	163,232
Total	<u>\$ 2,423,337</u>	<u>\$ 2,429,906</u>	<u>\$ 27,415</u>	<u>\$ -</u>	<u>\$ 2,075,271</u>	<u>\$ 2,805,387</u>

Note 13 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 414,198	\$ 384
Special revenue fund	-	24,845
Capital projects fund	-	337,466
Debt service fund	384	-
Food service fund	-	51,887
Total	<u>\$ 414,582</u>	<u>\$ 414,582</u>

As of June 30, 2024, the following interfund balances were on the District's records. The balance due from the special revenue fund to the general fund represents a prior year refund of \$9,843 and a loan as a result of cash flow issues relating to the delayed receipt of grant revenues of \$15,002. The net interfund activity of \$337,466 represents a payable to the general fund from the capital projects fund due to reclassification of expenditures. The net interfund activity of \$384 represents a part of the tax levy receipt due to the debt service fund. The \$51,887 payable to the general fund from the food service fund represents a transfer in error.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balances

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 154,124
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	76,700
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	2,642,155
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	163,232
Unemployment - represents funds accumulated for future unemployment claims.	245,693

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	153,017
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Assigned

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	150,985
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	726,392
Total fund balance - budgetary basis (Exhibit C-1)	4,312,298
Last state aid payments not recognized on GAAP basis	(269,230)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 4,043,068</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved 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 reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$76,700.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$4,901,286) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$89,173) in the special revenue fund as of June 30, 2024 as reported in the fund statements. PL 2005, Chapter 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Note 19 - Subsequent events

The District has evaluated subsequent events through December 18, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenue					
Local sources					
Local tax levy	\$ 20,023,188	\$ -	\$20,023,188	\$20,023,189	\$ 1
Transportation fees from other LEAs	45,000	-	45,000	44,270	(730)
Rents and royalties	170,000	-	170,000	165,367	(4,633)
Unrestricted miscellaneous revenues	30,000	-	30,000	2,262,790	2,232,790
Interest earned on maintenance reserve	300	-	300	5,537	5,237
Interest earned on capital reserve funds	3,000	-	3,000	21,878	18,878
Other restricted miscellaneous revenues	-	-	-	5,479	5,479
Total	<u>20,271,488</u>	<u>-</u>	<u>20,271,488</u>	<u>22,528,510</u>	<u>2,257,022</u>
State sources					
School choice aid	1,583,200	-	1,583,200	1,583,200	-
Categorical transportation aid	378,861	-	378,861	378,861	-
Extraordinary aid	-	-	-	206,093	206,093
Categorical special education aid	833,664	-	833,664	833,664	-
Categorical security aid	134,124	-	134,124	134,124	-
Other state aid	-	-	-	15,470	15,470
TPAF Pension (on-behalf)	-	-	-	3,761,912	3,761,912
TPAF Non-contributory insurance	-	-	-	42,903	42,903
TPAF Social Security (reimbursed)	-	-	-	752,764	752,764
TPAF Postretirement benefits	-	-	-	1,035,531	1,035,531
TPAF Long-term disability insurance	-	-	-	1,604	1,604
Total	<u>2,929,849</u>	<u>-</u>	<u>2,929,849</u>	<u>8,746,126</u>	<u>5,816,277</u>
Federal Sources					
Medicaid reimbursement	30,708	-	30,708	41,846	11,138
Total	<u>30,708</u>	<u>-</u>	<u>30,708</u>	<u>41,846</u>	<u>11,138</u>
Total revenues	<u>\$ 23,232,045</u>	<u>\$ -</u>	<u>\$23,232,045</u>	<u>\$31,316,482</u>	<u>\$ 8,084,437</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Kindergarten	\$ 398,506	\$ (6,068)	\$ 392,438	\$ 385,583	\$ 6,855
Grades 1-5	1,837,676	(139,212)	1,698,464	1,697,613	851
Grades 6-8	1,681,601	(91,137)	1,590,464	1,560,230	30,234
Grades 9-12	1,938,478	55,319	1,993,797	1,962,378	31,419
Home instruction					
Salaries of teachers	10,000	4,973	14,973	14,123	850
Regular programs - undistributed instruction					
Other salaries for instruction	1,000	809	1,809	1,809	-
Purchased professional - educational services	-	1,408	1,408	1,408	-
Purchased technical services	130,712	3,048	133,760	132,940	820
Other purchased services	140,200	(1,913)	138,287	134,742	3,545
General supplies	200,884	52,579	253,463	244,033	9,430
Total	<u>6,339,057</u>	<u>(120,194)</u>	<u>6,218,863</u>	<u>6,134,859</u>	<u>84,004</u>
Special education					
Learning and/or language disabilities					
Salaries of Teachers	232,756	4,026	236,782	236,782	-
Other purchased services	5,000	-	5,000	3,199	1,801
General supplies	800	(50)	750	-	750
Total	<u>238,556</u>	<u>3,976</u>	<u>242,532</u>	<u>239,981</u>	<u>2,551</u>
Resource room/resource center					
Salaries of Teachers	1,582,058	14,905	1,596,963	1,596,412	551
Other salaries for instruction	524,930	(101,370)	423,560	410,574	12,986
Other purchased services	-	307	307	-	307
General supplies	2,900	(389)	2,511	2,331	180
Total	<u>2,109,888</u>	<u>(86,547)</u>	<u>2,023,341</u>	<u>2,009,317</u>	<u>14,024</u>
Total special education	<u>2,348,444</u>	<u>(82,571)</u>	<u>2,265,873</u>	<u>2,249,298</u>	<u>16,575</u>
Basic skills/remedial					
Salaries of Teachers	238,499	-	238,499	182,084	56,415
General supplies	-	83	83	83	-
Total	<u>238,499</u>	<u>83</u>	<u>238,582</u>	<u>182,167</u>	<u>56,415</u>
Bilingual education - instruction					
Salaries of Teachers	451,927	-	451,927	444,721	7,206
Total	<u>451,927</u>	<u>-</u>	<u>451,927</u>	<u>444,721</u>	<u>7,206</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	190,500	-	190,500	175,061	15,439
Purchased services	-	550	550	-	550
Supplies and materials	8,050	(773)	7,277	4,951	2,326
Other objects	500	223	723	723	-
Total	<u>199,050</u>	<u>-</u>	<u>199,050</u>	<u>180,735</u>	<u>18,315</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
School-sponsored athletics - instruction					
Salaries	\$ 500,821	\$ (25,220)	\$ 475,601	\$ 463,658	\$ 11,943
Purchased services	57,000	3,821	60,821	59,624	1,197
Supplies and materials	45,000	2,604	47,604	47,093	511
Other objects	9,500	(241)	9,259	7,360	1,899
Total	<u>612,321</u>	<u>(19,036)</u>	<u>593,285</u>	<u>577,735</u>	<u>15,550</u>
Summer school - instruction					
Salaries of Teachers	44,600	242	44,842	43,694	1,148
Total	<u>44,600</u>	<u>242</u>	<u>44,842</u>	<u>43,694</u>	<u>1,148</u>
Total summer school	<u>44,600</u>	<u>242</u>	<u>44,842</u>	<u>43,694</u>	<u>1,148</u>
Total instruction regular	<u>\$ 10,233,898</u>	<u>\$ (221,476)</u>	<u>\$10,012,422</u>	<u>\$ 9,813,209</u>	<u>\$ 199,213</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ -	\$ 4,803	\$ 4,803	\$ 4,803	\$ -
Tuition to other LEAs within the State - special	42,000	14,352	56,352	56,352	-
Tuition to county vocational school district - regular	198,286	5,604	203,890	203,890	-
Tuition to county vocational school district - special	31,200	4,140	35,340	35,340	-
Tuition to cssd & regional day schools	79,500	(6,856)	72,644	72,644	-
Tuition to priv. school for the disabled w/i state	806,860	27,081	833,941	832,687	1,254
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	72,000	6,775	78,775	63,471	15,304
Tuition - other	130,000	(5,078)	124,922	124,922	-
Total	<u>1,359,846</u>	<u>50,821</u>	<u>1,410,667</u>	<u>1,394,109</u>	<u>16,558</u>
Undistributed expenditures - attendance & social work					
Salaries	100,143	(1,687)	98,456	96,426	2,030
Total	<u>100,143</u>	<u>(1,687)</u>	<u>98,456</u>	<u>96,426</u>	<u>2,030</u>
Undistributed expenditures - health services					
Salaries	210,470	5,791	216,261	216,058	203
Purchased professional and technical services	3,500	24,611	28,111	28,111	-
Other purchased services	2,000	2,353	4,353	4,353	-
Supplies and materials	10,000	(4,060)	5,940	5,940	-
Total	<u>225,970</u>	<u>28,695</u>	<u>254,665</u>	<u>254,462</u>	<u>203</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	198,918	-	198,918	198,632	286
Purchased professional - educational services	41,000	25,010	66,010	65,970	40
Supplies and materials	900	(627)	273	273	-
Other objects	750	(525)	225	225	-
Total	<u>241,568</u>	<u>23,858</u>	<u>265,426</u>	<u>265,100</u>	<u>326</u>
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	11,950	(358)	11,592	11,592	-
Total	<u>11,950</u>	<u>(358)</u>	<u>11,592</u>	<u>11,592</u>	<u>-</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - guidance					
Salaries of other Professional Staff	\$ 494,454	\$ (4,540)	\$ 489,914	\$ 488,955	\$ 959
Salaries of Secretarial and Clerical Assistants	98,262	761	99,023	99,023	-
Purchased professional - educational services	3,500	(3,461)	39	39	-
Other purchased professional & technical services	4,000	(1,644)	2,356	2,356	-
Other purchased services	2,000	(151)	1,849	1,849	-
Supplies and materials	2,250	(2,105)	145	145	-
Other objects	1,750	(1,272)	478	478	-
Total	606,216	(12,412)	593,804	592,845	959
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	397,126	(17,794)	379,332	368,675	10,657
Salaries of Secretarial and Clerical Assistants	102,169	(6,259)	95,910	95,910	-
Purchased professional - educational services	13,000	(13,000)	-	-	-
Other purchased professional & technical services	40,000	77,566	117,566	117,566	-
Other purchased services	1,500	(570)	930	930	-
Supplies and materials	5,000	2,426	7,426	7,426	-
Other objects	2,000	(1,660)	340	340	-
Total	560,795	40,709	601,504	590,847	10,657
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	220,673	(29,295)	191,378	191,378	-
Salaries of other Professional Staff	183,670	(9,668)	174,002	173,102	900
Salaries of Secretarial & Clerical Assist	98,262	(10,730)	87,532	87,532	-
Other purchased professional & technical services	5,000	3,950	8,950	8,950	-
Other purchased services	1,000	(1,000)	-	-	-
Supplies and materials	1,000	1,016	2,016	2,016	-
Other objects	2,000	(554)	1,446	1,446	-
Total	511,605	(46,281)	465,324	464,424	900
Undistributed expenditures - edu. media service/sch. library					
Salaries	228,422	116,103	344,525	344,524	1
Salaries of technology coordinators	122,582	(122,582)	-	-	-
Purchased professional and technical services	2,000	(1,364)	636	636	-
Other purchased services	2,400	1,170	3,570	3,570	-
Supplies and materials	12,500	(4,172)	8,328	8,328	-
Total	367,904	(10,845)	357,059	357,058	1
Undistributed expenditures - instructional staff training services					
Salaries of Supervisor of Instruction	1,500	9,290	10,790	10,790	-
Purchased professional - educational services	5,000	(2,455)	2,545	2,545	-
Other purchased services	3,345	2,398	5,743	5,743	-
Supplies and materials	2,000	91	2,091	2,091	-
Other objects	500	(60)	440	440	-
Total	12,345	9,264	21,609	21,609	-

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expend. - support service - general admin.					
Salaries	\$ 277,374	\$ (2,717)	\$ 274,657	\$ 274,567	\$ 90
Legal services	50,000	18,590	68,590	68,590	-
Audit fees	32,000	(4,750)	27,250	27,250	-
Architectural/engineering services	3,700	(3,700)	-	-	-
Other purchased professional services	2,000	538	2,538	2,538	-
Communications/telephone	42,400	(15,178)	27,222	23,639	3,583
BOE other purchased services	8,200	(2,200)	6,000	5,900	100
Miscellaneous purch services	50,000	(312)	49,688	44,792	4,896
General supplies	500	18	518	518	-
Miscellaneous expenditures	4,000	855	4,855	4,855	-
BOE membership dues and fees	11,350	-	11,350	9,990	1,360
Total	481,524	(8,856)	472,668	462,639	10,029
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	377,493	1,427	378,920	378,350	570
Salaries of Secretarial and Clerical Assistants	167,972	(2,708)	165,264	147,315	17,949
Other purchased services	1,500	(1,500)	-	-	-
Supplies and materials	9,500	5,464	14,964	14,964	-
Other objects	3,500	(1,136)	2,364	2,364	-
Total	559,965	1,547	561,512	542,993	18,519
Undistributed expenditures - central services					
Salaries	299,991	(2,038)	297,953	293,390	4,563
Purchased professional services	6,200	(893)	5,307	4,965	342
Purchased technical services	38,000	2,405	40,405	40,405	-
Miscellaneous purchased services	2,100	-	2,100	298	1,802
Supplies and materials	1,000	(109)	891	625	266
Other objects	1,350	(1,005)	345	345	-
Total	348,641	(1,640)	347,001	340,028	6,973
Undistributed expenditures - admin. info. technology					
Salaries	134,229	-	134,229	120,312	13,917
Total	134,229	-	134,229	120,312	13,917
Undistributed expenditures - required maint. for school facilities					
Salaries	298,723	(29,833)	268,890	268,890	-
Cleaning, repair, and maintenance services	298,663	29,345	328,008	317,718	10,290
General supplies	70,840	24,890	95,730	95,597	133
Other objects	550	35	585	525	60
Total	668,776	24,437	693,213	682,730	10,483

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - custodial services					
Salaries	\$ 517,855	\$ 101,669	\$ 619,524	\$ 605,467	\$ 14,057
Salaries of non-instructional aides	3,000	(3,000)	-	-	-
Purchased professional and technical services	24,112	(898)	23,214	23,214	-
Cleaning, repair, and maintenance service	40,000	(19,466)	20,534	19,767	767
Rental of land & bldg. other than lease purch agreement	433,846	29,080	462,926	462,926	-
Other purchased property services	48,300	(21,321)	26,979	7,638	19,341
Insurance	95,000	(2,211)	92,789	92,789	-
General supplies	111,000	(45,838)	65,162	65,162	-
Energy (natural gas)	58,000	(23,797)	34,203	34,203	-
Energy (electricity)	242,000	(3,674)	238,326	224,037	14,289
Energy (oil)	105,000	(5,182)	99,818	99,133	685
Total	1,678,113	5,362	1,683,475	1,634,336	49,139
Undistributed expenditures - security					
Salaries	125,000	-	125,000	115,238	9,762
Purchased professional and technical services	-	464	464	464	-
Total	125,000	464	125,464	115,702	9,762
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	-	130	130	17	113
Salaries for pupil trans. (between home & school) - reg.	412,254	21,883	434,137	433,762	375
Salaries for pupil trans. (between home & school) - sp. ed.	171,879	(60,416)	111,463	107,387	4,076
Salaries for pupil trans. (other than between home & school)	30,000	15,066	45,066	44,485	581
Management fee - esc & ctsa trans. program	4,500	1,101	5,601	5,601	-
Other purchased professional and technical service	-	4,475	4,475	4,475	-
Cleaning, repair, & maint. services	80,000	25,017	105,017	105,017	-
Rental payments - school buses	-	420	420	420	-
Lease purchase payments - school buses	82,000	-	82,000	82,000	-
Contract service - aid in lieu pymts. - non-public schools	50,000	10,508	60,508	60,508	-
Contract service (sp. ed. stds.) - vendors	60,000	(60,000)	-	-	-
Contract service (sp ed stds) - joint agreements	-	57,862	57,862	57,862	-
Contract service (spl. ed. students) - escs & ctsas	80,000	57,080	137,080	137,018	62
Miscellaneous purchased services - transportation	20,000	(5,003)	14,997	14,997	-
General supplies	500	904	1,404	1,404	-
Transportation supplies	105,827	14,393	120,220	120,220	-
Other objects	500	1,684	2,184	2,184	-
Total	1,097,460	85,104	1,182,564	1,177,357	5,207
Allocated benefits - employee benefits					
Student transportation services					
Other employee benefits	-	213	213	213	-
Total	-	213	213	213	-
Total allocated benefits - employees	\$ -	\$ 213	\$ 213	\$ 213	\$ -

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Unallocated benefits - employee benefits					
Social Security contributions	\$ 340,000	\$ 45,337	\$ 385,337	\$ 385,337	\$ -
Other retirement contributions - PERS	420,000	25,495	445,495	445,495	-
Other retirement contributions - ERIP	7,210	4,047	11,257	11,257	-
Unemployment compensation	-	2,484	2,484	2,484	-
Workmen's compensation	135,000	(13,384)	121,616	121,616	-
Health benefits	2,918,211	(72,855)	2,845,356	2,845,356	-
Tuition reimbursement	99,751	(49,310)	50,441	50,441	-
Other employee benefits	165,000	(8,894)	156,106	156,106	-
Unused sick payment to terminated/retired staff	15,000	28,467	43,467	43,467	-
Total	<u>4,100,172</u>	<u>(38,613)</u>	<u>4,061,559</u>	<u>4,061,559</u>	<u>-</u>
On-behalf TPAF Pension contribution	-	-	-	3,761,912	(3,761,912)
On-behalf TPAF Non-contributory insurance	-	-	-	42,903	(42,903)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,035,531	(1,035,531)
On-behalf TPAF Long-term disability insurance	-	-	-	1,604	(1,604)
Reimbursed TPAF Social Security contribution	-	-	-	752,764	(752,764)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,594,714</u>	<u>(5,594,714)</u>
Total undistributed expenditures	<u>\$ 13,192,222</u>	<u>\$ 149,782</u>	<u>\$13,342,004</u>	<u>\$18,781,055</u>	<u>\$ (5,439,051)</u>
Total current	<u>\$ 23,426,120</u>	<u>\$ (71,694)</u>	<u>\$23,354,426</u>	<u>\$28,594,264</u>	<u>\$ (5,239,838)</u>
Capital outlay					
Equipment					
Vocational programs					
School-sponsored and other instructional programs	\$ -	\$ 21,488	\$ 21,488	\$ 9,848	\$ 11,640
Undistributed					
Undistributed expenditures - instruction	-	5,278	5,278	5,278	-
Undistributed expenditures - general admin.	-	52,621	52,621	52,621	-
Undistributed expend. - required maint. for school facilities	-	38,564	38,564	38,564	-
Undistributed expenditures - custodial services	-	115,271	115,271	19,341	95,930
Total equipment	<u>-</u>	<u>233,222</u>	<u>233,222</u>	<u>125,652</u>	<u>107,570</u>
Facilities acquisition and construction service					
Other purchased professional and technology services	-	494,995	494,995	1,793	493,202
Construction services	10,623	1,192,000	1,202,623	-	1,202,623
Assessment for debt service on SDA funding	13,746	-	13,746	13,746	-
Total facilities acquisition and construction service	<u>24,369</u>	<u>1,686,995</u>	<u>1,711,364</u>	<u>15,539</u>	<u>1,695,825</u>
Assets acquired under leases (non-budgeted)					
Undistributed					
Undistributed expenditures student transportation	-	-	-	403,618	(403,618)
Total assets acquired under leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,618</u>	<u>(403,618)</u>
Total capital outlay	<u>\$ 24,369</u>	<u>\$ 1,920,217</u>	<u>\$ 1,944,586</u>	<u>\$ 544,809</u>	<u>\$ 1,399,777</u>
Total expenditures	<u>\$ 23,450,489</u>	<u>\$ 1,848,523</u>	<u>\$25,299,012</u>	<u>\$29,139,073</u>	<u>\$ (3,840,061)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (218,444)</u>	<u>\$(1,848,523)</u>	<u>\$ (2,066,967)</u>	<u>\$ 2,177,409</u>	<u>\$ 4,244,376</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	\$ (193,206)	\$ -	\$ (193,206)	\$ (193,206)	\$ -
Capital reserve - transfer to capital projects fund	(500,000)	-	(500,000)	(1,910,000)	(1,410,000)
Leases (non-budgeted)	-	-	-	403,618	403,618
Total other financing sources (uses)	<u>(693,206)</u>	<u>-</u>	<u>(693,206)</u>	<u>(1,699,588)</u>	<u>(1,006,382)</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(911,650)	(1,848,523)	(2,760,173)	477,821	3,237,994
Fund balances, July 1	3,834,477	-	3,834,477	3,834,477	-
Fund balances, June 30	<u>\$ 2,922,827</u>	<u>\$(1,848,523)</u>	<u>\$ 1,074,304</u>	<u>\$ 4,312,298</u>	<u>\$ 3,237,994</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (123,504)	\$ -	\$ (123,504)	\$ (123,504)	\$ -
Increase in capital reserve	-	2,429,906	2,429,906	2,429,906	-
Interest deposit to capital reserve	3,000	-	3,000	21,878	18,878
Withdrawal from capital reserve	(500,000)	(1,410,000)	(1,910,000)	(1,910,000)	-
Interest earned on maintenance reserve	300	-	300	5,537	5,237
Withdrawal from maintenance reserve	-	(165,271)	(165,271)	(165,271)	-
Interest earned on unemployment compensation	-	-	-	5,479	5,479
Withdrawal from unemployment compensation	-	(2,484)	(2,484)	(2,484)	-
Budgeted fund balance	<u>(291,446)</u>	<u>(2,700,674)</u>	<u>(2,992,120)</u>	<u>216,280</u>	<u>3,208,400</u>
	<u>\$ (911,650)</u>	<u>\$(1,848,523)</u>	<u>\$ (2,760,173)</u>	<u>\$ 477,821</u>	<u>\$ 3,237,994</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 154,124	
Excess surplus - current year				76,700	
Capital reserve				2,642,155	
Maintenance reserve				163,232	
Unemployment compensation				245,693	
Committed fund balance					
Year-end encumbrances				153,017	
Assigned fund balance					
Designated for subsequent year's expenditures				150,985	
Unassigned fund balance				<u>726,392</u>	
Fund balance per budgetary basis				4,312,298	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(269,230)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 4,043,068</u>	

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 234,610	\$ 1,075	\$ 235,685	\$ 230,609	\$ (5,076)
State sources	981,680	-	981,680	947,076	(34,604)
Federal sources	1,003,314	(1,583)	1,001,731	976,183	(25,548)
Total revenues	<u>2,219,604</u>	<u>(508)</u>	<u>2,219,096</u>	<u>2,153,868</u>	<u>(65,228)</u>
Other Financing Sources					
Transfers In	193,206	-	193,206	193,206	-
Total revenues & other financing sources	<u>\$ 2,412,810</u>	<u>\$ (508)</u>	<u>\$ 2,412,302</u>	<u>\$ 2,347,074</u>	<u>\$ (65,228)</u>
Expenditures					
Instruction					
Salaries	\$ 540,005	\$ 773	\$ 540,778	\$ 514,877	\$ 25,901
Purchased professional and technical services	6,000	18,571	24,571	24,571	-
Other purchased services	393,895	(226,470)	167,425	162,370	5,055
General supplies	168,416	(51,849)	116,567	107,080	9,487
Total	<u>1,108,316</u>	<u>(258,975)</u>	<u>849,341</u>	<u>808,898</u>	<u>40,443</u>
Support services					
Tuition	226,848	205,081	431,929	431,929	-
Salaries	391,661	32,686	424,347	403,325	21,022
Employee benefits	307,289	(13,561)	293,728	293,728	-
Purchased professional and technical services	53,001	31,046	84,047	84,047	-
Plant operations and maintenance	45,000	-	45,000	42,420	2,580
Other purchased services	19,495	(484)	19,011	18,818	193
Other objects	700	-	700	-	700
Student activities	198,378	-	198,378	198,378	-
Scholarships	3,700	-	3,700	3,700	-
Total	<u>1,246,072</u>	<u>254,768</u>	<u>1,500,840</u>	<u>1,476,345</u>	<u>24,495</u>
Capital outlay					
Facilities	20,471	-	20,471	20,471	-
Instructional equipment	65,198	3,699	68,897	68,607	290
Total	<u>85,669</u>	<u>3,699</u>	<u>89,368</u>	<u>89,078</u>	<u>290</u>
Total expenditures	<u>\$ 2,440,057</u>	<u>\$ (508)</u>	<u>\$ 2,439,549</u>	<u>\$ 2,374,321</u>	<u>\$ 65,228</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (27,247)	\$ -	\$ (27,247)	\$ (27,247)	\$ -
Fund balances, July 1	233,399	-	233,399	233,399	-
Fund balances, June 30	<u>\$ 206,152</u>	<u>\$ -</u>	<u>\$ 206,152</u>	<u>\$ 206,152</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 44,293	
Student activities				161,859	
Fund balance per budgetary basis				<u>206,152</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(89,173)	
Fund balance per governmental funds (GAAP)				<u>\$ 116,979</u>	

See independent auditors' reports.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 31,316,482	\$ 2,153,868
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	71,265
Outstanding encumbrances - current year	-	(64,908)
Differences - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	245,295	50,540
State aid receivable current year	(269,230)	(89,173)
Total revenues (GAAP basis)	<u>\$ 31,292,547</u>	<u>\$ 2,121,592</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 29,139,073	\$ 2,374,321
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	71,265
Outstanding encumbrances - current year	-	(64,908)
Total expenditures (GAAP basis)	<u>\$ 29,139,073</u>	<u>\$ 2,380,678</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2015	0.0272854859%	\$ 6,125,045	\$ 1,952,858	313.65%	47.93%
2016	0.0291500635%	8,633,414	2,064,720	418.14%	40.14%
2017	0.0313398241%	7,295,410	2,155,498	338.46%	48.10%
2018	0.0311568500%	6,134,629	2,298,715	266.87%	53.60%
2019	0.0313538000%	5,808,006	2,254,639	257.60%	56.27%
2020	0.0320677490%	5,229,411	2,390,716	218.74%	58.32%
2021	0.0337676988%	4,000,290	2,451,169	163.20%	70.33%
2022	0.0334382984%	5,046,300	2,596,224	194.37%	62.91%
2023	0.0339581551%	4,918,626	2,545,962	193.19%	65.23%
2024	N/A	N/A	2,365,947	N/A	N/A

N/A = Information not available

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2015	\$ 234,582	\$ (234,582)	\$ -	\$ 1,952,858	12.01%
2016	258,965	(258,965)	-	2,064,720	12.54%
2017	260,260	(260,260)	-	2,155,498	12.07%
2018	295,818	(295,818)	-	2,298,715	12.87%
2019	309,910	(309,910)	-	2,254,639	13.75%
2020	313,538	(313,538)	-	2,390,716	13.11%
2021	350,805	(350,805)	-	2,451,169	14.31%
2022	395,459	(395,459)	-	2,596,224	15.23%
2023	421,673	(421,673)	-	2,545,962	16.56%
2024	453,860	(453,860)	-	2,365,947	19.18%

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2015	0.00%	\$ -	\$ -	\$ -	\$ 7,739,908	0.00%	28.71%
2016	0.00%	-	-	-	8,039,439	0.00%	22.33%
2017	0.00%	-	-	-	8,709,653	0.00%	25.41%
2018	0.00%	-	51,897,307	51,897,307	N/A	N/A	26.49%
2019	0.00%	-	51,537,530	51,537,530	9,161,360	N/A	26.95%
2020	0.00%	-	55,305,044	55,305,044	9,508,755	0.00%	24.60%
2021	0.00%	-	40,920,105	40,920,105	10,287,516	0.00%	35.52%
2022	0.00%	-	44,127,751	44,127,751	10,218,204	0.00%	32.29%
2023	0.00%	-	46,267,777	46,267,777	10,468,699	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	10,376,516	N/A	N/A

N/A = Information not available

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 406,863	\$ (406,863)	\$ -	\$ 7,739,908	5.26%
2016	574,414	(574,414)	-	8,039,439	7.14%
2017	841,051	(841,051)	-	8,709,653	9.66%
2018	1,201,336	(1,201,336)	-	N/A	N/A
2019	1,686,199	(1,686,199)	-	9,161,360	18.41%
2020	1,688,479	(1,688,479)	-	9,508,755	17.76%
2021	1,903,190	(1,903,190)	-	10,287,516	18.50%
2022	2,494,361	(2,494,361)	-	10,218,204	24.41%
2023	3,579,568	(3,579,568)	-	10,468,699	34.19%
2024	3,777,593	(3,777,593)	-	10,376,516	36.41%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 39,447,139	\$ 39,447,139	\$ 10,865,151	0.00%	0.00%
2018	0.00%	-	36,196,560	36,196,560	N/A	N/A	0.00%
2019	0.00%	-	33,620,783	33,620,783	11,415,999	0.00%	0.00%
2020	0.00%	-	56,010,415	56,010,415	11,899,471	0.00%	0.00%
2021	0.00%	-	48,574,722	48,574,722	12,738,685	0.00%	0.00%
2022	0.00%	-	41,674,095	41,674,095	12,814,428	0.00%	0.00%
2023	0.00%	-	43,861,092	43,861,092	13,014,661	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	12,742,463	N/A	N/A

N/A = Information not available

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

- Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	IDEA Preschool	ESEA Title IA	ESEA Title IIA	ESEA Title III	ESEA Title IV	ARP ESSER III	ARP Accelerated Learning	ARP Beyond the School Day
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	-
Federal sources	226,848	7,828	113,123	15,045	11,070	10,000	504,619	38,388	4,149
Total revenues	226,848	7,828	113,123	15,045	11,070	10,000	504,619	38,388	4,149
Other financing sources									
Transfer from general fund	-	-	-	-	-	-	-	-	-
Total revenues and other financing sources	\$ 226,848	\$ 7,828	\$ 113,123	\$ 15,045	\$ 11,070	\$ 10,000	\$ 504,619	\$ 38,388	\$ 4,149
Expenditures									
Instruction									
Salaries	\$ -	\$ -	\$ 68,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,560
Purchased professional and technical services	-	-	-	-	-	1,000	18,571	-	-
Other purchased services	-	-	-	-	-	-	127,382	-	-
General supplies	-	7,828	288	-	7,297	9,000	45,903	-	-
Total	-	7,828	69,025	-	7,297	10,000	191,856	-	1,560
Support services									
Tuition	226,848	-	-	-	-	-	205,081	-	-
Salaries	-	-	-	-	-	-	65,790	-	2,589
Employee benefits	-	-	44,098	-	-	-	31,029	-	-
Purchased professional and technical services	-	-	-	-	-	-	10,863	38,388	-
Rentals	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	15,045	3,773	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-
Total	226,848	-	44,098	15,045	3,773	-	312,763	38,388	2,589
Capital									
Facilities	-	-	-	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 226,848	\$ 7,828	\$ 113,123	\$ 15,045	\$ 11,070	\$ 10,000	\$ 504,619	\$ 38,388	\$ 4,149
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' reports.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

	ARP Summer Learning	NJTSS Mental Health	High Impact Tutoring	SDA Emergent and Capital Maintenance Needs	Preschool Expansion Aid	Local	Scholarships	Student Activities	Total
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,778	\$ 986	\$ 173,845	\$ 230,609
State sources	-	-	-	20,471	926,605	-	-	-	947,076
Federal sources	414	14,431	30,268	-	-	-	-	-	976,183
Total revenues	414	14,431	30,268	20,471	926,605	55,778	986	173,845	2,153,868
Other financing sources									
Transfer from general fund	-	-	-	-	193,206	-	-	-	193,206
Total revenues and other financing sources	\$ 414	\$ 14,431	\$ 30,268	\$ 20,471	\$ 1,119,811	\$ 55,778	\$ 986	\$ 173,845	\$ 2,347,074
Expenditures									
Instruction									
Salaries	\$ -	\$ -	\$ 11,060	\$ -	\$ 433,520	\$ -	\$ -	\$ -	\$ 514,877
Purchased professional and technical services	-	-	-	-	5,000	-	-	-	24,571
Other purchased services	-	-	-	-	35	34,953	-	-	162,370
General supplies	-	-	-	-	19,638	17,126	-	-	107,080
Total	-	-	11,060	-	458,193	52,079	-	-	808,898
Support services									
Tuition	-	-	-	-	-	-	-	-	431,929
Salaries	414	-	-	-	334,532	-	-	-	403,325
Employee benefits	-	-	2,205	-	216,396	-	-	-	293,728
Purchased professional and technical services	-	14,431	17,003	-	3,362	-	-	-	84,047
Rentals	-	-	-	-	42,420	-	-	-	42,420
Other purchased services	-	-	-	-	-	-	-	-	18,818
Student activities	-	-	-	-	-	-	-	198,378	198,378
Scholarships	-	-	-	-	-	-	3,700	-	3,700
Total	414	14,431	19,208	-	596,710	-	3,700	198,378	1,476,345
Capital									
Facilities	-	-	-	20,471	-	-	-	-	20,471
Instructional equipment	-	-	-	-	64,908	3,699	-	-	68,607
Total	-	-	-	20,471	64,908	3,699	-	-	89,078
Total expenditures	\$ 414	\$ 14,431	\$ 30,268	\$ 20,471	\$ 1,119,811	\$ 55,778	\$ 3,700	\$ 198,378	\$ 2,374,321
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,714)	\$ (24,533)	\$ (27,247)
Fund balances, July 1	-	-	-	-	-	-	47,007	186,392	233,399
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,293	\$ 161,859	\$ 206,152

See independent auditors' reports.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 327,837	\$ 327,401	\$ 436
Other salaries for instruction	114,465	106,118	8,347
Purchased professional and technical services	5,000	5,000	-
Other purchased services	2,000	35	1,965
Supplies	20,003	19,638	365
Total	<u>469,305</u>	<u>458,192</u>	<u>11,113</u>
Support services			
Salaries - supervisor of instruction	24,081	22,156	1,925
Salaries - program director	38,700	38,700	-
Salaries - other professional staff	76,542	76,542	-
Salaries - secretarial & clerical	43,446	37,913	5,533
Salaries - other	35,031	35,031	-
Salaries - community parent involvement	67,461	54,298	13,163
Salaries - master teachers	69,893	69,893	-
Employee benefits	216,396	216,396	-
Purchased professional and technical services	3,362	3,362	-
Rentals	45,000	42,420	2,580
Total	<u>619,912</u>	<u>596,711</u>	<u>23,201</u>
Capital outlay			
Instructional equipment	65,198	64,908	290
Total	<u>65,198</u>	<u>64,908</u>	<u>290</u>
Total expenditures	<u>\$ 1,154,415</u>	<u>\$ 1,119,811</u>	<u>\$ 34,604</u>

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

Calculation of Budget & Carryover

Total revised 2023 - 2024 preschool education aid allocation	\$ 891,720
Add: actual ECPA/PEA carryover (June 30, 2023)	69,489
Add: budgeted transfer from general fund	<u>193,206</u>
Total preschool education aid funds available for 2023 - 2024 budget	1,154,415
Less: 2023 - 2024 budgeted preschool education aid	<u>(1,154,415)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024	-
Add: 2023 - 2024 unexpended preschool education aid	<u>34,604</u>
2023 - 2024 Actual carryover preschool education aid	<u>\$ 34,604</u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025	<u>\$ -</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2024

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/24
			Prior Years	Current Year	
Lambertville Elementary School & 5-8 Middle School	11/01/21	\$ 33,912,000	\$ 2,137,758	\$ 13,064,199	\$ 18,710,043
Lambertville Public School Roof Replacement	11/30/23	1,750,000	-	1,217,572	532,428
Lambertville Public School HVAC Renovations	11/30/23	600,000	-	-	600,000
		<u>\$ 36,262,000</u>	<u>\$ 2,137,758</u>	<u>\$ 14,281,771</u>	<u>\$ 19,842,471</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

Revenues and other financing sources	
Transfer in from capital reserve	\$ 1,910,000
State source - SDA ROD Grant	940,000
Interest on investments	413,025
Total revenues	3,263,025
Expenditures and other financing uses	
Purchased professional & technical services	384,578
Construction	13,704,113
Supplies	193,080
Total expenditures	14,281,771
Excess (deficiency) of revenues and other financing sources over (under) expenditures & other financing uses	(11,018,746)
Fund balance - beginning	31,274,242
Fund balance - ending	\$ 20,255,496
Recapitulation of fund balance	
Capital project fund balance	\$ 19,842,471
Interest on investments	413,025
Fund balance per budgetary basis	20,255,496
Reconciliation to governmental statements (GAAP)	
Receivables from other governments - state	(452,971)
Fund balance per governmental funds (GAAP)	\$ 19,802,525

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Lambertville Elementary School & 5-8 Middle School
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds	\$ 33,412,000	\$ -	\$ 33,412,000	\$ 33,412,000
Transfer from capital reserve	-	500,000	500,000	500,000
Total revenues	<u>33,412,000</u>	<u>500,000</u>	<u>33,912,000</u>	<u>33,912,000</u>
Expenditures and other financing uses				
Purchased professional & technical	1,878,708	334,578	2,213,286	3,000,482
Construction	258,162	12,536,541	12,794,703	30,717,550
Supplies	888	193,080	193,968	193,968
Total expenditures	<u>2,137,758</u>	<u>13,064,199</u>	<u>15,201,957</u>	<u>33,912,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 31,274,242</u>	<u>\$ (12,564,199)</u>	<u>\$ 18,710,043</u>	<u>\$ -</u>

Additional Project Information

Project number	1376-020-21-1000
Authorization date	11/1/2021
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 33,412,000
Additional authorized cost	500,000
Revised authorized cost	33,912,000
Percentage completion	44.83%

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Lambertville Public School Roof Replacement
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ -	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
State source - SDA ROD Grant	-	700,000	700,000	700,000
Total revenues	-	1,750,000	1,750,000	1,750,000
Expenditures and other financing uses				
Legal	-	-	-	10,000
Purchased professional & technical	-	50,000	50,000	156,000
Construction	-	1,167,572	1,167,572	1,440,000
Contingency	-	-	-	144,000
Total expenditures	-	1,217,572	1,217,572	1,750,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 532,428	\$ 532,428	\$ -

Additional Project Information

Project number	1376-020-23-R501
Authorization date	11/30/2023
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,750,000
Additional authorized cost	-
Revised authorized cost	1,750,000
Percentage completion	69.58%

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Lambertville Public School HVAC Renovations
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve	\$ -	\$ 360,000	\$ 360,000	\$ 360,000
State source - SDA ROD Grant	-	240,000	240,000	240,000
Total revenues	-	600,000	600,000	600,000
Expenditures and other financing uses				
Legal	-	-	-	5,000
Purchased professional & technical	-	-	-	45,000
Construction	-	-	-	500,000
Contingency	-	-	-	50,000
Total expenditures	-	-	-	600,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 600,000	\$ 600,000	\$ -

Additional Project Information

Project number	1376-020-23-R502
Authorization date	11/30/2023
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 600,000
Additional authorized cost	-
Revised authorized cost	600,000
Percentage completion	0.00%

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/23	Issued	Retired	Balance 06/30/24
			Date	Amount					
School bond of 2023	09/08/22	\$ 33,412,000	07/15/24	\$ 627,000	3.00%	\$ 33,412,000	\$ -	\$ -	\$ 33,412,000
			07/15/25	625,000	3.25%	-	-	-	-
			07/15/26	1,025,000	3.25%	-	-	-	-
			07/15/27	1,050,000	3.25%	-	-	-	-
			07/15/28	1,075,000	3.25%	-	-	-	-
			07/15/29	1,100,000	3.25%	-	-	-	-
			07/15/30	1,125,000	3.25%	-	-	-	-
			07/15/31	1,150,000	3.25%	-	-	-	-
			07/15/32	1,175,000	3.25%	-	-	-	-
			07/15/33	1,200,000	3.25%	-	-	-	-
			07/15/34	1,210,000	3.25%	-	-	-	-
			07/15/35	1,225,000	3.25%	-	-	-	-
			07/15/36	1,225,000	3.50%	-	-	-	-
			07/15/37	1,225,000	3.50%	-	-	-	-
			07/15/38	1,225,000	3.63%	-	-	-	-
			7/15/39-2052	17,150,000	4.00%	-	-	-	
Refunding school bonds of 2015	09/03/15	3,375,000	02/15/25	400,000	2.15%	1,175,000	-	385,000	790,000
			02/15/26	390,000	2.15%	-	-	-	-
Refunding school bonds of 2014	06/12/14	9,600,000	02/15/25	1,090,000	4.00%	3,235,000	-	1,050,000	2,185,000
			02/15/26	1,095,000	4.00%	-	-	-	-
						<u>\$ 37,822,000</u>	<u>\$ -</u>	<u>\$ 1,435,000</u>	<u>\$ 36,387,000</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

Description	Interest Rate	Amount of Original Issue	Balance 07/01/23	Issued	Retired	Balance 06/30/24
Cisco Meraki Equipment/Software	4.420%	\$ 172,637	\$ -	\$ 172,637	\$ -	\$ 172,637
Bus & LED Lighting Project	4.490%	230,981	-	230,981	47,186	183,795
54-Passenger School Bus	2.388%	121,575	96,673	-	23,320	73,353
Dell Latitude Laptops	1.040%	169,112	56,614	-	56,614	-
Dell OptiPlex Computers	6.264%	27,796	9,254	-	9,254	-
			<u>\$ 162,541</u>	<u>\$ 403,618</u>	<u>\$ 136,374</u>	<u>\$ 429,785</u>

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 2,610,948	\$ -	\$ 2,610,948	\$ 2,610,948	\$ -
State sources					
Debt service aid	634,063	-	634,063	634,063	-
Total revenues	<u>3,245,011</u>	<u>-</u>	<u>3,245,011</u>	<u>3,245,011</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	1,810,011	-	1,810,011	1,809,896	115
Redemption of principal	1,435,000	-	1,435,000	1,435,000	-
Total expenditures	<u>3,245,011</u>	<u>-</u>	<u>3,245,011</u>	<u>3,244,896</u>	<u>115</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	115	(115)
Fund balance, July 1	<u>269</u>	<u>-</u>	<u>269</u>	<u>269</u>	<u>-</u>
Fund balance, June 30	<u>\$ 269</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ 384</u>	<u>\$ (115)</u>

See independent auditors' report.

STATISTICAL SECTION

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 4,102,393	\$ 5,699,633	\$ 7,900,283	\$ 9,384,469	\$ 10,891,792	\$ 13,220,018	\$ 15,455,596	\$ 16,706,676	\$ 17,723,322	\$ 1,115,341
Restricted	4,680,534	5,043,129	5,433,049	5,652,000	4,480,684	3,746,385	2,344,414	2,284,024	2,899,703	23,060,141
Unrestricted	(4,394,286)	(5,011,789)	(5,647,241)	(5,935,160)	(5,316,515)	(5,790,045)	(5,222,112)	(4,633,538)	(5,776,554)	(4,901,286)
Total governmental activities	<u>\$ 4,388,641</u>	<u>\$ 5,730,973</u>	<u>\$ 7,686,091</u>	<u>\$ 9,101,309</u>	<u>\$ 10,055,961</u>	<u>\$ 11,176,358</u>	<u>\$ 12,577,898</u>	<u>\$ 14,357,162</u>	<u>\$ 14,846,471</u>	<u>\$ 19,274,196</u>
Business-type activities										
Net investment in capital assets	\$ 198,764	\$ 228,544	\$ 89,856	\$ 77,775	\$ 77,226	\$ 118,707	\$ 106,152	\$ 91,382	\$ 88,774	\$ 115,821
Unrestricted	166,122	162,212	89,311	114,514	116,072	51,846	30,045	162,208	204,932	212,412
Total business-type activities	<u>\$ 364,886</u>	<u>\$ 390,756</u>	<u>\$ 179,167</u>	<u>\$ 192,289</u>	<u>\$ 193,298</u>	<u>\$ 170,553</u>	<u>\$ 136,197</u>	<u>\$ 253,590</u>	<u>\$ 293,706</u>	<u>\$ 328,233</u>
District-wide										
Net investment in capital assets	\$ 4,301,157	\$ 5,928,177	\$ 7,990,139	\$ 9,462,244	\$ 10,969,018	\$ 13,338,725	\$ 15,561,748	\$ 16,798,058	\$ 17,812,096	\$ 1,231,162
Restricted	4,680,534	5,043,129	5,433,049	5,652,000	4,480,684	3,746,385	2,344,414	2,284,024	2,899,703	23,060,141
Unrestricted	(4,228,164)	(4,849,577)	(5,557,930)	(5,820,646)	(5,200,443)	(5,738,199)	(5,192,067)	(4,471,330)	(5,571,622)	(4,688,874)
Total district-wide	<u>\$ 4,753,527</u>	<u>\$ 6,121,729</u>	<u>\$ 7,865,258</u>	<u>\$ 9,293,598</u>	<u>\$ 10,249,259</u>	<u>\$ 11,346,911</u>	<u>\$ 12,714,095</u>	<u>\$ 14,610,752</u>	<u>\$ 15,140,177</u>	<u>\$ 19,602,429</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 9,304,431	\$ 9,696,253	\$ 10,154,438	\$ 10,532,416	\$ 11,754,926	\$ 11,326,376	\$ 13,615,495	\$ 13,509,323	\$ 13,420,286	\$ 13,699,070
Special education	2,949,443	3,462,066	3,936,546	4,456,762	4,534,366	4,334,615	4,686,367	4,277,009	4,136,991	4,067,573
Other special education	-	-	-	-	1,225,662	1,350,238	1,738,154	1,539,932	1,442,439	1,308,544
Other instruction	1,227,505	1,334,209	1,532,487	1,854,495	689,687	1,204,941	844,894	1,030,007	1,036,583	1,193,088
Support services										
Tuition	773,455	985,888	1,030,917	1,146,656	1,408,860	1,490,348	1,572,811	1,811,026	1,733,502	1,826,038
Student & instruction related services	3,247,647	3,471,679	3,753,130	4,071,068	4,339,269	4,421,506	5,022,300	5,036,837	5,388,944	5,756,756
General & business administrative services	1,144,315	1,210,935	1,347,999	1,314,495	1,716,121	1,594,351	1,898,954	1,244,382	1,274,776	1,231,484
School administration	382,848	760,615	769,596	930,533	860,577	857,511	856,294	1,293,902	1,176,254	1,150,433
Plant operations & maintenance	1,594,246	1,732,483	1,979,654	1,867,435	2,035,753	2,157,943	2,070,850	2,010,195	2,248,682	2,887,974
Pupil transportation	957,575	1,038,097	1,200,066	1,191,612	1,325,485	1,244,432	1,221,320	1,535,434	1,442,380	1,494,354
Transfer to charter schools	17,172	33,798	-	-	-	-	-	-	-	-
Interest on long-term debt	450,536	517,218	463,027	435,944	280,145	334,612	287,268	240,845	1,592,125	1,438,070
Total governmental activities expenses	<u>22,049,173</u>	<u>24,243,241</u>	<u>26,167,860</u>	<u>27,801,416</u>	<u>30,170,851</u>	<u>30,316,873</u>	<u>33,814,707</u>	<u>33,528,892</u>	<u>34,892,962</u>	<u>36,053,384</u>
Business-type activities										
Food services	310,955	325,706	305,033	326,911	335,489	306,787	247,462	475,274	469,666	489,159
Transportation	73,900	27,575	-	-	-	-	-	-	-	-
Total business-type activities	<u>384,855</u>	<u>353,281</u>	<u>305,033</u>	<u>326,911</u>	<u>335,489</u>	<u>306,787</u>	<u>247,462</u>	<u>475,274</u>	<u>469,666</u>	<u>489,159</u>
Total district expenses	<u>\$ 22,434,028</u>	<u>\$ 24,596,522</u>	<u>\$ 26,472,893</u>	<u>\$ 28,128,327</u>	<u>\$ 30,506,340</u>	<u>\$ 30,623,660</u>	<u>\$ 34,062,169</u>	<u>\$ 34,004,166</u>	<u>\$ 35,362,628</u>	<u>\$ 36,542,543</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 179,969	\$ 61,012	\$ 294,363	\$ 212,439	\$ 213,856	\$ 384,468
Operating grants & contributions	4,150,667	5,937,536	6,807,157	8,604,750	460,092	510,470	677,751	1,505,375	1,820,310	1,946,761
Capital grants & contributions	-	-	-	-	-	-	-	-	-	487,029
Total governmental activities	4,150,667	5,937,536	6,807,157	8,604,750	640,061	571,482	972,114	1,717,814	2,034,166	2,818,258
Business-type activities										
Charges for services										
Food service	205,330	192,980	191,245	203,828	193,487	144,077	2,396	75,780	252,221	257,395
Operating grants & contributions	107,714	122,595	118,773	135,001	138,403	153,836	205,675	516,626	255,841	259,803
Total business-type activities	313,044	315,575	310,018	338,829	331,890	297,913	208,071	592,406	508,062	517,198
Total district-wide program revenues	\$ 4,463,711	\$ 6,253,111	\$ 7,117,175	\$ 8,943,579	\$ 971,951	\$ 869,395	\$ 1,180,185	\$ 2,310,220	\$ 2,542,228	\$ 3,335,456
Net (expense) revenues										
Governmental activities	\$ (17,898,506)	\$ (18,305,705)	\$ (19,360,703)	\$ (19,196,666)	\$ (29,530,790)	\$ (29,745,391)	\$ (32,842,593)	\$ (31,811,078)	\$ (32,858,796)	\$ (33,235,126)
Business-type activities	(71,811)	(37,706)	4,985	11,918	(3,599)	(8,874)	(39,391)	117,132	38,396	28,039
Total district-wide net expenses	\$ (17,970,317)	\$ (18,343,411)	\$ (19,355,718)	\$ (19,184,748)	\$ (29,534,389)	\$ (29,754,265)	\$ (32,881,984)	\$ (31,693,946)	\$ (32,820,400)	\$ (33,207,087)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 16,412,071	\$ 16,740,311	\$ 17,075,119	\$ 17,416,621	\$ 17,912,309	\$ 18,398,914	\$ 18,841,727	\$ 19,245,663	\$ 19,630,576	\$ 20,023,189
Taxes levied for debt service	1,350,922	1,323,054	1,329,896	1,327,799	1,354,794	1,325,040	1,369,165	1,351,120	1,346,401	2,610,948
Unrestricted grants & contributions	2,433,749	1,568,399	1,477,160	1,516,778	10,935,459	10,490,631	13,955,705	12,957,048	12,196,442	12,516,831
Disposal of capital assets	-	-	(21,028)	-	-	(5,331)	-	-	-	-
Investment earnings	-	-	-	-	101,070	55,769	6,993	5,165	44,043	2,560,383
Miscellaneous income	119,254	80,106	564,250	350,686	48,605	184,833	75,543	31,346	130,643	148,326
Transfers in (out)	-	(63,828)	265,138	-	-	-	(5,000)	-	-	(196,826)
Total governmental activities	20,315,996	19,648,042	20,690,535	20,611,884	30,352,237	30,449,856	34,244,133	33,590,342	33,348,105	37,662,851

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 1,325	\$ 801	\$ 35	\$ 81	\$ 1,628	\$ 4,550
Miscellaneous income	125	189	392	1,204	3,283	9,896	-	180	92	1,938
Transfer in (out)	-	63,828	(265,138)	-	-	-	5,000	-	-	-
Disposal of capital assets	-	-	-	-	-	(24,568)	-	-	-	-
Prior year receivables canceled	(5,500)	(442)	-	-	-	-	-	-	-	-
Total business-type activities	<u>(5,375)</u>	<u>63,575</u>	<u>(264,746)</u>	<u>1,204</u>	<u>4,608</u>	<u>(13,871)</u>	<u>5,035</u>	<u>261</u>	<u>1,720</u>	<u>6,488</u>
Total district-wide	<u>\$ 20,310,621</u>	<u>\$ 19,711,617</u>	<u>\$ 20,425,789</u>	<u>\$ 20,613,088</u>	<u>\$ 30,356,845</u>	<u>\$ 30,435,985</u>	<u>\$ 34,249,168</u>	<u>\$ 33,590,603</u>	<u>\$ 33,349,825</u>	<u>\$ 37,669,339</u>
Change in net position										
Governmental activities	\$ 2,417,490	\$ 1,342,337	\$ 1,329,832	\$ 1,415,218	\$ 821,447	\$ 704,465	\$ 1,401,540	\$ 1,779,264	\$ 489,309	\$ 4,427,725
Business-type activities	<u>(77,186)</u>	<u>25,869</u>	<u>(259,761)</u>	<u>13,122</u>	<u>1,009</u>	<u>(22,745)</u>	<u>(34,356)</u>	<u>117,393</u>	<u>40,116</u>	<u>34,527</u>
Total district	<u>\$ 2,340,304</u>	<u>\$ 1,368,206</u>	<u>\$ 1,070,071</u>	<u>\$ 1,428,340</u>	<u>\$ 822,456</u>	<u>\$ 681,720</u>	<u>\$ 1,367,184</u>	<u>\$ 1,896,657</u>	<u>\$ 529,425</u>	<u>\$ 4,462,252</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 4,178,789	\$ 4,624,371	\$ 5,577,737	\$ 5,614,701	\$ 3,786,126	\$ 3,911,020	\$ 2,480,991	\$ 2,371,472	\$ 2,971,660	\$ 3,281,904
Committed	172,050	106,340	-	35,343	130,152	42,355	183,742	30,771	123,504	153,017
Assigned	505,616	223,067	125,828	195,296	69,416	-	-	143,027	139,945	150,985
Unassigned	219,481	200,383	270,045	290,636	329,275	302,474	872,521	853,530	354,073	457,162
Total general fund	<u>\$ 5,075,936</u>	<u>\$ 5,154,161</u>	<u>\$ 5,973,610</u>	<u>\$ 6,135,976</u>	<u>\$ 4,314,969</u>	<u>\$ 4,255,849</u>	<u>\$ 3,537,254</u>	<u>\$ 3,398,800</u>	<u>\$ 3,589,182</u>	<u>\$ 4,043,068</u>
						*				
All other governmental funds										
Restricted										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,099	\$ 212,612	\$ 200,088	\$ 233,399	\$ 206,152
Capital projects fund	304,210	262,204	-	-	-	235,292	87,548	-	31,274,242	19,802,525
Debt service fund	27,021	15,644	5,722	40,001	-	-	-	-	-	-
Committed	4	27,021	15,644	5,722	1,322,902	-	-	-	-	-
Assigned										
Debt service fund	197,534	113,889	-	141,174	40,001	3	77	74	269	384
Unassigned, reported in										
Special revenue fund	-	-	-	-	-	-	-	(30,307)	(50,540)	(89,173)
Total all other governmental funds	<u>\$ 528,769</u>	<u>\$ 418,758</u>	<u>\$ 21,366</u>	<u>\$ 186,897</u>	<u>\$ 1,362,903</u>	<u>\$ 429,394</u>	<u>\$ 300,237</u>	<u>\$ 169,855</u>	<u>\$ 31,457,370</u>	<u>\$ 19,919,888</u>
						*				

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 17,762,993	\$ 18,063,365	\$ 18,405,015	\$ 18,744,420	\$ 19,267,103	\$ 19,723,954	\$ 20,210,892	\$ 20,596,783	\$ 20,976,977	\$ 22,634,137
Tuition charges	28,873	21,300	-	27,590	30,000	16,900	21,075	-	-	-
Transportation fees from other LEA's	-	-	63,775	47,934	-	44,112	41,643	61,099	43,312	44,270
Interest earnings	24,033	30,900	45,000	129,603	101,070	55,769	6,993	5,165	44,043	2,560,383
Rents and royalties	-	-	91,667	112,500	149,969	156,244	112,500	151,340	170,544	165,367
Sale of property	-	-	328,320	2,629	-	-	-	-	-	-
Miscellaneous	116,074	130,327	77,682	132,933	118,954	95,513	246,401	248,291	345,189	378,935
State sources	4,437,723	4,676,131	4,917,092	5,415,018	5,906,308	6,101,091	7,069,461	8,588,136	9,391,456	10,693,478
Federal sources	327,821	426,128	442,940	440,853	414,049	466,020	674,024	1,220,502	1,185,087	1,082,634
Total revenues	22,697,517	23,348,151	24,371,491	25,053,480	25,987,453	26,659,603	28,382,989	30,871,316	32,156,608	37,559,204
Expenditures										
Instruction										
Regular instruction	5,811,159	5,893,559	5,947,624	5,652,852	5,667,066	5,902,496	6,209,654	6,250,754	6,227,398	6,134,859
Special education instruction	1,909,026	2,239,113	2,376,641	2,507,368	2,263,954	2,147,893	2,161,288	2,251,478	2,268,844	2,249,298
Other special instruction	-	-	-	-	438,858	504,322	629,351	586,236	671,716	626,888
Other instruction	777,916	818,743	909,913	993,861	651,048	706,909	602,502	708,987	791,280	802,164
Support services										
Tuition	773,456	985,888	1,030,917	1,146,656	1,199,617	1,276,601	1,348,388	1,555,013	1,431,002	1,394,109
Student & instructional related services	2,082,378	2,191,242	2,265,777	2,206,356	2,293,723	2,369,773	2,410,674	2,363,468	2,505,238	2,654,363
General administration	517,966	539,378	424,811	426,596	421,815	423,998	437,009	524,329	556,936	462,640
School administration services	236,241	456,282	435,919	484,208	568,918	542,663	565,309	561,759	547,345	542,993
Central services	270,136	263,918	284,723	293,657	317,098	312,784	321,114	318,457	320,046	340,027
Administration info technology	139,736	142,326	176,057	201,869	241,254	247,681	245,219	264,026	170,455	120,312
Plant operations & maintenance	1,342,020	1,344,713	1,455,377	1,449,138	1,616,403	1,792,344	1,648,431	1,703,325	1,944,554	2,432,768
Pupil transportation	809,795	834,069	766,956	843,017	1,053,145	957,585	854,835	1,126,417	1,117,579	1,177,570
Employee benefits	4,547,842	4,883,736	5,332,263	5,939,932	3,634,751	3,634,333	3,613,747	3,742,826	3,680,693	4,061,559
On-behalf TPAF Pension & Social Security contributions	-	-	-	-	3,110,811	3,280,835	4,060,623	5,149,734	5,507,478	5,594,714
Capital outlay	765,616	1,175,432	918,881	872,368	250,108	95,001	162,256	900,938	571,120	531,063
Charter school	17,172	33,798	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	909,285	1,626,363	1,435,745	126,590	2,137,758	14,281,771
Special revenue funds	-	-	-	-	460,092	510,470	778,976	1,612,494	1,933,583	2,380,678
Debt service										
Principal	1,254,784	1,165,748	1,226,750	1,272,790	1,323,871	1,374,994	1,426,161	1,445,000	1,490,000	1,435,000
Interest & other charges	488,953	550,750	481,575	434,913	405,793	361,119	314,459	266,804	217,686	1,823,642
Total expenditures	21,744,196	23,518,695	24,034,184	24,725,581	26,827,610	28,068,164	29,225,741	31,458,635	34,090,711	49,046,418

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ 953,321	\$ (170,544)	\$ 337,307	\$ 327,899	\$ (840,157)	\$ (1,408,561)	\$ (842,752)	\$ (587,319)	\$ (1,934,103)	\$ (11,487,214)
Other financing sources (uses)										
Leases (non-budgeted)	-	202,585	-	-	195,156	-	-	-	-	-
Bond proceeds	10,435,000	3,375,000	-	-	-	-	-	-	33,412,000	403,618
Premium on sale of bonds	976,182	-	-	-	-	-	-	-	-	-
Cost of issuance	(133,515)	(38,465)	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	(11,277,667)	(3,336,535)	-	-	-	-	-	-	-	-
Transfers in (out)	-	(63,828)	84,750	-	-	-	(5,000)	318,483	-	-
Total other financing sources (uses)	-	138,757	84,750	-	195,156	-	(5,000)	318,483	33,412,000	403,618
Net change in fund balances	\$ 953,321	\$ (31,787)	\$ 422,057	\$ 327,899	\$ (645,001)	\$ (1,408,561)	\$ (847,752)	\$ (268,836)	\$ 31,477,897	\$ (11,083,596)
Debt service as a percentage of non-capital expenditures	9.07%	8.32%	7.98%	7.71%	7.23%	7.05%	6.72%	5.96%	5.75%	10.52%

Source: District Records

- Notes: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tuition	\$ 28,873	\$ 21,300	\$ -	\$ 27,590	\$ 30,000	\$ 16,900	\$ 21,075	\$ -	\$ -	\$ -
Interest income	18,110	22,569	34,221	87,185	101,070	55,769	6,400	5,165	44,043	2,147,358
Transportation fees	21,216	-	63,775	47,933	-	44,112	41,643	61,099	43,312	44,270
Rental income	-	-	91,667	112,500	149,969	156,244	112,500	151,340	170,544	165,367
Sales of assets	-	-	328,320	2,629	-	-	-	-	22,792	15,049
Student activities fees	20,525	25,955	26,600	23,750	25,000	17,800	12,000	19,635	24,004	-
Miscellaneous	25,701	10,282	13,951	49,098	3,952	3,541	28,161	4,491	4,122	45,602
Prior year refunds	-	-	-	-	16,353	7,248	17,288	7,220	79,154	87,675
Old outstanding checks canceled	-	-	-	-	3,300	-	18,094	-	571	-
Annual totals	<u>\$ 114,425</u>	<u>\$ 80,106</u>	<u>\$ 558,534</u>	<u>\$ 350,685</u>	<u>\$ 329,644</u>	<u>\$ 301,614</u>	<u>\$ 257,161</u>	<u>\$ 248,950</u>	<u>\$ 388,542</u>	<u>\$ 2,505,321</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts Combined
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 14,724,683	\$ 14,395,983	\$ 15,823,683	\$ 14,573,083	\$ 14,073,083	\$ 13,771,883	\$ 14,687,857	\$ 15,535,857	\$ 15,273,157	\$ 12,815,800
Residential	996,474,900	1,028,646,200	1,043,534,600	1,058,497,300	1,081,966,200	1,100,790,100	1,126,801,200	1,192,527,400	1,240,594,500	1,303,133,200
Farm regular	84,354,900	82,174,400	78,779,000	83,824,300	85,023,300	87,382,200	92,585,300	98,608,600	98,581,700	102,853,400
Q farm	2,405,051	2,359,006	2,258,906	2,325,706	2,333,906	2,321,416	2,347,416	2,332,616	2,349,516	2,346,119
Commercial	152,328,609	158,567,009	163,363,709	167,596,809	171,705,409	173,726,709	174,926,409	179,083,909	186,615,710	200,786,300
Industrial	25,223,000	25,757,900	26,136,400	26,288,300	26,228,000	26,357,000	27,671,500	28,467,000	28,646,000	29,760,000
Apartment	25,044,100	26,158,193	26,548,493	27,056,193	27,015,093	27,334,493	26,846,193	30,736,293	32,948,593	34,233,100
Total assessed value	1,300,555,243	1,338,058,691	1,356,444,791	1,380,161,691	1,408,344,991	1,431,683,801	1,465,865,875	1,547,291,675	1,605,009,176	1,685,927,919
Public utilities (a)	1,747,874	1,665,517	1,758,566	607,654	610,479	616,155	616,155	637,446	670,256	653,678
Net valuation taxable	\$ 1,302,303,117	\$ 1,339,724,208	\$ 1,358,203,357	\$ 1,380,769,345	\$ 1,408,955,470	\$ 1,432,299,956	\$ 1,466,482,030	\$ 1,547,929,121	\$ 1,605,679,432	\$ 1,686,581,597
Estimated actual county equalized value	\$ 1,325,944,232	\$ 1,342,283,737	\$ 1,362,397,513	\$ 1,380,496,893	\$ 1,396,392,159	\$ 1,416,607,658	\$ 1,450,802,594	\$ 1,523,706,107	\$ 1,702,262,535	\$ 1,815,248,811
Percentage of net valuation to estimated actual equalized value	98.22%	99.81%	99.69%	100.02%	100.90%	101.11%	101.08%	101.59%	94.33%	92.91%
								*	*	*

Source: Municipal Tax Assessor

Notes: 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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Borough of Stockton
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 904,300	\$ 904,300	\$ 904,300	\$ 904,300	\$ 904,300	\$ 784,300	\$ 784,300	\$ 988,600	\$ 810,700	\$ 810,700
Residential	76,583,800	76,225,200	75,780,600	75,932,400	76,184,700	76,111,700	75,926,200	75,761,900	99,003,000	98,614,000
Farm regular	845,100	845,100	845,100	845,100	845,100	845,100	845,100	845,100	675,800	615,800
Q farm	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	27,500	27,500
Commercial	13,667,700	13,667,700	13,181,300	13,408,400	13,011,800	12,709,400	12,709,400	12,709,400	14,960,200	14,844,200
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,280,000	1,280,000
Total assessed value	93,037,900	92,679,300	91,748,300	92,127,200	91,982,900	91,487,500	91,302,000	91,342,000	116,757,200	116,192,200
Public utilities (a)	93,730	91,553	90,653	-	-	-	-	-	-	-
Net valuation taxable	\$ 93,131,630	\$ 92,770,853	\$ 91,838,953	\$ 92,127,200	\$ 91,982,900	\$ 91,487,500	\$ 91,302,000	\$ 91,342,000	\$ 116,757,200	\$ 116,192,200
Estimated actual county equalized value	\$ 92,189,754	\$ 93,719,587	\$ 93,563,431	\$ 89,906,509	\$ 90,135,130	\$ 91,232,050	\$ 88,180,413	\$ 95,596,023	\$ 107,948,595	\$ 107,426,220
Percentage of net valuation to estimated actual equalized value	101.02%	98.99%	98.16%	102.47%	102.05%	100.28%	103.54%	95.55%	108.16%	108.16%
Total direct school tax rates (b)	\$ 1.295	\$ 1.291	\$ 1.283	\$ 1.257	\$ 1.235	\$ 1.235	\$ 1.220	\$ 1.308	\$ 1.143	\$ 1.088

*

Source: Municipal Tax Assessor

Notes: 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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - City of Lambertville
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 5,317,183	\$ 4,564,883	\$ 5,475,183	\$ 4,837,683	\$ 4,440,083	\$ 4,544,283	\$ 4,245,183	\$ 5,022,883	\$ 5,251,983	\$ 4,278,000
Residential	567,428,400	583,301,900	597,964,000	608,592,100	619,195,900	631,429,200	638,712,900	667,878,100	691,773,600	734,584,900
Farm regular	1,355,500	1,492,300	1,494,300	1,495,800	1,503,800	1,523,800	1,678,400	462,000	467,000	484,100
Q farm	3,631	2,206	2,206	2,206	2,206	2,616	2,616	2,616	2,616	2,819
Commercial	108,516,200	113,908,500	118,411,300	119,991,100	119,082,900	121,350,200	122,353,200	125,843,800	131,124,700	138,316,500
Industrial	10,659,000	10,973,700	11,290,500	11,409,700	11,409,700	11,542,000	11,542,000	12,255,000	12,434,000	13,162,900
Apartment	22,797,100	23,878,593	24,229,693	24,720,293	24,646,993	24,945,893	24,389,693	28,153,993	30,104,893	31,796,200
Total assessed value	716,077,014	738,122,082	758,867,182	771,048,882	780,281,582	795,337,992	802,923,992	839,618,392	871,158,792	922,625,419
Public utilities (a)	1,051,057	1,008,113	1,095,622	-	-	-	-	-	-	-
Net valuation taxable	\$ 717,128,071	\$ 739,130,195	\$ 759,962,804	\$ 771,048,882	\$ 780,281,582	\$ 795,337,992	\$ 802,923,992	\$ 839,618,392	\$ 871,158,792	\$ 922,625,419
Estimated actual county equalized value	\$ 721,997,393	\$ 742,874,479	\$ 779,684,765	\$ 787,588,235	\$ 778,413,390	\$ 809,916,489	\$ 818,725,392	\$ 865,229,176	\$ 952,815,041	\$ 1,036,657,774
Percentage of net valuation to estimated actual equalized value	99.33%	99.50%	97.47%	97.90%	100.24%	98.20%	98.07%	97.04%	91.43%	89.00%
Total direct school tax rates (b)	\$ 1.240	\$ 1.235	\$ 1.262	\$ 1.298	\$ 1.312	\$ 1.315	\$ 1.345	\$ 1.342	\$ 1.319	\$ 1.291
								*	*	*

Source: Municipal Tax Assessor

Notes: 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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Township of West Amwell
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 8,503,200	\$ 8,926,800	\$ 9,444,200	\$ 8,831,100	\$ 8,728,700	\$ 8,443,300	\$ 9,658,374	\$ 9,524,374	\$ 9,210,474	\$ 7,727,100
Residential	352,462,700	369,119,100	369,790,000	373,972,800	386,585,600	393,249,200	412,162,100	448,887,400	449,817,900	469,934,300
Farm regular	82,154,300	79,837,000	76,439,600	81,483,400	82,674,400	85,013,300	90,061,800	97,301,500	97,438,900	101,753,500
Q farm	2,383,020	2,338,400	2,238,300	2,305,100	2,313,300	2,300,400	2,326,400	2,311,600	2,319,400	2,315,800
Commercial	30,144,709	30,990,809	31,771,109	34,197,309	39,610,709	39,667,109	39,863,809	40,530,709	40,530,810	47,625,600
Industrial	14,564,000	14,784,200	14,845,900	14,878,600	14,818,300	14,815,000	16,129,500	16,212,000	16,212,000	16,597,100
Apartment	1,228,400	1,261,000	1,300,200	1,317,300	1,349,500	1,370,000	1,437,900	1,563,700	1,563,700	1,156,900
Total assessed value	491,440,329	507,257,309	505,829,309	516,985,609	536,080,509	544,858,309	571,639,883	616,331,283	617,093,184	647,110,300
Public utilities (a)	603,087	565,851	572,291	607,654	610,479	616,155	616,155	637,446	670,256	653,678
Net valuation taxable	\$ 492,043,416	\$ 507,823,160	\$ 506,401,600	\$ 517,593,263	\$ 536,690,988	\$ 545,474,464	\$ 572,256,038	\$ 616,968,729	\$ 617,763,440	\$ 647,763,978
Estimated actual county equalized value	\$ 511,757,085	\$ 505,689,671	\$ 489,149,317	\$ 503,002,149	\$ 527,843,639	\$ 515,459,119	\$ 543,896,789	\$ 562,880,908	\$ 641,498,899	\$ 671,164,817
Percentage of net valuation to estimated actual equalized value	96.15%	100.42%	103.53%	102.90%	101.68%	105.82%	105.21%	109.61%	96.30%	96.51%
Total direct school tax rates (b)	\$ 1.590	\$ 1.558	\$ 1.541	\$ 1.516	\$ 1.514	\$ 1.537	\$ 1.484	\$ 1.381	\$ 1.486	\$ 1.443

*

*

Source: Municipal Tax Assessor

Notes: 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 the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.

(b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
By Constituent District - Borough of Stockton
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County		
			Total Direct School Tax Rate						
2015	\$ 1.197	\$ 0.098	\$ 1.295		\$ -	\$ 0.402	\$ 0.368	\$ -	\$ 2.065
2016	1.196	0.095	1.291		-	0.414	0.376	-	2.081
2017	1.190	0.093	1.283		-	0.434	0.378	-	2.095
2018	1.168	0.089	1.257		-	0.452	0.369	-	2.078
2019	1.148	0.087	1.235		-	0.465	0.370	-	2.070
2020	1.152	0.083	1.235		-	0.465	0.376	-	2.076
2021	1.137	0.083	1.220		-	0.518	0.364	-	2.102
2022	1.222	0.086	1.308		-	0.558	0.395	-	2.261
2023	* 1.070	0.073	1.143		-	0.463	0.349	-	1.955
2024	0.962	0.126	1.088		-	0.483	0.342	-	1.913

Sources: Municipal Tax Collector

Note: N.J.S.A.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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - City of Lambertville
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County		
			Total Direct School Tax Rate						
2015	\$ 1.146	\$ 0.094	\$ 1.240		\$ -	\$ 0.358	\$ 0.344	\$ 0.075	\$ 2.017
2016	1.145	0.090	1.235		-	0.349	0.344	0.073	2.001
2017	1.169	0.093	1.262		-	0.351	0.350	0.078	2.041
2018	1.209	0.089	1.298		-	0.350	0.354	0.083	2.085
2019	1.220	0.092	1.312		-	0.375	0.347	0.083	2.117
2020	1.227	0.088	1.315		-	0.404	0.353	0.149	2.221
2021	1.254	0.091	1.345		-	0.419	0.353	0.151	2.268
2022	* 1.254	0.088	1.342		-	0.461	0.358	0.149	2.310
2023	* 1.234	0.085	1.319		-	0.498	0.377	0.148	2.342
2024	* 1.142	0.149	1.291		-	0.494	0.382	0.144	2.311

Sources: Municipal Tax Collector

Note: N.J.S.A.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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.
- * Revalued/Reassessed

See independent auditors' report.

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - Township of West Amwell
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County		
			Total Direct School Tax Rate						
2015	\$ 1.469	\$ 0.121	\$ 1.590		\$ -	\$ 0.320	\$ 0.386	\$ -	\$ 2.296
2016	1.444	0.114	1.558		-	0.329	0.371	-	2.258
2017	1.430	0.111	1.541		-	0.340	0.359	-	2.240
2018	1.409	0.107	1.516		-	0.353	0.367	-	2.236
2019	1.408	0.106	1.514		-	0.360	0.370	-	2.244
2020	1.434	0.103	1.537		-	0.376	0.357	-	2.270
2021	1.383	0.101	1.484		-	0.382	0.359	-	2.225
2022	* 1.290	0.091	1.381		-	0.363	0.344	-	2.088
2023	1.391	0.095	1.486		-	0.373	0.391	-	2.250
2024	* 1.277	0.166	1.443		-	0.383	0.384	-	2.210

Sources: Municipal Tax Collector

Note: N.J.S.A.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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

* Revalued/Reassessed

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers
By Constituent District - Borough of Stockton
Current Year and Nine Years Ago

	2024			2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Deamicis Hospitality Group Inc.	\$ 1,990,000	1	1.71%	\$ -		0.00%
Stockton Partners LLC	1,821,300	2	1.57%	-		0.00%
Finale Partners LLC	1,540,500	3	1.33%	1,322,700	3	1.42%
Individual Property Owner	1,430,000	4	1.23%	2,154,400	1	2.31%
Nobilis, LLC	1,195,200	5	1.03%	-		0.00%
Individual Property Owner	1,149,200	6	0.99%	1,034,800	4	1.11%
Nobalistic II, LLC	1,096,300	7	0.94%	977,300	6	1.05%
JRC Realty LLC	1,080,600	8	0.93%	-		0.00%
Individual Property Owner	1,037,000	9	0.89%	1,032,200	5	1.11%
Individual Property Owner	1,018,500	10	0.88%	914,900	7	0.98%
Millett Properties LLC	-		0.00%	1,638,300	2	1.76%
Individual Property Owner	-		0.00%	905,800	8	0.97%
Individual Property Owner	-		0.00%	890,300	9	0.96%
Individual Property Owner	-		0.00%	792,900	10	0.85%
	<u>\$ 13,358,600</u>		<u>11.50%</u>	<u>\$ 11,663,600</u>		<u>12.52%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - City of Lambertville
Current Year and Nine Years Ago

	2024			2015		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Houston-MDL/LSRI Holdings LLC	\$ 11,364,900	1	1.23%	\$ -		0.00%
LV Hotel Property LLC	4,918,700	2	0.53%	-		0.00%
LCP C/O Fedway Assoc.	3,541,000	3	0.38%	-		0.00%
Centre Market Place Realty Inc	3,480,700	4	0.38%	-		0.00%
Route 12-1 Properties LLC	3,218,000	5	0.35%	2,615,000	9	0.36%
Promar Development Co LLC	3,138,300	6	0.34%	-		0.00%
Lambertville VLG Realty	2,804,000	7	0.30%	-		0.00%
Allied Village Square LLC	2,791,400	8	0.30%	-		0.00%
Dorsa Partners LLC	2,529,500	9	0.27%	-		0.00%
Individual Property Owner	2,380,700	10	0.26%	2,699,900	8	0.38%
Heritage Village at Lambertville	-		0.00%	9,953,000	1	1.39%
Swan Creek Holding Co LP	-		0.00%	5,802,500	2	0.81%
Econotech Development Co	-		0.00%	4,862,500	3	0.68%
Woodrose Properties LLC	-		0.00%	4,224,700	4	0.59%
Delcampo LLC	-		0.00%	4,000,000	5	0.56%
Hart Venture Group LLC	-		0.00%	3,664,100	6	0.51%
BC Property management	-		0.00%	2,987,400	7	0.42%
DiMarco Investment Company	-		0.00%	2,574,400	10	0.36%
	<u>\$ 40,167,200</u>		<u>4.34%</u>	<u>\$ 43,383,500</u>		<u>6.06%</u>

Source: Municipal Tax Assessor

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - Township of West Amwell
Current Year and Nine Years Ago

	2024			2015		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Texas Eastern Transmission Corp	\$ 10,458,800	1	1.61%	\$ 7,100,000	1	1.44%
OFN Properties	6,341,600	2	0.98%	4,693,200	2	0.95%
JMJ Farm Holdings LLC	3,728,600	3	0.58%	2,498,400	3	0.51%
Individual Property Owner	2,964,700	4	0.46%	1,626,600	9	0.33%
Barry Road Properties LLC	2,769,300	5	0.43%	2,021,900	5	0.41%
Individual Property Owner	2,613,800	6	0.40%	1,557,900	10	0.32%
1422 Route 179 Florida Realty	2,527,300	7	0.39%	-		0.00%
GMNJ Properties LLC	2,438,300	8	0.38%	-		0.00%
Breen Real Estate LLC	2,398,900	9	0.37%	1,951,100	6	0.40%
Investment Goup LLC	2,312,100	10	0.36%	-		0.00%
Texas Eastern Transmission Corp	-		0.00%	2,250,000	4	0.46%
Affordable Self Storage Inc	-		0.00%	1,871,600	7	0.38%
Bender Realty LLC	-		0.00%	1,664,510	8	0.34%
	<u>\$ 38,553,400</u>		<u>5.96%</u>	<u>\$ 27,235,210</u>		<u>5.54%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
By Constituent District
Last Ten Years

Fiscal Year Ending June 30,	Taxes Levied for the Year				Collected within the Year of the Levy (a)	
	Borough of Stockton	City of Lambertville	Township of West Amwell	Regional High School	Total Amount	Percentage of Levy
2015	\$ 1,203,248	\$ 8,868,570	\$ 7,691,175	\$ -	\$ 17,762,993	100.00%
2016	1,206,785	8,902,418	7,954,162	-	18,063,365	100.00%
2017	1,189,850	9,353,217	7,861,948	-	18,405,015	100.00%
2018	1,166,739	9,828,979	7,748,702	-	18,744,420	100.00%
2019	1,148,935	10,178,116	7,940,052	-	19,267,103	100.00%
2020	1,122,678	10,299,598	8,301,678	-	19,723,954	100.00%
2021	1,136,069	10,606,502	8,468,321	-	20,210,892	100.00%
2022	1,091,201	10,987,891	8,517,691	-	20,596,783	100.00%
2023	1,194,066	11,262,769	8,520,142	-	20,976,977	100.00%
2024	1,378,690	11,807,581	9,447,866	-	22,634,137	100.00%

Source: District records including the Certificate and Report of School Taxes (A4F Form)

- (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.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases					
2015	\$ 14,930,314	\$ -	\$ 94,373	\$ -	\$ 63,828	\$ 15,088,515	2.67%	\$ 2,104
2016	13,969,566	-	193,184	-	-	14,162,750	2.45%	1,983
2017	12,742,816	-	96,580	-	-	12,839,396	2.15%	1,805
2018	11,470,026	-	-	-	-	11,470,026	1.90%	1,614
2019	10,146,155	-	127,563	-	-	10,273,718	1.65%	1,451
2020	8,771,161	-	65,065	-	-	8,836,226	1.36%	1,251
2021	7,345,000	-	-	-	-	7,345,000	1.10%	1,044
2022	5,900,000	-	252,184	-	-	6,152,184	0.80%	803
2023	37,822,000	-	162,541	-	-	37,984,541	4.85%	4,948
2024	36,387,000	-	429,785	-	-	36,816,785	N/A	4,799

Notes: 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.

N/A Information is not available

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 14,930,314	\$ -	\$ 14,930,314	1.15%	\$ 2,082
2016	13,969,566	-	13,969,566	1.04%	1,956
2017	12,742,816	-	12,742,816	0.94%	1,791
2018	11,470,026	-	11,470,026	0.83%	1,614
2019	10,146,155	-	10,146,155	0.72%	1,433
2020	8,771,161	-	8,771,161	0.61%	1,242
2021	7,345,000	-	7,345,000	0.50%	1,044
2022	5,900,000	-	5,900,000	0.38%	770
2023	37,822,000	-	37,822,000	2.36%	4,927
2024	36,387,000	-	36,387,000	2.16%	4,743

Notes: 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.
- (b) Population data can be found in Exhibit J-14.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality			
Borough of Stockton	\$ 350,800	100.00%	\$ 350,800
City of Lambertville	17,134,249	100.00%	17,134,249
Township of West Amwell	2,815,536	100.00%	2,815,536
County general obligation debt	71,347,396	6.72%	<u>4,794,545</u>
Subtotal, overlapping debt			<u>25,095,130</u>
Regional District School			
Borough of Stockton	37,822,000	6.15%	2,326,053
City of Lambertville	37,822,000	56.50%	21,369,430
Township of West Amwell	37,822,000	37.34%	<u>14,122,735</u>
School District direct debt			<u>37,822,000</u>
Total direct and overlapping debt			<u><u>\$ 62,917,130</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

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

See independent auditors' report.

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis	
	2023	\$1,821,640,604
	2022	1,701,991,432
	2021	1,523,312,208
		<u>\$5,046,944,244</u>
Average equalized valuation of taxable property		<u>\$1,682,314,748</u>
Debt limit (4.0% of average equalization value)	(a)	\$ 67,292,590
Total net debt applicable to limit		<u>36,387,000</u>
Legal debt margin		<u>\$ 30,905,590</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 55,710,751	\$ 56,662,877	\$ 58,454,551	\$ 62,308,985	\$ 67,292,590
Total net debt applicable	8,771,161	7,345,000	5,900,000	37,822,000	36,387,000
Legal debt margin	<u>\$ 46,939,590</u>	<u>\$ 49,317,877</u>	<u>\$ 52,554,551</u>	<u>\$ 24,486,985</u>	<u>\$ 30,905,590</u>
Total net debt applicable to the limit as a percentage of debt limit	15.74%	12.96%	10.09%	60.70%	54.07%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 52,666,494	\$ 52,958,717	\$ 53,571,851	\$ 54,357,623	\$ 55,051,999
Total net debt applicable	14,930,314	13,969,566	12,742,816	11,470,026	10,146,155
Legal debt margin	<u>\$ 37,736,180</u>	<u>\$ 38,989,151</u>	<u>\$ 40,829,035</u>	<u>\$ 42,887,597</u>	<u>\$ 44,905,844</u>
	*				
Total net debt applicable to the limit as a percentage of debt limit	28.35%	26.38%	23.79%	21.10%	18.43%

Source: Equalized Valuation Basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

* Information is not available prior to merger of local and regional school districts.

See independent auditors' report.

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
By Constituent District - Borough of Stockton
Last Ten Fiscal Years**

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2015	526	\$ 41,481,412	\$ 78,862	3.6%
2016	523	42,353,063	80,981	3.0%
2017	520	43,556,760	83,763	3.0%
2018	519	44,069,328	84,912	2.3%
2019	515	45,286,010	87,934	2.6%
2020	513	47,168,298	91,946	7.3%
2021	510	48,494,880	95,088	3.7%
2022	496	49,742,848	100,288	2.5%
2023	498	50,817,912	102,044	2.5%
2024	494	N/A	N/A	N/A

Sources:

- (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 County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - City of Lambertville
Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	3,856	\$ 304,091,872	\$ 78,862	3.1%
2016	3,841	311,048,021	80,981	2.9%
2017	3,824	320,309,712	83,763	2.9%
2018	3,822	324,533,664	84,912	2.5%
2019	3,815	335,468,210	87,934	2.1%
2020	3,808	350,130,368	91,946	5.7%
2021	3,790	360,383,520	95,088	3.6%
2022	4,149	416,094,912	100,288	2.4%
2023	4,154	423,890,776	102,044	2.7%
2024	4,157	N/A	N/A	N/A

Sources:

- (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 County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

**SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - Township of West Amwell
Last Ten Fiscal Years**

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2015	2,788	\$ 219,867,256	\$ 78,862	3.9%
2016	2,777	224,884,237	80,981	3.7%
2017	2,770	232,023,510	83,763	3.4%
2018	2,764	234,696,768	84,912	3.2%
2019	2,749	241,730,566	87,934	2.8%
2020	2,743	252,207,878	91,946	7.2%
2021	2,734	259,970,592	95,088	3.9%
2022	3,015	302,368,320	100,288	2.7%
2023	3,025	308,683,100	102,044	3.8%
2024	3,020	N/A	N/A	N/A

Sources:

- (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 County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2024

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function/program										
Instruction										
Regular	73.0	76.0	72.5	70.6	72.5	73.2	74.3	72.9	76.0	76.0
Special education	23.9	26.5	28.0	32.0	33.7	32.9	32.5	31.3	32.5	30.0
Other instruction - aides	19.3	18.8	21.5	26.0	26.0	25.5	25.0	25.0	23.5	23.0
Support services										
Student and instruction related services	17.8	23.8	27.9	28.1	26.5	29.7	30.0	28.6	28.6	30.0
General administration	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	9.5	6.0	6.0	6.3	7.3	6.4	6.4	6.0	6.0	6.0
Central services	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Administrative information technology	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	11.3	11.4	11.9	12.4	12.4	12.4	11.8	11.8	11.8	12.0
Pupil transportation	7.0	7.3	7.8	7.7	7.0	6.0	7.5	8.5	9.0	7.5
Other Support Services	2.0	2.0	2.0	1.7	1.7	2.6	2.6	2.6	2.6	2.5
Total	<u>171.8</u>	<u>179.8</u>	<u>186.1</u>	<u>193.3</u>	<u>195.6</u>	<u>197.2</u>	<u>198.6</u>	<u>195.2</u>	<u>198.5</u>	<u>195.5</u>

Source: District Personnel Records

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	960	\$ 19,234,843	\$ 20,036	-2.95%	97.9	1 to 9.81	959.9	916.6	2.92%	95.49%
2016	938	20,626,765	21,990	9.75%	102.5	1 to 9.15	938.3	896.2	-2.25%	95.51%
2017	940	21,406,978	22,773	3.56%	102.6	1 to 9.16	940.0	880.7	0.18%	93.69%
2018	943	22,145,510	23,484	3.12%	102.6	1 to 9.19	1,020.8	872.7	8.60%	85.49%
2019	925	23,938,553	25,880	10.20%	106.2	1 to 8.71	904.8	859.4	-11.36%	94.98%
2020	971	24,610,687	25,346	-2.06%	108.0	1 to 8.99	921.2	891.3	1.81%	96.75%
2021	885	25,887,120	29,251	15.41%	108.8	1 to 8.13	883.5	836.5	-4.09%	94.68%
2022	817	28,719,303	35,152	20.17%	108.0	1 to 7.56	767.9	712.8	-13.08%	92.82%
2023	807	29,674,147	36,771	4.61%	108.5	1 to 7.44	813.3	753.3	5.91%	92.62%
2024	802	30,974,942	38,622	5.03%	109.0	1 to 7.36	767.0	709.7	-5.70%	92.53%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Elementary											
<u>City of Lambertville (1968)</u>											
Square feet	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301	42,360
Capacity (students)	982	982	982	982	982	982	982	982	982	982	481
Enrollment	251	250	246	247	231	235	226	219	233	231	
<u>Borough of Stockton (1872)</u>											
Square feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-
Capacity (students)	67	67	67	67	67	67	67	67	67	67	-
Enrollment	55	48	55	12	-	-	-	-	-	-	
<u>Township of West Amwell (1953)</u>											
Square feet	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578
Capacity (students)	266	266	266	266	266	266	266	266	266	266	266
Enrollment	222	211	219	234	227	260	215	187	167	167	
High School											
<u>South Hunterdon Regional High School (1959)</u>											
Square feet	99,000	99,000	99,000	99,000	99,000	99,000	99,500	99,500	99,500	99,500	99,500
Capacity (students)	572	572	572	572	572	572	572	572	572	572	572
Enrollment	424	441	452	450	463	476	444	409	407	404	
<u>Number of schools at June 30, 2024:</u>											
Elementary	2										
Middle School	-										
High School	1										
Other	-										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Borough of Stockton	City of Lambertville	High School	Township of West Amwell	District Total
2015	\$ 18,793	\$ 42,831	\$ 198,248	\$ 28,768	\$ 288,640
2016	20,760	38,808	298,916	60,874	419,358
2017	44,266	131,520	315,515	89,578	580,879
2018	15,850	85,431	331,700	115,991	548,972
2019	6,933	91,649	280,273	146,227	525,082
2020	27,133	128,462	343,841	149,731	649,167
2021	12,381	106,218	283,426	77,201	479,226
2022	20,930	77,376	321,612	115,556	535,474
2023	19,952	98,594	329,826	102,748	551,120
2024	-	147,336	408,173	127,221	682,730
Total school facilities	<u>\$ 186,998</u>	<u>\$ 948,225</u>	<u>\$ 3,111,530</u>	<u>\$ 1,013,895</u>	<u>\$ 5,260,648</u>

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

Source: District Records

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & personal property (per occurrence)	\$ 500,000,000	\$ 5,000
Blanket extra expense	50,000,000	5,000
Blanket valuable paper & records	10,000,000	5,000
Demolition & increased cost of construction	25,000,000	-
Limited builders risk	10,000,000	-
Fire dept. service charge	10,000	-
Arson reward	10,000	-
Pollution cleanup & removal	250,000	-
Flood/earthquake		
Flood zone A & V	25,000,000	500,000
All other flood zones	75,000,000	10,000
Earthquake	50,000,000	1,000
Terrorism	1,000,000	-
Electronic data processing		
Blanket hardware/software, business income, transit, debris removal	750,000	1,000
Flood (Deductible for Zone A & Z)	-	500,000
Deductible all other flood zones	-	10,000
Equipment breakdown		
Combined single limit/accident for property damage & business income	100,000,000	5,000
Property damage	Included	5,000
Off premises property damage	1,000,000	5,000
Extra expense	10,000,000	5,000
Service interruption	10,000,000	5,000
Perishable goods	1,000,000	5,000
Data restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or law	1,000,000	5,000
Expediting expense	1,000,000	5,000
Hazardous substances	1,000,000	5,000
Newly acquired locations - 120 Days' Notice	1,000,000	5,000
Crime coverage		
Public employee dishonesty	100,000	500
Theft, disapp. & destruction/money orders & counterfeit currency	50,000	500
Forgery or alteration	50,000	500
Computer fraud	50,000	500
Public officials bond		
Board secretary - A Harris (RLI)	210,000	-

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
General liability		
Bodily injury & property damage	\$ 11,000,000	\$ -
Products & completed operations	11,000,000	-
Sexual abuse	11,000,000	-
Personal injury & advertising injury	11,000,000	-
Employee benefits liability	11,000,000	1,000
Premises medical payments	10,000/accident	-
Premises medical payments	5,000/person	-
Terrorism	1,000,000	-
Automotive coverage:		
Combined single limit for bodily injury and property damage	11,000,000	1,000
Personal injury protection	250,000	-
Medical payments	10,000	-
Underinsured	1,000,000	-
Terrorism	1,000,000	-
Garage keepers	Included	-
School leaders errors and omissions		
Coverage A - Protection against "loss"/wrongful acts	11,000,000	10,000
Coverage B - Defense costs for specific administrative actions	100,000/claim	10,000
	300,000/agg	10,000
Retro date	7/1/1986	
Workers' compensation		
Part one	Statutory	-
Part two - bodily injury by accident & disease		
Bodily injury by accident	2,000,000	-
Bodily injury by disease	2,000,000	-
Student accident		
All school base (US Fire)	25,000	-
Catastrophic (AIG)	7,500,000	25,000
UST(Nautilus)	1,000,000	25,000

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

**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***

Honorable President and
Members of the Board of Education
South Hunterdon Regional School District
Lambertville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the South Hunterdon Regional School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Hunterdon Regional School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 and 2024-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding number 2024-001 and 2024-002.

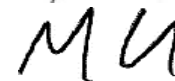
South Hunterdon Regional School District’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

December 18, 2024
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
South Hunterdon Regional School District
Lambertville, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the South Hunterdon Regional School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 the New Jersey OMB's Circulars 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 and 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 and 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 and 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
PSA NO. 20CS00265600

December 18, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
						(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
						From	To							
U.S. Department of Health and Human Services passed through State Department of Education														
General Fund														
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	\$ 41,846	07/01/23	06/30/24	\$ -	\$ -	\$ 41,846	\$ 41,846	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund						-	-	41,846	41,846	-	-	-	-	-
U.S. Department of Education passed through State Department of Education														
Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A230100	213,145	07/01/22	06/30/23	(12,646)	-	12,646	-	-	-	-	-	-
IDEA Basic	84.027A	H027A240100	226,848	07/01/23	06/30/24	-	-	226,848	226,848	-	-	-	-	-
IDEA Preschool	84.173A	H173A230114	7,844	07/01/22	06/30/23	(7,257)	-	7,257	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A240114	7,828	07/01/23	06/30/24	-	-	41	7,828	-	-	(7,787)	-	-
Total special education cluster (IDEA)						(19,903)	-	246,792	234,676	-	-	(7,787)	-	-
Title I A	84.010	S010A210030	156,578	07/01/20	06/30/21	(2,996)	-	2,996	-	-	-	-	-	-
Title I A	84.010	S010A220030	139,299	07/01/21	06/30/22	(9,684)	-	9,684	-	-	-	-	-	-
Title I A	84.010	S010A230030	103,519	07/01/22	06/30/23	(44,453)	-	34,789	-	-	-	(9,664)	-	-
Title I A	84.010	S010A240030	113,823	07/01/23	06/30/24	-	-	104,948	113,123	-	-	(8,175)	-	-
Title II A	84.367A	S367A220029	12,413	07/01/21	06/30/22	(14)	-	-	-	-	-	(14)	-	-
Title II A	84.367A	S367A230029	12,797	07/01/22	06/30/23	(9,627)	-	9,627	-	-	-	-	-	-
Title II A	84.367A	S367A240029	15,195	07/01/23	06/30/24	-	-	14,876	15,045	-	-	(169)	-	-
Title III	84.365	S365A220030	15,487	07/01/21	06/30/22	(670)	-	-	-	670	-	-	-	-
Title III	84.365	S365A230030	13,523	07/01/22	06/30/23	(6,409)	-	9,174	2,095	(670)	-	-	-	-
Title III	84.365	S365A240030	11,669	07/01/23	06/30/24	-	-	9,817	8,975	-	-	-	842	-
Title IV	84.424	S424A210031	13,115	07/01/20	06/30/21	(2,872)	-	2,872	-	-	-	-	-	-
Title IV	84.424	S424A220031	14,300	07/01/21	06/30/22	(587)	-	587	-	-	-	-	-	-
Title IV	84.424	S424A230031	11,912	07/01/22	06/30/23	(6,776)	-	6,776	-	-	-	-	-	-
Title IV	84.424	S424A240031	10,000	07/01/23	06/30/24	-	-	9,000	10,000	-	-	(1,000)	-	-
COVID-19														
CARES Emergency Relief	84.425	S425D200027	132,191	03/13/20	09/30/22	6,847	-	-	-	(6,847)	-	-	-	-
CRRSA - ESSER II	84.425D	S425D210027	513,215	03/13/20	09/30/23	(38,643)	-	38,817	-	(174)	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	32,936	03/13/20	09/30/23	(5,001)	-	11,614	-	(6,613)	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(16,107)	-	32,527	-	(16,420)	-	-	-	-
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	1,153,419	03/13/20	09/30/24	(330,388)	-	835,364	504,619	(357)	-	-	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	77,354	03/13/20	09/30/24	(18,632)	-	55,514	38,388	-	-	(1,506)	-	-
Evidenced Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	(22,929)	-	27,078	4,149	-	-	-	-	-
Evidenced Based Summer Learning	84.425U	S425U210027	40,000	03/13/20	09/30/24	(2,612)	-	2,612	414	-	-	(414)	-	-
NJTSS Mental Health Support	84.425U	S425U210027	45,000	03/13/20	09/30/24	(22,099)	-	21,921	14,431	-	-	(14,609)	-	-
ARP Homeless	84.425W	S425W210031	5,241	03/13/20	09/30/24	5,241	-	-	-	(5,241)	-	-	-	-
ACSERS	21.027	SFLRDOE1SES	104,849	07/01/22	06/30/23	(89,355)	-	104,849	-	(15,494)	-	-	-	-
NJ High Impact Tutoring	21.027	SFLRDOE1SES	48,000	10/11/23	08/31/24	-	-	25,663	30,268	-	-	(4,605)	-	-
Total Special Revenue Fund						(637,669)	-	1,617,897	976,183	(51,146)	-	(47,943)	842	-

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2024					
				From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor			
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	\$ 42,176	07/01/22	06/30/23	\$ 6,677	\$ -	\$ -	\$ 6,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	40,030	07/01/23	06/30/24	-	-	40,030	33,864	-	-	-	-	6,166	-	-	-
Cash Assistance	10.555	231NJ304N1099	135,172	07/01/22	06/30/23	(2,231)	-	2,231	-	-	-	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	138,603	07/01/23	06/30/24	-	-	129,089	138,603	-	-	(9,514)	-	-	-	-	-
School Breakfast Program	10.553	231NJ304N1099	23,742	07/01/22	06/30/23	(737)	-	737	-	-	-	-	-	-	-	-	-
School Breakfast Program	10.553	241NJ304N1099	46,928	07/01/23	06/30/24	-	-	42,415	46,928	-	-	(4,513)	-	-	-	-	-
Total Child Nutrition Cluster						3,709	-	214,502	226,072	-	-	(14,027)	6,166	-	-	-	-
P-EBT	10.649	2022225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	23,145	07/01/23	06/30/24	-	-	23,145	23,145	-	-	-	-	-	-	-	-
Total Enterprise Fund						3,709	-	238,300	249,870	-	-	(14,027)	6,166	-	-	-	-
Total Federal Awards						\$ (633,960)	\$ -	\$ 1,898,043	\$ 1,267,899	\$ (51,146)	\$ -	\$ (61,970)	\$ 7,008	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023				Adjustments	Balance June 30, 2024			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received	Budgetary Expenditure		Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
General Fund														
State Department of Education														
Transportation Aid	24-495-034-5120-014	\$ 378,861	07/01/23	06/30/24	\$ -	\$ -	\$ 344,048	\$ 378,861	\$ -	\$ -	\$ -	\$ -	\$ 34,813	\$ 378,861
Special Education Categorical Aid	24-495-034-5120-089	833,664	07/01/23	06/30/24	-	-	757,057	833,664	-	-	-	-	76,607	833,664
School Choice Aid	24-495-034-5120-068	1,583,200	07/01/23	06/30/24	-	-	1,437,715	1,583,200	-	-	-	-	145,485	1,583,200
Security Aid	24-495-034-5120-084	134,124	07/01/23	06/30/24	-	-	121,799	134,124	-	-	-	-	12,325	134,124
Extraordinary Special Education Costs Aid	23-495-034-5120-044	128,314	07/01/22	06/30/23	(128,314)	-	128,314	-	-	-	-	-	-	128,314
Extraordinary Special Education Costs Aid	24-495-034-5120-044	206,093	07/01/23	06/30/24	-	-	-	206,093	-	(206,093)	-	-	-	206,093
Non-Public Transportation Aid	23-495-034-5120-014	12,168	07/01/22	06/30/23	(12,168)	-	12,168	-	-	-	-	-	-	12,168
Non-Public Transportation Aid	24-495-034-5120-014	15,470	07/01/23	06/30/24	-	-	-	15,470	-	(15,470)	-	-	-	15,470
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	760,949	07/01/22	06/30/23	(3,591)	-	3,591	-	-	-	-	-	-	760,949
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	752,764	07/01/23	06/30/24	-	-	-	752,764	-	(752,764)	-	-	-	752,764
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	24-495-034-5094-002	3,761,912	07/01/23	06/30/24	-	-	3,761,912	3,761,912	-	-	-	-	-	3,761,912
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	42,903	07/01/23	06/30/24	-	-	42,903	42,903	-	-	-	-	-	42,903
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	1,604	07/01/23	06/30/24	-	-	1,604	1,604	-	-	-	-	-	1,604
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	1,035,531	07/01/23	06/30/24	-	-	1,035,531	1,035,531	-	-	-	-	-	1,035,531
Total General Fund					(144,073)	-	7,646,642	8,746,126	-	(974,327)	-	-	269,230	9,647,557
Special Revenue Fund														
State Department of Education														
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	20,569	07/01/22	06/30/23	20,569	-	-	-	(20,569)	-	-	-	-	20,569
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	20,471	07/01/23	06/30/24	-	-	20,471	20,471	-	-	-	-	-	20,471
Preschool Expansion Aid	23-495-034-5120-086	505,404	07/01/22	06/30/23	69,489	-	-	34,885	-	-	34,604	-	-	470,800
Preschool Expansion Aid	24-495-034-5120-086	891,720	07/01/23	06/30/24	-	-	802,547	891,720	-	-	-	-	89,173	891,720
Total Special Revenue Fund					90,058	-	823,018	947,076	(20,569)	-	34,604	-	89,173	1,403,560
Capital Projects Fund														
School Development Authority														
Lambertville Public School Roof Replacement	1376-020-23-R501	700,000	07/01/23	06/30/24	-	-	-	487,029	-	(487,029)	-	-	(700,000)	487,029
Lambertville Public School HVAC Renovations	1376-020-23-R502	240,000	07/01/23	06/30/24	-	-	-	-	-	-	-	-	(240,000)	-
Total Capital Projects Fund					-	-	-	487,029	-	(487,029)	-	-	(940,000)	487,029
Debt Service Fund														
State Department of Education														
Debt Service Aid - State Support	24-495-034-5120-017	634,063	07/01/23	06/30/24	-	-	634,063	634,063	-	-	-	-	-	634,063
Total Debt Service Fund					-	-	634,063	634,063	-	-	-	-	-	634,063
Enterprise Fund														
State Department of Agriculture														
State School Lunch Program	23-100-010-3350-023	6,083	07/01/22	06/30/23	(81)	-	81	-	-	-	-	-	-	6,083
State School Lunch Program	24-100-010-3350-023	9,933	07/01/23	06/30/24	-	-	9,219	9,933	-	(714)	-	-	-	9,933
State School Breakfast Program	23-100-010-3350-023	392	07/01/22	06/30/23	(11)	-	11	-	-	-	-	-	-	392
Total Enterprise Fund					(92)	-	9,311	9,933	-	(714)	-	-	-	16,408

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023			Budgetary Expenditure	Adjustments	Balance June 30, 2024			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (54,107)</u>	<u>\$ -</u>	<u>\$ 9,113,034</u>	\$ 10,824,227	<u>\$ (20,569)</u>	<u>\$ (1,462,070)</u>	<u>\$ 34,604</u>	<u>\$ -</u>	<u>\$ (581,597)</u>	<u>\$ 12,188,617</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	\$ 3,761,912	07/01/23	06/30/24				3,761,912						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	42,903	07/01/23	06/30/24				42,903						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	1,035,531	07/01/23	06/30/24				1,035,531						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	1,604	07/01/23	06/30/24				1,604						
Total for State Financial Assistance - Major Program Determination								<u>\$ 5,982,277</u>						

See independent auditors' report.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the South Hunterdon Regional School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using 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 Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The Basic Financial Statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$23,935) for the general fund, (\$32,276) for the special revenue fund, and \$452,971 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. See Exhibit F-2 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the capital projects fund.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statement (continued)

Financial assistance revenues are reported in the Board's Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ 41,846	\$ 8,722,191	\$ 8,764,037
Special revenue fund	1,040,788	850,195	1,890,983
Capital projects fund	-	487,029	487,029
Debt service fund	-	634,063	634,063
Food service fund	249,870	9,933	259,803
Total awards and financial assistance	<u>\$ 1,332,504</u>	<u>\$ 10,703,411</u>	<u>\$ 12,035,915</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

Note 7 - Adjustments on the Schedule of Federal Awards

On Schedule A, the total adjustments of \$51,146 represents refunds of prior year expenditures and reclassification of expenditures in fiscal year 2024.

Adjustments on the Schedule of State Financial Assistance

On Schedule B, the adjustment of \$20,569 represents a reclassification of expenditures in fiscal year 2024.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes X No
2. Were significant deficiencies identified? X Yes None reported

Noncompliance material to Basic Financial Statements noted? X Yes No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No
2. Were significant deficiencies identified? Yes X None reported

What was the type of auditors' report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)? Yes X No

Identification of Major Programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER Cluster:</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>Accelerated Learning Coach and Educator Support</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>Evidence Based Comprehensive Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>Evidence Based Summer Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>NJTSS Mental Health Support</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Did the auditee qualify as a low-risk auditee? X Yes No

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes ___ No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? ___ Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes ___ None reported

What was the type of auditors' report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes ___ No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>24-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>24-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
<i>24-495-034-5120-068</i>	<i>Security Aid</i>
	<i>School Choice Aid</i>

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2024-001 (2023-001)

Criteria

Approval signatures and receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain the proper approval signatures and receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to approval and receiving signatures.

Cause

Unknown.

Effect

Approval signatures and receiving signatures certifying goods or services were received by the District were at times not evident on payment forms.

Recommendation

Approval signatures and receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings (continued)

Finding 2024-002

Criteria

Continuous efforts must be made to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Condition

The District's records were not accurate in some instances.

Context

Recordkeeping was not maintained and performed in a complete and accurate manner. Records contained accounting entry errors or entries were not performed.

Cause

Unknown.

Effect

Records were not accurate.

Recommendation

The District must make continuous efforts to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

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

Federal Awards

There were no findings or questioned costs for fiscal year ended June 30, 2024.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs (continued)

State Awards

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to state financial assistance that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2024-001 (2023-001)

Criteria

Approval signatures and receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain the proper approval signatures and receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to approval and receiving signatures.

Cause

Unknown.

Effect

Approval signatures and receiving signatures certifying goods or services were received by the District were at times not evident on payment forms.

Recommendation

Approval signatures and receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs (continued)

State Awards (continued)

Finding 2024-002

Criteria

Continuous efforts must be made to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Condition

The District's records were not accurate in some instances.

Context

Recordkeeping was not maintained and performed in a complete and accurate manner. Records contained accounting entry errors or entries were not performed.

Cause

Unknown.

Effect

Records were not accurate.

Recommendation

The District must make continuous efforts to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

SOUTH HUNTERDON REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all findings with the exception of 2023-001.