SCHOOL DISTRICT
OF

MORRIS HILLS REGIONAL

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

Morris Hills Regional School District Board of Education

Rockaway, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Morris Hills Regional School District
Board of Education

Business Office

MORRIS HILLS REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

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Letter of Transmittal
For the Fiscal Year Ended June 30, 2025

November 13, 2025

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

As the Superintendent and the Business Administrator of the Morris Hills Regional District (the "District"), we are pleased to submit to you this Annual Comprehensive Financial Report (ACFR) issued by the District. This ACFR for the fiscal year ended June 30, 2025, was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities.

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

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

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

The ACFR is presented in four sections: introductory, financial, statistical and single audit.

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the Independent Auditors' Report, the Management's Discussion and Analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information.

- The statistical section includes selected financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis.

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

Profile of the Morris Hills Regional District

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

Population estimates for 2020 from the United States Decennial Census Report reflect an increase of 4.72% in total population for the four communities served as compared to the census in 2010. Rockaway Township, which represents 45% of the District's total population, saw a slight increase of .08% with a projected increase of 1,185 residents. Denville, representing 30.39% of the serviced population saw a small projected increase of 472 students. Rockaway Borough and Wharton Borough that are very similar in population and size, each representing approximately 24.59% of the population, reflected a substantial increase in projected population, 160 and 719 respectively.

Enrollment

The District's enrollment reported on the Application for State School Aid (ASSA) in October 2024 was 2,629 resident students compared to 2,672 resident students the prior year. The ASSA does not reflect students enrolled in the academy programs which are programs located at Morris Hills Regional District under a collaboration agreement with the Morris County School of Technology. On October 15, 2024 Morris Knolls enrolled 146 students in the Academy for the Performing Arts (APA) and Morris Hills enrolled 181 students in the Academy for Math, Science and Engineering (MSE).

School Buildings and Capital Improvements

The District's buildings, Morris Hills High School and Morris Knolls High School were built in 1953 and 1964, respectively. Both buildings are exceptionally well maintained. Annual deposits into the District's Capital Reserve have funded improvements to classroom space, athletic fields and gymnasium renovations. During the 2024-2025 school year the district completed a ceiling replacement project in 13 classrooms, the renovation of Morris Hills High School Media Center, and began the Morris Hills Gifford Field turf replacement project that also includes the installation of the field lights.

Curriculum Offerings

The District has enhanced program offerings that make it unique among other high schools in the state; in fact, school choice applications have grown drastically because of the enhanced opportunities available to students. In 2025-2026, applications for the school choice program continue to exceed available seats. Some of the unique offerings include:

- AP Program: The District offers 27 Advanced Placement options for students. AP offers students the opportunity to earn college credits while in high school, a major NJDOE initiative, The District has no minimum grade requirement to enter an AP course. In 2025, 88% of the students taking 1986 AP exams scored 3 or higher, scores high enough to earn college credit. 32% of exams taken earned a perfect score of 5.

- International Baccalaureate: The District is one of only 14 schools in New Jersey to offer the International Baccalaureate Diploma Program, an extremely competitive, internationally-recognized program for juniors and seniors. IB courses are as rigorous, if not more than AP courses and provide students the opportunity to earn college credit while in high school, a major NJDOE initiative. Our graduating classes in the IB Diploma Program continue to outperform graduates of established IB Programs around the world, including areas in which the United States is considered weak, such as world language.

- Magnet Program for Math and Science: We are in our sixteenth year of offering a specialized program that emphasizes statistical analysis and scientific research, which includes coursework that is offered by no other high school in the state and typically seen only at the collegiate level. The Magnet Program utilizes the College Board's AP Capstone Program, combined with our specialized Magnet coursework, we offer a 3-year sequence in Research Methods and provides students with training and skills to conduct collegiate level research and advanced STEM coursework. The NJDOE has been emphasizing the incorporation of STEM into high school curriculum; the Magnet Program exemplifies the type of STEM curricula that is going on in the best schools in the country. The Magnet Program has been expanded to Morris Knolls High School to keep up with demand.

- AVID Program: The District is in our fourteenth year of implementing the AVID Program (Advancement Via Individual Determination), a national and international program that helps students in the academic middle take more rigorous coursework and provides access to college for historically underrepresented groups. Teachers are trained in research-based instructional strategies to work with this population, and students are provided access to upper level coursework traditionally reserved for the academic elite.

- Gifted and Talented Program: Unlike many high schools in the state, that only offer "gifted" programs through honors and AP coursework, the District also address the other areas of giftedness that are recognized by the National Association for Gifted Children through seminars, pull out programs and a vast independent study program.

- Aviation and Aerospace Program: In the 2017-18 school year, the District partnered with the Aircraft Owners and Pilots Association (AOPA) and has since offered two career pathways (Pilot and Unmanned Aircraft Systems) in the aviation/aerospace industry. The program affords students the opportunity to earn industry credentials while still in high school.

Curriculum Offerings

- School Choice Program: The District continued two school choice programs that began in 2011- 2012. The first, an intradistrict school choice program allowed resident students to apply to either high school regardless of their address. Approximately 68 new students participated in 2024-2025. Also in 2011-2012, Morris Hills Regional District was approved by the New Jersey Department of Education as a Choice School District. There were 128 students enrolled in the District in the 2024-2025 school year. Funding is received directly from the State of New Jersey for these students.

- General Education Program: Our general education program provides all students with access to a truly comprehensive curriculum, including technology education, computer science, world languages, the academic core, and visual and performing arts. Both high schools are consistently ranked in the top 100 high schools in the state.

Economic Condition and Financial Outlook

The District relies on local property taxes and state aid to support its budget. In the 2024-2025 school year, the District saw a decrease in state aid but the predominant source to support its budget is local property taxes.

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

Internal Controls

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

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

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

Accounting System and Budgetary Controls

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either liquidated or are included as appropriations of fund balance in the subsequent fiscal year. Those amounts to be appropriated are reported as fund balance restrictions, commitments, and assignments on June 30, 2025.

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

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

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

Major Initiatives For The Future

During the 2025-2026 school year, Morris Hills High School will see the complete renovation of its library. This project will also include the creation of three instructional spaces. Additionally, the initiative to upgrade ceiling and lighting in the building will continue. Additionally, the field, track, and lighting will also be replaced at Gifford Field located at the Morris Hills High School campus. The district will continue with athletic renovations as they begin mid year replacing the turf and lighting at Caruso Field located at Morris Knolls High School. The remainder of the track renovations will be complete during the 2026-2027 summer.

MORRIS HILLS REGIONAL DISTRICT

Letter of Transmittal
For the Fiscal Year Ended June 30, 2025

Awards

The Association of School Business Officials International ("ASBO") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Morris Hills Regional District for its Annual Comprehensive Financial Report ("ACFR") for the fiscal years ended June 30, 2012, through June 30, 2024. This program contributes to the enhancement of credibility of financial management, the adoption of accounting principles generally accepted in the United States of America, and sound budgetary and reporting purposes. In order to be awarded the Certificate of Excellence, the District must prepare the ACFR in a fashion that strictly conforms to generally accepted accounting principles and program requirements. The Certificate of Excellence is valid for a period of one year, and the District feels confident that it will continue to meet the program requirements and will apply for the award for the fiscal year ended June 30, 2025.

Acknowledgements

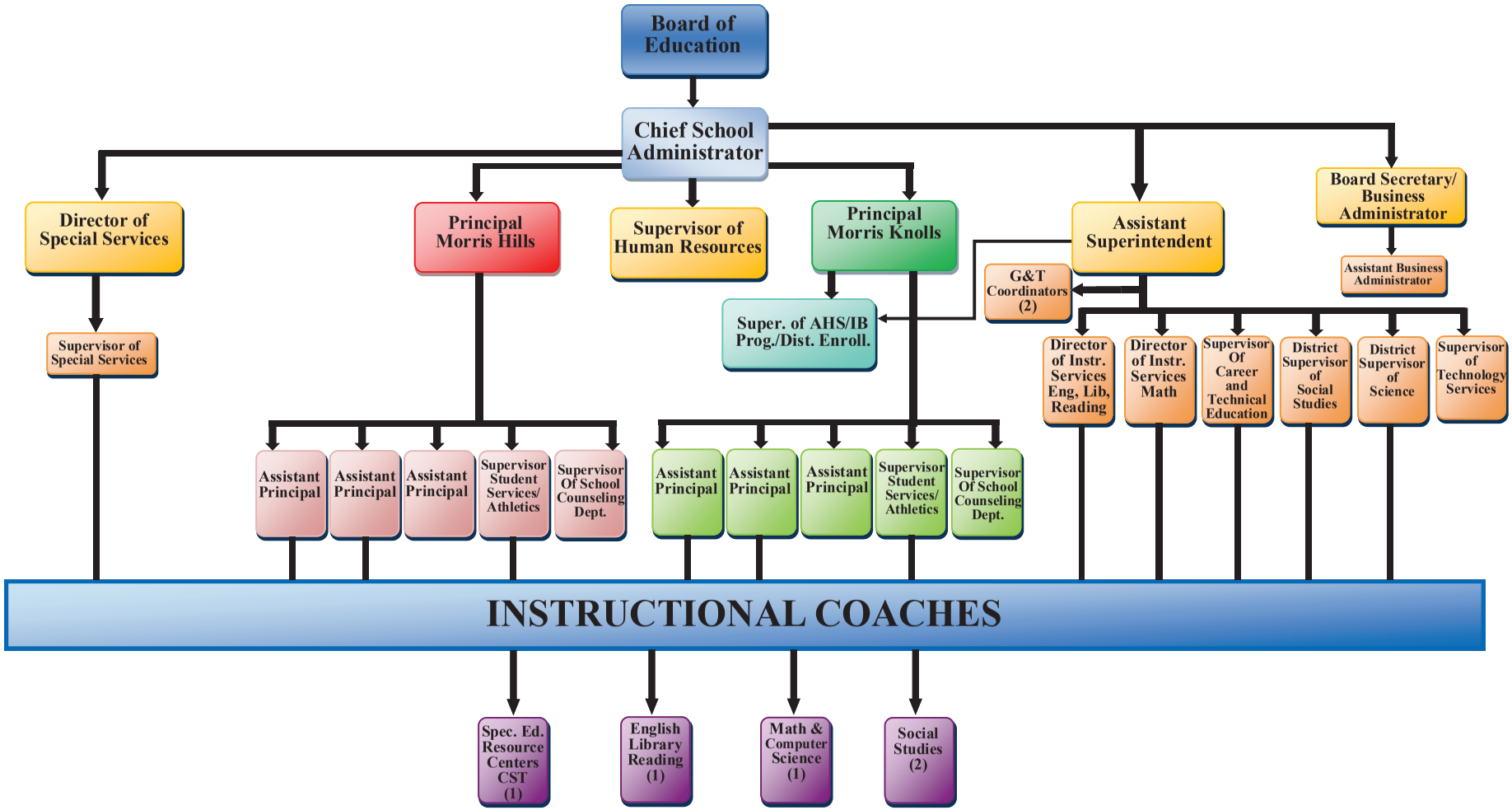
We would like to express our appreciation to the members of the Morris Hills Regional School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

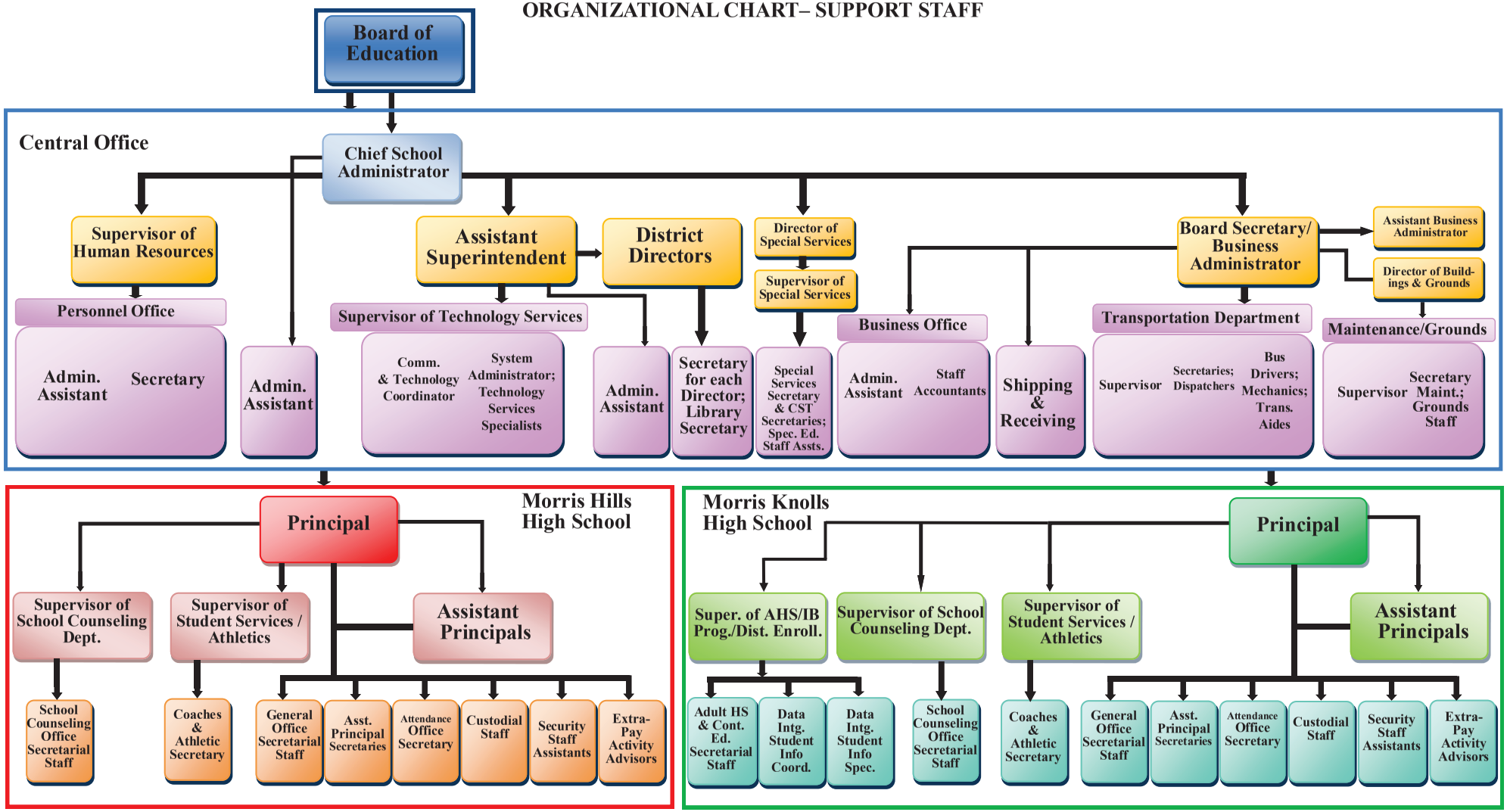
Nicholas J. Norcia
Superintendent

Danielle Matovski
Board Secretary/Business Administrator

MORRIS HILLS REGIONAL DISTRICT
ORGANIZATIONAL CHART– CERTIFIED STAFF



MORRIS HILLS REGIONAL DISTRICT
ORGANIZATIONAL CHART– SUPPORT STAFF



MORRIS HILLS REGIONAL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education	Term Expires
Michael Wieczerzak, President	2025
Patrick Napolitano, Vice President	2026
Michael Bertram	2027
Frank Francia	2025
Christie D'Asti	2025
Barbara Levy	2025
William Maher	2026
William Serafin	2025
Theresa Yeager	2027

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

MORRIS HILLS REGIONAL DISTRICT
CONSULTANTS AND ADVISORS

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OFFICIAL DEPOSITORIES

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Rockaway, New Jersey 07866

Provident Bank
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Dover, New Jersey 07801

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Morris Hills Regional District

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

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Independent Member
BKR International

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Morris Hills Regional School District (the "District") in the County of Morris as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP
NISIVOCCIA, LLP

Mount Arlington, New Jersey
November 13, 2025

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Morris Hills Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

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

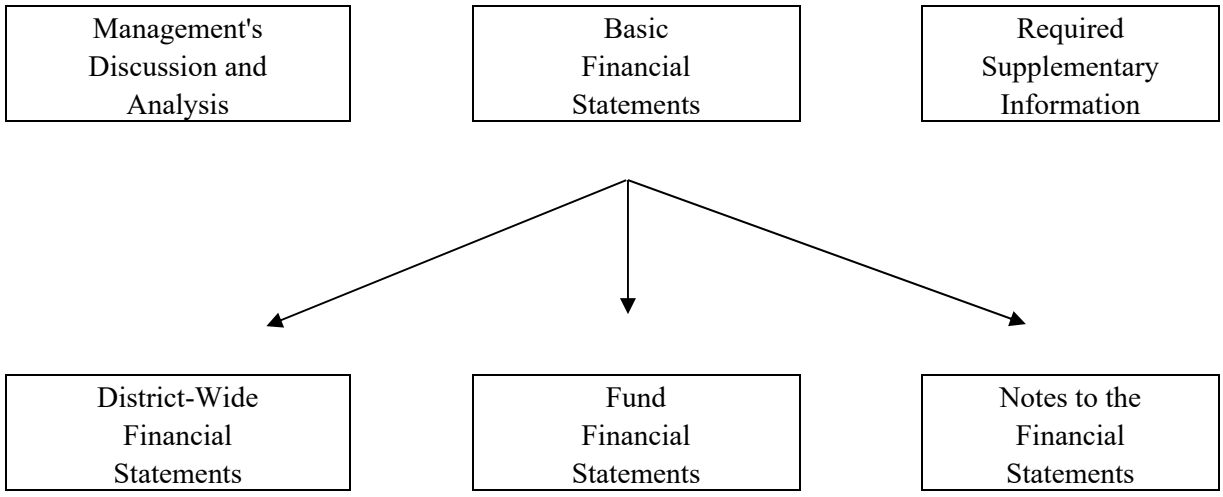


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities of the District that operate similar to private businesses for food services, academy for technology and shared services (for special education and custodial services)
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used and liabilities that come due during the fiscal year or soon thereafter; capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after year-end; expenditures when goods or services have been received and the related liability is due & payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Fund Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2025 and 2024. The District's *combined* net position was $40,753,654 on June 30, 2025, $6,953,230 or 20.57% more than it was the fiscal year before. The net position of the governmental activities increased by $7,083,971 and the net position of the business-type activities decreased by $130,741.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Current and Other Assets	$ 18,883,921	$ 17,146,067	$ 507,864	$ 595,719	$ 19,391,785	$ 17,741,786	
Capital Assets, Net	57,949,538	59,018,676	839,748	884,316	58,789,286	59,902,992	
Total Assets	76,833,459	76,164,743	1,347,612	1,480,035	78,181,071	77,644,778	0.69%
Deferred Outflows of Resources	3,226,246	3,917,334			3,226,246	3,917,334	-17.64%
Other Liabilities	2,655,727	5,241,707	66,167	67,849	2,721,894	5,309,556	
Long-Term Liabilities	36,332,023	40,602,639			36,332,023	40,602,639	
Total Liabilities	38,987,750	45,844,346	66,167	67,849	39,053,917	45,912,195	-14.94%
Deferred Inflows of Resources	1,599,746	1,849,493			1,599,746	1,849,493	-13.50%
Net Position:							
Net Investment in Capital Assets	39,468,644	37,899,925	839,748	884,316	40,308,392	38,784,241	
Restricted	10,742,944	7,235,803			10,742,944	7,235,803	
Unrestricted (Deficit)	(10,739,379)	(12,747,490)	441,697	527,870	(10,297,682)	(12,219,620)	
Total Net Position	$ 39,472,209	$ 32,388,238	$ 1,281,445	$ 1,412,186	$ 40,753,654	$ 33,800,424	20.57%

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

Net investment in capital assets increased $1,524,151 due to $2,400,448 in capital assets additions, $285,733 of bond issuance premiums amortized and the retirement of $2,275,000 of bonds payable, $295,000 of ESIP bonds payable and $117,244 of financed purchases payable, offset by $3,514,154 of depreciation expense and amortized deferred amount on refunding of $335,120.

Restricted net position increased $3,507,141 primarily due to current year excess surplus and net increases in the capital reserve, maintenance reserve, and debt service fund balance.

Unrestricted net position increased (deficit decreased) $1,921,938 primarily due to changes in the deferred inflows and outflows related to pensions, a net decrease in compensated absences and a decrease in the net pension liability.

Financial Analysis of the District as a Whole

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Revenue:							
Program Revenue:							
Charges for Services	$ 379,174	$ 442,338	$ 5,456,301	$ 5,239,439	$ 5,835,475	$ 5,681,777	
Grants and Contributions:							
Operating	13,837,320	17,199,171	629,720	668,263	14,467,040	17,867,434	
Capital		145,142				145,142	
General Revenue:							
Property Taxes	74,566,256	71,563,195			74,566,256	71,563,195	
Unrestricted Federal and State Aid	7,972,890	8,236,263			7,972,890	8,236,263	
Other	873,901	754,719			873,901	754,719	
Total Revenue	97,629,541	98,340,828	6,086,021	5,907,702	103,715,562	104,248,530	-0.51%
Expenses:							
Instruction	43,165,962	43,543,693			43,165,962	43,543,693	
Pupil and Instruction Services	21,659,514	20,990,508			21,659,514	20,990,508	
Administration and Business	7,152,893	7,217,597			7,152,893	7,217,597	
Maintenance and Operations	7,706,930	6,877,528			7,706,930	6,877,528	
Transportation	7,593,833	7,282,851			7,593,833	7,282,851	
Other	3,266,438	3,180,964	6,216,762	5,775,849	9,483,200	8,956,813	
Total Expenses	90,545,570	89,093,141	6,216,762	5,775,849	96,762,332	94,868,990	2.00%
Increase in Net Position	$ 7,083,971	$ 9,247,687	$ (130,741)	$ 131,853	$ 6,953,230	$ 9,379,540	

Governmental Activities

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

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

Governmental Activities

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

	Total Cost of Services		Net Cost of Services	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	$ 43,165,962	$ 43,543,693	$ 32,319,453	$ 30,133,136
Pupil and Instruction Services	21,659,514	20,990,508	19,348,499	17,940,203
Administration and Business	7,152,893	7,217,597	6,744,357	6,690,128
Maintenance and Operations	7,706,930	6,877,528	7,706,930	6,732,386
Transportation	7,593,833	7,282,851	7,009,249	6,699,355
Other	3,266,438	3,180,964	3,200,588	3,111,282
	$ 90,545,570	$ 89,093,141	$ 76,329,076	$ 71,306,490

Business-Type Activities

The net position of the District's Business-Type Activities decreased $130,741 during the fiscal year. (Refer to Figure A-4).

This decrease is comprised of a $111,167 decrease in the net position of the District's Food Service Fund and a $19,574 decrease in the net position of the District's Academy for Technology Fund.

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

Financial Analysis of the District's Funds

The financial position of the District's funds increased $4,194,278 on the GAAP basis during the fiscal year.

The fund balance of General Fund increased $3,430,063 due to excess Extraordinary Aid and Nonpublic Transportation Aid, unexpended budget appropriations and the transfer of unexpended balances from the Capital Projects Fund, offset by withdrawals from the Capital and Maintenance Reserves for capital projects and maintenance expenditures, respectively, during the fiscal year.

The fund balance of the Special Revenue Fund decreased $34,441 due to decreases in the Student Activities and Scholarship balances during the fiscal year.

The fund balance of the Capital Projects Fund increased $708,478 due to transfers from the General Fund Capital Reserve, offset by expenditures for current year projects and the transfer of unexpended project balances to the General Fund Capital Reserve.

Financial Analysis of the District's Funds

The Debt Service fund balance increased $90,178 primarily due to interest earnings that were transferred from the Capital Projects Fund offset by the appropriation of fund balance in the current year budget.

The State imposes spending and tax levy limits on the District in its budget process. The financial condition has been directly affected in recent years by legislation titled "S1701" which reduced the amount of allowable General Fund unassigned fund balance to 2% of adjusted expenditures. This amount increased to 4% for the 2021 and 2022 fiscal years and reverted to 2% for the 2023 and subsequent fiscal years.

At June 30, 2025 the District's 2% limit is $1,671,599 plus allowable adjustments for Extraordinary Aid and additional Nonpublic Transportation Aid of $820,471, for a total of $2,492,070 as allowable General Fund unassigned fund balance.

The District made deposits to the capital and maintenance reserves during the fiscal year, appropriated $1,499,803 of fund balance as revenue in its 2025-2026 budget and has excess surplus of $1,047,988 at June 30, 2025; therefore, the District has $2,492,070 (or 2.00%) as unassigned at June 30, 2025 on the budgetary basis and $1,432,151 on the GAAP basis due to the $1,059,919 June state aid payments which are not recognized until the fiscal year ended June 30, 2026.

General Fund Budgetary Highlights

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance to Actual
Expenditures:					
Total Regular Programs - Instruction	$ 25,710,173	$ (160,254)	$ 25,549,919	$ 23,472,293	$ 2,077,626
Total Special Education Instruction	3,632,426	332,324	3,964,750	3,899,823	64,927
Total Undistributed Expenditures -					
Instruction	7,536,069	(485,900)	7,050,169	6,316,126	734,043
Health Services	1,111,708	144,518	1,256,226	1,142,355	113,871
Other Support Services Students -					
Extraordinary Services	1,380,579	(223,639)	1,156,940	1,145,649	11,291
Total Central Services	1,380,173	(64,010)	1,316,163	1,202,667	113,496
Total Custodial Services	4,693,525	91,925	4,785,450	4,286,354	499,096
Total Student Transportation Services	6,774,804	(62,229)	6,712,575	5,896,278	816,297
Total Allocated Benefits	15,084,496	101,694	15,186,190	14,314,039	872,151
Total On-Behalf TPAF Contributions				17,244,144	(17,244,144)
Total Expenditures	$ 87,159,886	$ - 0 -	$ 87,159,886	$ 97,158,798	$ (9,998,912)

General Fund Budgetary Highlights

Overall, the District's General Fund budget increased $2,080,507 during the fiscal year due to Board-approved withdrawals from the capital reserve account during the fiscal year. Transfers were made from undistributed expenditures – instruction, required maintenance for school facilities, security, and allocated benefits to regular instruction, special education instruction, central services, custodial services, student extraordinary services, custodial services, and student transportation services. Also, the District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations. The District transferred $3,665,307 ($1,584,800 budgeted and $2,080,507 added by Board resolution) from the capital reserve account to the Capital Projects Fund for library renovation and athletic field repairs/tennis court replacement and transferred $900,534 from the Capital Projects Fund for unexpended balances of completed projects.

Capital Asset and Long-term Liabilities

The District's capital assets (net of depreciation) decreased $1,113,706, or 1.86%, during the fiscal year. (More detailed information about the District's capital assets is presented in Note 6 to the Basic Financial Statements).

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Sites (Land)	$ 288,500	$ 288,500			$ 288,500	$ 288,500	
Construction in Progress	6,143,641	7,826,190			6,143,641	7,826,190	
Buildings and Building Improvements	42,697,999	41,535,891			42,697,999	41,535,891	
Land Improvements	5,340,104	5,445,777			5,340,104	5,445,777	
Machinery & Equipment	3,479,294	3,922,318	$ 839,748	$ 884,316	4,319,042	4,806,634	
Total Capital Assets, Net of Depreciation	$ 57,949,538	$ 59,018,676	$ 839,748	$ 884,316	$ 58,789,286	$ 59,902,992	-1.86%

The District invested $2,400,448 in capital assets from governmental activities (which includes $2,056,295 from capital projects and $344,153 from capital outlay). The District incurred $3,469,586 and $44,568 of depreciation related to governmental and business-type capital assets, respectively.

Long-term Liabilities

The District's long-term liabilities decreased by $4,270,616, or 10.52%, during the fiscal year. At fiscal year-end, the District had $18,295,000 in bonds outstanding ($11,800,000 refunding bonds and $6,495,000 ESIP bonds), $3,464,541 in compensated absences payable, $432,829 financed purchases payable, $1,428,665 in unamortized bond issuance premiums and $12,710,988 in net pension liability as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the Basic Financial Statements).

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2024/25	2023/24	2024/25
General Obligation Bonds (Financed with Property Taxes), Net	$ 18,295,000	$ 20,865,000	
Net Pension Liability	12,710,988	13,716,428	
Other Long-Term Liabilities	5,326,035	6,021,211	
	$ 36,332,023	$ 40,602,639	-10.52%

During the fiscal year, $2,275,000 of the District's general obligation bonds, $295,000 of its ESIP bonds and $117,244 of financed purchases payable matured, $285,733 of bond issuance premiums were amortized, the net pension liability decreased $1,005,440 and compensated absences decreased $292,199.

Factors Bearing on the District's Future

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

- The District is committed to remaining within the 2% cap increase permitted on school levy plus any allowable adjustments for enrollment or health care costs. The majority of the District's K-8 sending districts continue to see growth, and that growth is expected to flow into the Morris Hills Regional District over the next several years. The District will continue to monitor costs by implementing best practices which result in efficient operations including sharing services with our local K-8 districts and municipalities in the areas of services and purchasing.

- The District has an agreement with the Morris County School of Technology to host two academy programs in exchange for tuition. These students are not counted on the District's ASSA for state aid and instead are funded by tuition proceeds. These programs are operated in the financial records as a proprietary fund.

- In an effort to avoid raising taxes for capital improvements, the District has been funding a capital reserve account each year with unexpended appropriations and unanticipated revenue. Those funds are used in subsequent budgets for various capital projects.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 6,453,643	$ 413,874	$ 6,867,517
Internal Balances	648,715	(648,715)	
Receivables from Federal Government	230,499	10,704	241,203
Receivables from State Government	1,765,128	753	1,765,881
Receivables from Other Governments	150,967	656,674	807,641
Other Receivables	236,731	62,333	299,064
Inventories		12,241	12,241
Restricted Assets - Cash and Cash Equivalents	9,398,238		9,398,238
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,432,141		6,432,141
Depreciable Buildings and Building Improvements, Land Improvements, and Machinery & Equipment	51,517,397	839,748	52,357,145
Total Assets	76,833,459	1,347,612	78,181,071
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Debt Refunding	1,675,600		1,675,600
Deferred Outflows of Resources Related to Pensions	1,550,646		1,550,646
Total Deferred Outflows of Resources	3,226,246		3,226,246
LIABILITIES			
Current Liabilities:			
Payable to Federal Government	10		10
Payable to State Government	251,023		251,023
Accounts Payable	2,163,756	17,042	2,180,798
Accrued Interest Payable	192,060		192,060
Unearned Revenue	48,878	49,125	98,003
Noncurrent Liabilities:			
Due Within One Year	3,109,109		3,109,109
Due Beyond One Year	33,222,914		33,222,914
Total Liabilities	38,987,750	66,167	39,053,917
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	1,599,746		1,599,746
Total Deferred Inflows of Resources	1,599,746		1,599,746
NET POSITION			
Net Investment in Capital Assets	39,468,644	839,748	40,308,392
Restricted for:			
Capital Projects	7,986,993		7,986,993
Debt Service	296,718		296,718
Maintenance	300,050		300,050
Excess Surplus	1,047,988		1,047,988
Unemployment Compensation	500,281		500,281
Scholarships	339,688		339,688
Student Activities	271,226		271,226
Unrestricted (Deficit)	(10,739,379)	441,697	(10,297,682)
Total Net Position	$ 39,472,209	$ 1,281,445	$ 40,753,654

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 31,824,886		$ 4,093,014	$ (27,731,872)		$ (27,731,872)
Special Education	6,713,988		6,155,477	(558,511)		(558,511)
Other Special Instruction	651,574		104,357	(547,217)		(547,217)
School-Sponsored Other Instruction	3,975,514		493,661	(3,481,853)		(3,481,853)
Support Services:						
Tuition	6,316,126			(6,316,126)		(6,316,126)
Student & Instruction Related Services	15,343,388	$ 379,174	1,931,841	(13,032,373)		(13,032,373)
General Administration Services	1,662,145			(1,662,145)		(1,662,145)
School Administration Services	3,171,908		408,536	(2,763,372)		(2,763,372)
Central Services	1,532,441			(1,532,441)		(1,532,441)
Administrative Information Technology	786,399			(786,399)		(786,399)
Plant Operations and Maintenance	7,706,930			(7,706,930)		(7,706,930)
Pupil Transportation	7,593,833		584,584	(7,009,249)		(7,009,249)
Special Schools	480,182		65,850	(414,332)		(414,332)
Interest on Long-Term Debt	218,705			(218,705)		(218,705)
Unallocated Depreciation*	2,567,551			(2,567,551)		(2,567,551)
Total Governmental Activities	90,545,570	379,174	13,837,320	(76,329,076)		(76,329,076)

* - Excludes direct depreciation expenses of the various programs.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses)/Revenues and Changes in Net Position: Governmental Activities	Net (Expenses)/Revenues and Changes in Net Position: Business-type Activities	Net (Expenses)/Revenues and Changes in Net Position: Total
Business-Type Activities:						
Food Service	$ 2,003,872	$ 1,262,985	$ 629,720		$ (111,167)	$ (111,167)
Academy for Technology	2,860,608	2,841,034			(19,574)	(19,574)
Shared Services	1,352,282	1,352,282				
Total Business-Type Activities	6,216,762	5,456,301	629,720		(130,741)	(130,741)
Total Primary Government	$ 96,762,332	$ 5,835,475	$ 14,467,040	$ (76,329,076)	(130,741)	(76,459,817)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				72,151,196		72,151,196
Taxes Levied for Debt Service				2,415,060		2,415,060
Federal and State Aid Not Restricted				7,972,890		7,972,890
Tuition Charges				314,482		314,482
Investment Earnings				387,832		387,832
Miscellaneous Income				171,587		171,587
Total General Revenues				83,413,047	- 0 -	83,413,047
Change in Net Position				7,083,971	(130,741)	6,953,230
Net Position - Beginning				32,388,238	1,412,186	33,800,424
Net Position - Ending				$ 39,472,209	$ 1,281,445	$ 40,753,654

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

FUND FINANCIAL STATEMENTS

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 2,430,569	$ 120,746	$ 3,605,610	$ 296,718	$ 6,453,643
Interfund Receivable	648,715				648,715
Receivables from Federal Government		230,499			230,499
Receivables from State Government	1,763,809	1,319			1,765,128
Receivables from Other Governments	150,967				150,967
Other Receivables	231,731	5,000			236,731
Restricted Cash and Cash Equivalents	8,787,324	610,914			9,398,238
Total Assets	$ 14,013,115	$ 968,478	$ 3,605,610	$ 296,718	$ 18,883,921
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payable to Federal Government		$ 10			$ 10
Payable to State Government		251,023			251,023
Accounts Payable	$ 787,738	102,417	$ 36,107		926,262
Unearned Revenue	44,764	4,114			48,878
Total Liabilities	832,502	357,564	36,107		1,226,173
Fund Balances:					
Restricted:					
Capital Reserve Account	7,986,993				7,986,993
Maintenance Reserve Account	300,050				300,050
Excess Surplus	1,047,988				1,047,988
Unemployment Compensation	500,281				500,281
Scholarships		339,688			339,688
Student Activities		271,226			271,226
Debt Service Fund				$ 296,718	296,718
Committed			3,569,503		3,569,503
Assigned:					
Encumbrances	413,347				413,347
For Subsequent Year's Expenditures	1,499,803				1,499,803
Unassigned	1,432,151				1,432,151
Total Fund Balances	13,180,613	610,914	3,569,503	296,718	17,657,748
Total Liabilities and Fund Balances	$ 14,013,115	$ 968,478	$ 3,605,610	$ 296,718	$ 18,883,921

Amounts Reported for G*overnmental Activities* in the Statement of Net Position (A-1) are Different because:	
Total Fund Balances (Per Above)	$ 17,657,748
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	57,949,538
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows of Resources Related to Pensions	1,550,646
District Contributions Subsequent to the Measurement Date are not paid with current economic resources and are therefore reported as a liabilities in the funds, but are included in the accounts Payable in the Statement of Net Position.	(1,237,494)
Deferred Inflows of Resources Related to Pensions	(1,599,746)
Long-Term Liabilities, including Bonds and the Net PERS Pension Liability Payable, are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(36,332,023)
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.	1,675,600
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(192,060)
Net Position of Governmental Activities (Exhibit A-1)	$ 39,472,209

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 72,151,196			$ 2,415,060	$ 74,566,256
Tuition Charges	314,482				314,482
Restricted Miscellaneous Revenue		$ 379,174			379,174
Unrestricted Miscellaneous Revenue	434,904	9,000	$ 124,515		568,419
Total - Local Sources	72,900,582	388,174	124,515	2,415,060	75,828,331
State Sources	30,446,302	330,671			30,776,973
Federal Sources	6,750	993,774			1,000,524
Total Revenues	103,353,634	1,712,619	124,515	2,415,060	107,605,828
EXPENDITURES					
Current:					
Regular Instruction	23,472,293	132,105			23,604,398
Special Education Instruction	3,899,823	777,232			4,677,055
Other Special Instruction	559,841				559,841
School-Sponsored Other Instruction	3,543,475				3,543,475
Support Services and Undistributed Costs:					
Tuition	6,316,126				6,316,126
Student & Instruction Related Services	9,641,269	837,723			10,478,992
General Administration Services	1,040,335				1,040,335
School Administration Services	2,252,742				2,252,742
Central Services	1,202,667				1,202,667
Administrative Information Technology	672,469				672,469
Plant Operations and Maintenance	6,159,545				6,159,545
Pupil Transportation	5,896,278				5,896,278

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Current:					
Allocated Benefits	$ 14,314,039				$ 14,314,039
Unallocated Benefits	17,244,144				17,244,144
Capital Outlay	521,454		$ 2,056,295		2,577,749
Special Schools	422,298				422,298
Debt Service:					
Principal				$ 2,275,000	2,275,000
Interest and Other Charges				174,397	174,397
Total Expenditures	97,158,798	$ 1,747,060	2,056,295	2,449,397	103,411,550
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	6,194,836	(34,441)	(1,931,780)	(34,337)	4,194,278
OTHER FINANCING SOURCES/(USES)					
Transfers In	900,534		3,665,307	124,515	4,690,356
Transfers Out	(3,665,307)		(1,025,049)		(4,690,356)
Total Other Financing Sources/(Uses)	(2,764,773)	- 0 -	2,640,258	124,515	- 0 -
Net Change in Fund Balances	3,430,063	(34,441)	708,478	90,178	4,194,278
Fund Balance—July 1	9,750,550	645,355	2,861,025	206,540	13,463,470
Fund Balance—June 30	$ 13,180,613	$ 610,914	$ 3,569,503	$ 296,718	$ 17,657,748

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		$ 4,194,278
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays.		
Depreciation Expense	$ (3,469,586)	
Capital Outlays	2,400,448	
		(1,069,138)
Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		2,570,000
Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		117,244
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		(5,278)
The governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)		285,733
The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)		(335,120)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		1,005,440
Change in Deferred Outflows of Resources Related to Pensions		(221,134)
Change in Deferred Inflows of Resources Related to Pensions		249,747
In the statement of activities, certain operating expenditures, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		292,199
Change in Net Position of Governmental Activities (Exhibit A-2)		$ 7,083,971

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Food Service	Academy for Technology	Shared Services	Total Enterprise Funds
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	$ 413,874			$ 413,874
Receivable from:				
Federal Government	10,704			10,704
State Government	753			753
Other Governments		$ 488,837	$ 167,837	656,674
Other Receivable	62,333			62,333
Inventories	12,241			12,241
Total Current Assets	499,905	488,837	167,837	1,156,579
Non-Current Assets:				
Capital Assets	994,558	1,002,113		1,996,671
Less: Accumulated Depreciation	(448,394)	(708,529)		(1,156,923)
Total Non-Current Assets	546,164	293,584		839,748
Total Assets	1,046,069	782,421	167,837	1,996,327
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund		482,219	166,496	648,715
Accounts Payable	15,701		1,341	17,042
Unearned Revenue:				
Prepaid Sales	49,125			49,125
Total Current Liabilities	64,826	482,219	167,837	714,882
Total Liabilities	64,826	482,219	167,837	714,882
NET POSITION:				
Investment in Capital Assets	546,164	293,584		839,748
Unrestricted	435,079	6,618		441,697
Total Net Position	$ 981,243	$ 300,202	$ - 0 -	$ 1,281,445

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			
Operating Revenue:	Food Service	Academy for Technology	Shared Services	Total Enterprise Funds
Charges for Services:				
Daily Sales:				
Reimbursable Programs	$ 566,090			$ 566,090
Non-Reimbursable Programs	679,024			679,024
Total Daily Sales	1,245,114			1,245,114
Special Events	17,871			17,871
Tuition		$ 2,841,034		2,841,034
Service Fees			$ 1,352,282	1,352,282
Total Operating Revenue	1,262,985	2,841,034	1,352,282	5,456,301
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	556,215			556,215
Non-Reimbursable Programs	293,969			293,969
Total Cost of Sales	850,184			850,184
Salaries	607,886	2,168,963	864,485	3,641,334
Payroll Taxes	87,231	37,594	18,172	142,997
Employee Benefits	123,356	634,478	355,273	1,113,107
Purchased Professional/Educational Services			100,000	100,000
Other Purchased Services	108,602			108,602
Purchased Property Services	105,348			105,348
Supplies and Materials	96,270		14,352	110,622
Depreciation Expense	24,995	19,573		44,568
Total Operating Expenses	2,003,872	2,860,608	1,352,282	6,216,762
Operating Income/(Loss)	(740,887)	(19,574)	- 0 -	(760,461)
Non-Operating Revenue:				
Federal Sources:				
School Breakfast Program	91,620			91,620
National School Lunch Program	404,591			404,591
Food Distribution Program	92,112			92,112
COVID-19:				
Pandemic EBT Food Benefits	643			643
Local Food for Schools (LFS) Cooperative	4,063			4,063
State Sources:				
School Breakfast Program	4,381			4,381
School Lunch Program	32,310			32,310
Total Non-Operating Revenue	629,720			629,720
Change in Net Position	(111,167)	(19,574)	- 0 -	(130,741)
Net Position - Beginning of Year	1,092,410	319,776	- 0 -	1,412,186
Net Position - End of Year	$ 981,243	$ 300,202	$ - 0 -	$ 1,281,445

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds				
	Major Funds				
	Food Service	Academy for Technology	Shared Services	Totals	Total Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customers	$ 1,255,932	$ 2,352,197	$ 1,335,569	$ 4,943,698	$ 4,943,698
Payments to Employees	(62,691)	(2,206,557)	(881,364)	(3,150,612)	(3,150,612)
Payments to Food Service Vendor	(1,673,274)			(1,673,274)	(1,673,274)
Payments to Suppliers	(159,435)	(152,259)	(454,205)	(765,899)	(765,899)
Net Cash Provided by/(Used for) Operating Activities	(639,468)	(6,619)	- 0 -	(646,087)	(646,087)
Cash Flows from Noncapital and Related Financing Activities:					
Federal Subsidy Reimbursements	491,945			491,945	491,945
Federal Pandemic EBT Food Benefits	643			643	643
Local Food for Schools (LFS) Cooperative	5,070			5,070	5,070
State Subsidy Reimbursements	36,403			36,403	36,403
Net Cash Provided by Noncapital and Related Financing Activities	534,061			534,061	534,061
Net Increase/(Decrease) in Cash and Cash Equivalents	(105,407)	(6,619)	- 0 -	(112,026)	(112,026)
Cash and Cash Equivalents, July 1	519,281	6,619	- 0 -	525,900	525,900
Cash and Cash Equivalents, June 30	$ 413,874	$ -0-	$ - 0 -	$ 413,874	$ 413,874
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	$ (740,887)	$ (19,574)	$ - 0 -	$ (760,461)	$ (760,461)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Depreciation	24,995	19,573		44,568	44,568
Federal Food Distribution Program	92,112			92,112	92,112
Changes in Assets and Liabilities:					
(Increase) in Receivables:					
Tuition		(488,837)		(488,837)	(488,837)
Other	(13,609)		(16,713)	(30,322)	(30,322)
Decrease in Inventory	400			400	400
Increase/(Decrease) in Accounts Payable	(9,703)		797	(8,906)	(8,906)
Increase in Interfund Payable		482,219	15,916	498,135	498,135
Increase in Unearned Revenue - Prepaid Sales	7,224			7,224	7,224
Net Cash Provided by/(Used for) Operating Activities	$ (639,468)	$ (6,619)	$ - 0 -	$ (646,087)	$ (646,087)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at $92,112 for the fiscal year ended June 30, 2025.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Morris Hills Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

B. Basis of Presentation: (Cont'd)

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

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

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

The District reports the following proprietary funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, except for the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

Sources/Inflows of Resources:	General Fund	Special Revenue Fund
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 103,238,907	$ 1,694,315
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		18,837
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,174,646	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,059,919)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 103,353,634	$ 1,713,152

Uses/Outflows of Resources:	General Fund	Special Revenue Fund
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 97,158,798	$ 1,728,756
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes:		
Prior Year Encumbrances		18,837
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 97,158,798	$ 1,747,593

E. Cash and Cash Equivalents and Investments:

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

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

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

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

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

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

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

K. Capital Assets:

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

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

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

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

K. Capital Assets: (Cont'd)

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

L. Lease Assets:

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

M. Subscription Assets:

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages for this purpose as of June 30, 2025.

P. Compensated Absences:

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

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

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

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

Q. Leases Payable:

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

R. Subscriptions Payable:

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the $13,180,613 General Fund balance at June 30, 2025, $7,986,993 is restricted in the capital reserve account; $300,050 is restricted in the maintenance reserve account; $500,281 is restricted for unemployment compensation; $1,499,803 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2026; $413,347 is assigned for year-end encumbrances, $1,047,988 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended, which will be included as anticipated revenue for the fiscal year ending June 30, 2027; and $1,432,151 is unassigned which is $1,059,919 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the $610,914 Special Revenue Fund balance at June 30, 2025, $339,688 is restricted for scholarships and $271,226 is restricted for student activities.

Capital Projects Fund: The $3,569,503 Capital Projects Fund balance at June 30, 2025 is committed.

Debt Service Fund: The Debt Service Fund balance at June 30, 2025 of $296,718 is restricted, of which $172,202 is included as anticipated budget revenue for the fiscal year ending June 30, 2026.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District had excess surplus at June 30, 2025 as outlined above.

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

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

T. Fund Balance Appropriated: (Cont'd)

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion, or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2025.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2025.

V. Deficit Net Position:

The District has a $10,739,379 deficit in unrestricted net position primarily due to the accrual of compensated absences payable, interest payable, deferred inflows related to pensions, and the net PERS pension liability, offset by deferred outflows related to pensions and Governmental Funds unassigned, committed and assigned fund balances. The deficit balance does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Net Position:

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

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

W. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2025 related to pensions and for the deferred amount on refunding of debt related to the District's 2020 refunding school bonds.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2025 related to pensions.

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

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

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

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

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

Investments: (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Unrestricted	Restricted	Total
Checking and Savings Accounts	$ 6,867,517	$ 9,398,238	$ 16,265,755

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

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025 was $16,265,755 and the bank balance was $16,573,036.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024		$ 5,751,566
Interest Earnings	$ 200	
Increase by Board Resolution - June 17, 2025	5,000,000	
Unexpended Funds Returned - Capital Projects Fund	900,534	
		5,900,734
Budgeted Withdrawals	(1,584,800)	
Withdrawals by Board Resolution	(2,080,507)	
		(3,665,307)
Ending Balance, June 30, 2025		$ 7,986,993

The balance in the capital reserve account at June 30, 2025 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024		$ 200,040
Interest Earnings	$ 10	
Increase by Board Resolution - June 17, 2025	300,000	
		300,010
		500,050
Budgeted Withdrawals		(200,000)
Ending Balance, June 30, 2025		$ 300,050

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 288,500			$ 288,500
Construction in Progress	7,826,190	$ 2,056,295	$ (3,738,844)	6,143,641
Total Capital Assets Not Being Depreciated	8,114,690	2,056,295	(3,738,844)	6,432,141

NOTE 6. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	$ 116,794,060		$ 3,521,338	$ 120,315,398
Land Improvements	9,722,089	$ 55,180		9,777,269
Machinery and Equipment	19,294,739	288,973	217,506	19,801,218
Total Capital Assets Being Depreciated	145,810,888	344,153	3,738,844	149,893,885
Governmental Activities Capital Assets	153,925,578	2,400,448		156,326,026
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(75,258,169)	(2,359,230)		(77,617,399)
Land Improvements	(4,276,312)	(160,853)		(4,437,165)
Machinery and Equipment	(15,372,421)	(949,503)		(16,321,924)
	(94,906,902)	(3,469,586)		(98,376,488)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 59,018,676	$(1,069,138)	$ - 0 -	$ 57,949,538
Business Type Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	$ 910,890			$ 910,890
Machinery and Equipment	1,085,781			1,085,781
Total Capital Assets Being Depreciated	1,996,671			1,996,671
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(469,733)	$ (19,573)		(489,306)
Machinery and Equipment	(642,622)	(24,995)		(667,617)
	(1,112,355)	(44,568)		(1,156,923)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 884,316	$ (44,568)	$ - 0 -	$ 839,748

The increases totaling $2,400,448, including $2,056,295 towards construction projects in progress, represent current fiscal year capitalized expenditures in the General and Capital Projects Funds. As of June 30, 2025, the District had active construction projects balances totaling $3,569,503 and $307,680 in outstanding construction commitments at June 30, 2025.

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged directly to governmental functions as follows:

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

NOTE 7: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred $107,514 to the capital outlay accounts for equipment which do not require the County Superintendent's approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Added	Retired	Balance 6/30/2025	Balance Due Within One Year
School Refunding Bonds Payable	$ 14,075,000		$ 2,275,000	$ 11,800,000	$ 2,300,000
ESIP Bonds Payable	6,790,000		295,000	6,495,000	250,000
Compensated Absences Payable	3,756,740	$ 19,025	311,224	3,464,541	172,491
Unamortized Bond Issuance Premiums	1,714,398		285,733	1,428,665	285,733
Net Pension Liability	13,716,428		1,005,440	12,710,988	
Financed Purchases Payable	550,073		117,244	432,829	100,885
	$ 40,602,639	$ 19,025	$ 4,289,641	$ 36,332,023	$ 3,109,109

A. Bonds Payable:

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

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

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

A. Bonds Payable: (Cont'd)

The District had refunding bonds outstanding as of June 30, 2025 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2020 Refunding Bonds	10/01/2029	1.033%-1.662%	$ 11,800,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 2,300,000	$ 152,360	$ 2,452,360
2027	2,325,000	125,531	2,450,531
2028	2,360,000	94,108	2,454,108
2029	2,390,000	58,970	2,448,970
2030	2,425,000	20,152	2,445,152
	$ 11,800,000	$ 451,121	$ 12,251,121

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

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

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

A. Bonds Payable: (Cont'd)

The District had ESIP bonds outstanding as of June 30, 2025 as follows:

Purpose	Final Maturity	Interest Rate	Amount
ESIP Bonds	7/15/2039	4.00%-5.00%	$ 6,495,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 250,000	$ 284,450	$ 534,450
2027	280,000	271,200	551,200
2028	305,000	256,575	561,575
2029	330,000	242,350	572,350
2030	360,000	228,550	588,550
Thereafter:			
2031-2035	2,250,000	894,350	3,144,350
2036-2040	2,720,000	358,425	3,078,425
	$ 6,495,000	$ 2,535,900	$ 9,030,900

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the District had no bonds authorized but not issued.

C. Unamortized Bond Issuance Premiums:

The liability for unamortized bond issuance premiums of the governmental fund types is recorded in current and long-term portions. The current portion of unamortized bond issuance premiums at June 30, 2025 is $285,733 and the long-term portion is $1,142,932.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions and is liquidated by the General Fund. The current portion of compensated absences payable at June 30, 2025 is $172,491 and the long-term portion is $3,292,050.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees; however, there was no liability as of June 30, 2025.

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is $-0- and the long-term portion is $12,710,988. See Note 9 for further information on the PERS.

F. Financed Purchases Payable:

In fiscal year 2025, the District did not enter into any financed purchases. The District has one financed purchase for buses for $550,073 of which $117,244 has been liquidated as of June 30, 2025. The financed purchase is for five years. The schedule of the future minimum financed purchase payments under the District's financed purchase and the present value of the net minimum financed purchase payments at June 30, 2025 are detailed below.

Fiscal Year	Amount
2026	$ 121,185
2027	121,185
2028	121,185
2029	121,185
	484,740
Less: Amount representing interest	(51,911)
Present value of net minimum lease payments	$ 432,829

The current portion of financed purchases payable at June 30, 2025 is $100,885 and the long-term portion is $331,944. The General Fund will be used to liquidate financed purchases payable.

NOTE 9. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

District contributions to PERS amounted to $1,272,904 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $40,980 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

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

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

At June 30, 2025, the District reported a liability of $12,710,988 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0935%, which was a decrease of 0.0012% the same from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of $238,836 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of $40,980 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2020	5.16 years		$ 92,372
2021	5.13 years	$ 15,791	
2022	5.04 years		52,250
		15,791	144,622
Changes in Proportion:			
2020	5.16 years	42,737	
2021	5.13 years		7,398
2022	5.04 years		125,240
2023	5.08 years		558,689
2024	5.08 years		140,583
		42,737	831,910
Difference Between Expected and Actual Experience:			
2020	5.16 years	5,145	
2021	5.13 years		12,558
2022	5.04 years		21,282
2023	5.08 years	65,385	
2024	5.08 years	184,094	
		254,624	33,840

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2021	5 years		$ 872,529
2022	5 years		(1,384,129)
2023	5 years		358,928
2024	5 years		742,046
			589,374
District Contribution Subsequent to the Measurement Date - 2024	1 year	$ 1,237,494	
		$ 1,550,646	$ 1,599,746

The $1,330,942 District contribution subsequent to the measurement date will be included as a reduction of its net pension liability in the subsequent fiscal year.

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

Fiscal Year Ending June 30,	Total
2025	$ (780,732)
2026	139,496
2027	(458,551)
2028	(187,658)
2029	851
	$ (1,286,594)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the table below and on the following page.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The table on the following page presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed in this note, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

June 30, 2024			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 16,889,778	$ 12,710,988	$ 9,154,861

Pension Plan Fiduciary Net Position

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

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

NOTE 9. PENSION PLANS (Cont'd)

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed $11,242,451 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of ($489,860).

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

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

At June 30, 2025, the District reported a liability of $134,287,366 for its proportionate share of the net pension liability which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2025, the District's proportion was 0.2717%, which was an increase of 0.0019% from June 30, 2024.

District's Proportionate Share of the Net Pension Liability	$	- 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District		134,287,366
Total	$	134,287,366

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of ($489,860) and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

	Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:			
2017	8.30 years		$ 480,199,664
2018	8.29 years		1,060,765,245
2019	8.04 years		1,016,333,107
2020	7.99 years	$ 603,633,698	
2021	7.93 years		7,317,559,989
2022	7.83 years	67,989,902	
		671,623,600	9,874,858,005
Difference Between Expected and Actual Experience:			
2017	8.30 years	8,543,764	
2018	8.29 years	186,086,527	
2019	8.04 years		39,486,140
2020	7.99 years		3,217,090
2021	7.93 years	97,106,767	
2022	7.83 years		12,735,529
2023	7.93 years	144,751,819	
2024	7.84 years		211,440,707
		436,488,877	266,879,466
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2021	5 years		888,658,452
2022	5 years		(1,659,667,329)
2023	5 years		357,972,332
2024	5 years		816,400,864
			403,364,319
		$ 1,108,112,477	$ 10,545,101,790

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	$ (9,436,989,313)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments in determining the total pension liability.

NOTE 9. PENSION PLANS (Cont'd)

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

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

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed in this note, as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	$ 159,619,545	$ 134,287,366	$ 112,952,883

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of $43,228 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to $79,461 for the fiscal year ended June 30, 2025.

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payment	153,556
Active Plan Members	219,185
Total	372,741

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2023	$ 129,099,349
Changes for Year:	
Service Cost	4,835,727
Interest Cost	4,875,932
Difference Between Expected and Actual Experience	1,828,813
Changes in Assumptions	11,081,738
Member Contributions	127,508
Gross Benefit Payments	(3,723,828)
Net Changes	19,025,890
Balance at June 30, 2024	$ 148,125,239

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

The following table presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	$ 173,486,378	$ 148,125,239	$ 127,506,130

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

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

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

The following table presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 123,389,402	$ 148,125,239	$ 180,345,298

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $5,226,422 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

At June 30, 2024, the State deferred outflows and inflows of resources related to OPEB attributable to the District is from the following sources:

	Year of Deferral	Original Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption	2017	9.54 years		$ 2,840,693
	2018	9.51 years		3,468,022
	2019	9.29 years	$ 547,159	
	2020	9.24 years	14,114,265	
	2021	9.24 years	83,370	
	2022	9.13 years		22,652,028
	2023	9.30 years	205,716	
	2024	9.33 years	9,893,985	
			24,844,495	28,960,743

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

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

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

	Year of Deferral	Original Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2018	9.51 years		$ 3,278,360
	2019	9.29 years		6,440,085
	2020	9.24 years	$ 13,155,049	
	2021	9.24 years		16,032,790
	2022	9.13 years	2,332,834	
	2023	9.30 years		1,911,033
	2024	9.33 years	352,367	
			15,840,250	27,662,268
Changes in Proportion	N/A	N/A	4,757,031	842,699
			$ 45,441,776	$ 57,465,710

N/A - Not Available

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

Fiscal Year Ending June 30,	Total
2025	$ (5,254,174)
2026	(4,405,657)
2027	(2,092,547)
2028	549,958
2029	(3,818,501)
Total Thereafter	(917,345)
	$ (15,938,266)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has health benefits coverage for its employees under the State of New Jersey Employees' Health Benefit Plan.

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance

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

The June 30, 2025 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2024 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	$ 452,862,436
Net Position	$ 208,313,945
Total Revenue	$ 187,698,949
Total Expenses	$ 178,093,729
Member Dividends	$ 2,600,000
Change in Net Position	$ 7,005,220

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

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

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

New Jersey Unemployment Compensation Insurance

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

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2024-2025	$ - 0 -	$ 40	$ 209,842	$ 141,903	$ 500,281
2023-2024	- 0 -	37	133,694	103,461	432,302
2022-2023	- 0 -	37	134,428	128,889	402,032

NOTE 12. DEFERRED COMPENSATION

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

The plan administrators are as follows:

403b

The Legend Group
4600 East Park Drive
Suite 300
Palm Beach Gardens, FL 33410

Equitable Life Insurance Co.
AXA Advisors, LLC
90 Woodbridge Center Drive
Woodbridge, NJ 07095

Aspire Financial Services
4010 Boy Scout Boulevard
Suite 450
Tampa, FL 33607

Lincoln National Life Insurance Co.
PO Box 2340
Fort Wayne, IN 46801-2340

Mass Mutual Financial Group
1295 State Street
Springfield, MA 01111-0001

MetLife
PO Box 10356
Des Moines, IA 50303-0356

Variable Annuity Life Insurance Co.
205 E. 10th Avenue
Amarillo, TX 79101

Security Benefit
One Security Benefit Place
Topeka, KS 66636

Lincoln Investment Planning
601 Office Center Drive
Suite 300
Fort Washington, PA 19034

457

Equitable Life Insurance Co.
AXA Advisors, LLC
90 Woodbridge Center Drive
Woodbridge, NJ 07095

The Legend Group
4600 East Park Drive
Suite 300
Palm Beach Gardens, FL 33410

MetLife
PO Box 10356
Des Moines, IA 50303-0356

Security Benefit
One Security Benefit Place
Topeka, KS 66636

NOTE 13. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2025:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 648,715	
Proprietary Funds:		
Academy for Technology		$ 482,219
Shared Services		166,496
	$ 648,715	$ 648,715

The interfund receivable balance in the General Fund represents interfund loans advanced to the Proprietary Funds while awaiting the collection of accounts receivable.

During the fiscal year, the General Fund transferred $3,665,307 to the Capital Projects Fund for the local share of capital projects, and the Capital Projects Fund transferred $900,534 of unexpended balance for the local share of projects to the General Fund and $124,515 of interest earnings to the Debt Service Fund.

NOTE 14. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2025:

	Governmental Funds			District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
	General Fund	Special Revenue Fund	Capital Projects Fund			
Accrued Salaries and Wages	$ 218,884	$ 26			$ 218,910	$ 1,293
Payroll Deductions and Withholdings	41,179				41,179	
Vendors	527,675	66,443	$ 36,107		630,225	15,749
Due to:						
State of New Jersey		35,948		$ 1,237,494	1,273,442	
	$ 787,738	$ 102,417	$ 36,107	$ 1,237,494	$ 2,163,756	$ 17,042

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds. All the governmental funds are considered to be major funds.

Governmental Funds		
General	Capital Projects	Total
$ 413,347	$ 307,680	$ 721,027

On the District's Governmental Funds Balance Sheet as of June 30, 2025, The $307,680 of encumbrances in the Capital Projects Fund are included in the $3,569,503 committed fund balance on a GAAP and budgetary basis at June 30, 2025.

NOTE 16. TAX CALENDAR

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

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

NOTE 17. ECONOMIC DEPENDENCY

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

NOTE 18. TAX ABATEMENTS

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

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

The Borough of Wharton recognized revenue in the amount of $745,157 from a payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2024 without the abatements would have been $948,673 of which $237,248 would have been regional school taxes.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
District's Proportion of the Net Pension Liability	0.0954496502%	0.1020423880%	0.0961607878%	0.0982396375%	0.0958858628%
District's Proportionate Share of the Net Pension Liability	$ 21,426,534	$ 30,222,029	$ 22,384,694	$ 19,342,895	$ 17,277,178
District's Covered Employee Payroll	$ 6,819,569	$ 6,608,576	$ 6,781,784	$ 6,639,087	$ 7,093,614
District's Proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	314.19%	457.32%	330.07%	291.35%	243.56%
Plan Fiduciary Net Position as a % of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability	0.1020076279%	0.1018535970%	0.1002268730%	0.0946981060%	0.0935453701%
District's Proportionate Share of the Net Pension Liability	$ 16,634,776	$ 12,066,086	$ 15,125,165	$ 13,716,428	$ 12,710,988
District's Covered Employee Payroll	$ 7,391,394	$ 7,356,441	$ 7,196,765	$ 7,136,830	$ 7,476,765
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	225.06%	164.02%	210.17%	192.19%	170.01%
Plan Fiduciary Net Position as a % of the Total Pension Liability	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually Required Contribution	$ 820,611	$ 912,135	$ 903,471	$ 1,013,329	$ 937,288
Contributions in relation to the Contractually Required Contribution	(820,611)	(912,135)	(903,471)	(1,013,329)	(937,288)
Contribution Deficiency/(Excess)	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -
District's Covered Employee Payroll	$ 6,608,576	$ 6,781,784	$ 6,639,087	$ 7,093,614	$ 7,391,394
Contributions as a % of Covered Employee Payroll	12.42%	13.45%	13.61%	14.29%	12.68%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 1,115,914	$ 1,192,824	$ 1,263,909	$ 1,265,666	$ 1,272,904
Contributions in relation to the Contractually Required Contribution	(1,115,914)	(1,192,824)	(1,263,909)	(1,265,666)	(1,272,904)
Contribution Deficiency/(Excess)	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -
District's Covered Employee Payroll	$ 7,356,441	$ 7,196,765	$ 7,136,830	$ 7,476,765	$ 7,604,906
Contributions as a % of Covered Employee Payroll	15.17%	16.57%	17.71%	16.93%	16.74%

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
State's Proportion of the Net Pension Liability attributable to the District	0.2564323239%	0.2639141422%	0.2675915304%	0.2638701563%	0.2646224977%
State's Proportionate Share of the Net Pension Liability attributable to the District	$ 162,076,179	$ 207,611,668	$ 180,419,859	$ 167,868,526	$ 162,401,325
District's Covered Employee Payroll	$ 27,301,314	$ 27,267,601	$ 28,035,898	$ 27,905,288	$ 28,062,499
State's Proportionate Share of the Net Pension Liability attributable to the District as a % of the District's Covered Employee Payroll	593.66%	761.39%	643.53%	601.57%	578.71%
Plan Fiduciary Net Position as a % of the Total Pension Liability	28.71%	28.71%	25.41%	26.49%	26.95%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
State's Proportion of the Net Pension Liability attributable to the District	0.2636784359%	0.2621896080%	0.2630741897%	0.2697493977%	0.2716986881%
State's Proportionate Share of the Net Pension Liability attributable to the District	$ 173,629,077	$ 126,048,149	$ 135,731,591	$ 137,660,319	$ 134,287,366
District's Covered Employee Payroll	$ 29,580,115	$ 30,263,633	$ 31,297,224	$ 32,239,579	$ 33,510,017
State's Proportionate Share of the Net Pension Liability attributable to the District as a % of the District's Covered Employee Payroll	586.98%	416.50%	433.69%	426.99%	400.74%
Plan Fiduciary Net Position as a % of the Total Pension Liability	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually Required Contribution	$ 9,896,210	$ 15,599,128	$ 12,498,574	$ 9,786,148	$ 9,578,864
Contributions in relation to the Contractually Required Contribution	(2,112,999)	(2,904,636)	(3,885,876)	(5,204,484)	(5,783,479)
Contribution Deficiency/(Excess)	$ 7,783,211	$ 12,694,492	$ 8,612,698	$ 4,581,664	$ 3,795,385
District's Covered Employee Payroll	$ 27,267,601	$ 28,035,898	$ 27,905,288	$ 28,062,499	$ 29,580,115
Contributions as a % of Covered Employee Payroll	7.75%	10.36%	13.93%	18.55%	19.55%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 10,796,995	$ 7,683,500	$ 3,652,916	$ 3,381,913	$ (489,860)
Contributions in relation to the Contractually Required Contribution	(7,621,534)	(10,829,860)	(11,027,518)	(11,577,987)	(11,242,451)
Contribution Deficiency/(Excess)	$ 3,175,461	$ (3,146,360)	$ (7,374,602)	$ (8,196,074)	$ (11,732,311)
District's Covered Employee Payroll	$ 30,263,633	$ 31,297,224	$ 32,239,579	$ 33,510,017	$ 35,108,188
Contributions as a % of Covered Employee Payroll	25.18%	34.60%	34.20%	34.55%	32.02%

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

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

	Fiscal Year Ending June 30,		
	2022	2023	2024
Changes in the Total OPEB Liability:			
Service Cost	$ 6,273,578	$ 4,930,770	$ 4,835,727
Interest Cost	3,301,228	4,546,721	4,875,932
Difference Between Expected and Actual Experience	5,161,094	(1,780,068)	1,828,813
Changes in Assumptions	(33,416,870)	260,211	11,081,738
Member Contributions	104,902	116,516	127,508
Gross Benefit Payments	(3,269,964)	(3,544,243)	(3,723,828)
Net Change in the Total OPEB Liability	(21,846,032)	4,529,907	19,025,890
Total OPEB Liability - Beginning	146,415,474	124,569,442	129,099,349
Total OPEB Liability - Ending	$ 124,569,442	$ 129,099,349	$ 148,125,239
District's Covered Employee Payroll *	$ 38,493,989	$ 40,986,782	$ 42,713,094
Total OPEB Liability as a Percentage of Covered Employee Payroll	324%	315%	347%

* - Covered payroll for the fiscal years ending June 30, 2017-2024 is based on the payroll on the June 30, 2016-2023 census data.
Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 72,151,196		$ 72,151,196	$ 72,151,196	
Tuition From Other LEAs Within the State	160,148		160,148	279,520	$ 119,372
Tuition From Summer School	39,000		39,000	34,962	(4,038)
Unrestricted Miscellaneous Revenues	260,000		260,000	434,694	174,694
Interest Earned on Maintenance Reserve	10		10	10	
Interest Earned on Capital Reserve Funds	200		200	200	
Total Revenues from Local Sources	72,610,554		72,610,554	72,900,582	290,028
Revenues from State Sources:					
School Choice Aid	2,114,688		2,114,688	2,114,688	
Categorical Transportation Aid	554,744		554,744	554,744	
Extraordinary Aid	800,000		800,000	1,590,583	790,583
Categorical Special Education Aid	3,061,117		3,061,117	3,061,117	
Equalization Aid	4,903,639		4,903,639	4,903,639	
Categorical Security Aid	277,006		277,006	277,006	
Stabilized School Budget Aid	536,353		536,353	536,353	
Other State Aids				29,888	29,888
State Reimbursement for Menstrual Products				19,413	19,413
TPAF Post Retirement Contributions (Non-Budgeted)				3,325,746	3,325,746
TPAF Pension Contributions (Non-Budgeted)				11,242,451	11,242,451
TPAF Non-Contributory Insurance (Non-Budgeted)				139,264	139,264
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,968	3,968
Reimbursed TPAF Social Security Contributions				2,532,715	2,532,715
Total Revenues from State Sources	12,247,547		12,247,547	30,331,575	18,084,028

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	$ 33,836		$ 33,836	$ 6,750	$ (27,086)
Total Revenues from Federal Sources	33,836		33,836	6,750	(27,086)
TOTAL REVENUE	84,891,937		84,891,937	103,238,907	18,346,970
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	22,433,405	$ (126,883)	22,306,522	20,921,723	1,384,799
Regular Programs - Home Instruction:					
Salaries of Teachers	67,000	18,119	85,119	84,349	770
Purchased Professional-Educational Services	150,613	(4,319)	146,294	141,792	4,502
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	10,500	(500)	10,000		10,000
Other Purchased Services (400-500 series)	1,464,876	(20,226)	1,444,650	1,196,839	247,811
General Supplies	1,283,282	(17,836)	1,265,446	956,741	308,705
Textbooks	165,343	(9,080)	156,263	99,708	56,555
Other Objects	135,154	471	135,625	71,141	64,484
TOTAL REGULAR PROGRAMS - INSTRUCTION	25,710,173	(160,254)	25,549,919	23,472,293	2,077,626
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	533,967	(37,640)	496,327	496,327	
Other Salaries for Instruction		75,153	75,153	74,528	625
Other Purchased Services (400-500 series)		50	50	31	19
General Supplies	2,500		2,500	2,499	1
Textbooks	9,000		9,000	8,999	1
Other Objects	500		500	476	24
Total Learning and/or Language Disabilities	545,967	37,563	583,530	582,860	670

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	$ 618,349	$ (2,000)	$ 616,349	$ 588,175	$ 28,174
Other Salaries for Instruction		94,865	94,865	68,576	26,289
Other Purchased Services (400-500 series)	2,000	(40)	1,960	290	1,670
General Supplies	8,500	6,316	14,816	9,914	4,902
Textbooks	15,000	6,600	21,600	20,632	968
Other Objects	2,000	133	2,133	1,292	841
Total Multiple Disabilities	645,849	105,874	751,723	688,879	62,844
Resource Room/Resource Center:					
Salaries of Teachers	2,439,110	108,909	2,548,019	2,548,017	2
Other Salaries for Instruction		79,817	79,817	78,907	910
Other Purchased Services (400-500 series)		161	161	160	1
General Supplies	1,000		1,000	1,000	
Other Objects	500		500		500
Total Resource Room/Resource Center	2,440,610	188,887	2,629,497	2,628,084	1,413
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,632,426	332,324	3,964,750	3,899,823	64,927
Bilingual Education - Instruction:					
Salaries of Teachers	575,383		575,383	553,442	21,941
Other Purchased Services (400-500 series)	1,250	(700)	550		550
General Supplies	5,300	1,700	7,000	6,399	601
Textbooks	3,239	(1,000)	2,239		2,239
Total Bilingual Education - Instruction	585,172		585,172	559,841	25,331
School-Sponsored Cocurricular & Extracurricular Activities - Instruction:					
Salaries	607,609	7,081	614,690	600,098	14,592
Purchased Services (300-500 series)	39,070	2,387	41,457	31,899	9,558
Supplies and Materials	46,110	5,606	51,716	34,862	16,854
Other Objects	20,950	(4,300)	16,650	6,921	9,729
Total School-Sponsored Cocurricular & Extracurricular Activities - Instruction	713,739	10,774	724,513	673,780	50,733

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	$ 2,052,311	$ (2,331)	$ 2,049,980	$ 2,017,960	$ 32,020
Purchased Services (300-500 series)	406,442	71,266	477,708	422,869	54,839
Supplies and Materials	260,082	(3,083)	256,999	227,056	29,943
Other Objects	58,475	(19,796)	38,679	19,810	18,869
Total School-Sponsored Athletics - Instruction	2,777,310	46,056	2,823,366	2,687,695	135,671
Summer School - Instruction:					
Salaries of Teachers	32,715	(156)	32,559	32,430	129
Other Salaries of Instruction	57,312	(5,395)	51,917	47,634	4,283
Total Summer School - Instruction	90,027	(5,551)	84,476	80,064	4,412
Summer School - Support Services:					
Salaries	54,535	42,532	97,067	92,936	4,131
Total Summer School - Support Services	54,535	42,532	97,067	92,936	4,131
Total Summer School	144,562	36,981	181,543	173,000	8,543
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	12,054	(2,900)	9,154	9,000	154
Total Other Supplemental/At-Risk Programs - Instruction	12,054	(2,900)	9,154	9,000	154
Total Other Supplemental/At-Risk Programs	12,054	(2,900)	9,154	9,000	154
TOTAL INSTRUCTION	33,575,436	262,981	33,838,417	31,475,432	2,362,985

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	$ 220,838	$ (14,500)	$ 206,338	$ 121,967	$ 84,371
Tuition to County Vocational School District - Regular	1,960,509	11,100	1,971,609	1,958,772	12,837
Tuition to County Vocational School District - Special	38,025		38,025	37,962	63
Tuition to CSSD & Regional Day Schools	134,438	4,388	138,826	137,866	960
Tuition to Private Schools for the Handicapped Within State	5,044,259	(616,399)	4,427,860	3,818,541	609,319
Tuition - State Facilities					
Tuition - Other	138,000	129,511	267,511	241,018	26,493
Total Undistributed Expenditures - Instruction	7,536,069	(485,900)	7,050,169	6,316,126	734,043
Undistributed Expenditures - Attendance & Social Work:					
Salaries	274,122	(1,300)	272,822	272,628	194
Other Purchased Services (400-500 series)	4,500		4,500		4,500
Supplies and Materials	5,713		5,713	1,353	4,360
Total Undistributed Expenditures - Attendance and Social Work	284,335	(1,300)	283,035	273,981	9,054
Undistributed Expenditures - Health Services:					
Salaries	460,056	(3,184)	456,872	456,871	1
Purchased Professional and Technical Services	603,900	160,019	763,919	669,036	94,883
Other Purchased Services (400-500 series)	37,777	(10,632)	27,145	8,766	18,379
Supplies and Materials	9,975	(1,685)	8,290	7,682	608
Total Undist. Expenditures - Health Services	1,111,708	144,518	1,256,226	1,142,355	113,871
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	509,670	24,806	534,476	529,030	5,446
Purchased Professional - Educational Services	935,500	(7,302)	928,198	795,976	132,222
Total Undist. Expend. - Speech, OT, PT, Related Services	1,445,170	17,504	1,462,674	1,325,006	137,668

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Services Students - Extra. Services:					
Salaries	$ 1,359,429	$ (261,576)	$ 1,097,853	$ 1,097,593	$ 260
Purchased Professional - Educational Services	11,850		11,850	8,469	3,381
Supplies and Materials	9,300	36,737	46,037	38,887	7,150
Other Objects		1,200	1,200	700	500
Total Undist. Expend. - Other Support Services Students - Extra. Services	1,380,579	(223,639)	1,156,940	1,145,649	11,291
Undistributed Expenditure.- Guidance:					
Salaries of Other Professional Staff	1,854,635	(20,096)	1,834,539	1,825,001	9,538
Salaries of Secretarial and Clerical Assistants	245,912	(18,200)	227,712	227,612	100
Other Purchased Services (400-500 series)	137,679	(50,444)	87,235	44,524	42,711
Supplies and Materials	7,679	4,625	12,304	11,042	1,262
Other Objects	3,575	(879)	2,696	1,190	1,506
Total Undistributed Expendenditures - Guidance	2,249,480	(84,994)	2,164,486	2,109,369	55,117
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	1,309,934	(250)	1,309,684	1,306,235	3,449
Salaries of Secretarial and Clerical Assistants	146,144	250	146,394	145,842	552
Purchased Professional - Educational Services	17,500		17,500		17,500
Other Purchased Services (400-500 series)	46,287	12,364	58,651	55,744	2,907
Supplies and Materials	14,000	500	14,500	13,953	547
Total Undistributed Expenitures - Child Study Team	1,533,865	12,864	1,546,729	1,521,774	24,955
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	858,948		858,948	857,635	1,313
Salaries of Secretarial and Clerical Assistants	308,838		308,838	294,347	14,491
Unused Vacation Payment to Terminated/Retired Staff		7,400	7,400	7,348	52
Other Purchased Services (400-500 series)	19,340	(2,118)	17,222	17,143	79
Supplies and Materials	1,000	278	1,278	1,277	1
Other Objects	795		795	669	126
Total Undist. Expend. - Improvemet of Instructional Services	1,188,921	5,560	1,194,481	1,178,419	16,062

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Services/School Library:					
Salaries	$ 541,360	$ (23,000)	$ 518,360	$ 516,964	$ 1,396
Other Purchased Services (400-500 series)	19,992	(3,150)	16,842	14,393	2,449
Supplies and Materials	83,178	(15,765)	67,413	64,743	2,670
Other Objects	500	25	525	265	260
Total Undist Expend. - Educational Media Services/School Library	645,030	(41,890)	603,140	596,365	6,775
Undist.Expend. - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	234,808		234,808	234,637	171
Salaries of Other Professional Staff	12,000	(165)	11,835	6,400	5,435
Salaries of Secretarial and Clerical Assistants	54,500		54,500	53,783	717
Other Salaries	42,500	5,702	48,202	29,737	18,465
Other Purchased Services (400-500 series)	22,550	(1,065)	21,485	18,503	2,982
Supplies and Materials	6,350	(355)	5,995	5,067	928
Other Objects	500		500	224	276
Total Undist.Expend. - Instructional Staff Training Services	373,208	4,117	377,325	348,351	28,974
Undist. Expend .- Support Services - General Administration:					
Salaries	345,724		345,724	344,620	1,104
Legal Services	150,000	25,900	175,900	97,003	78,897
Audit Fees	105,200	11,000	116,200	114,700	1,500
Architectural/Engineering Services	95,000	500	95,500	91,860	3,640
Other Purchased Professional Services	20,000	3,500	23,500	18,000	5,500
Communications / Telephone	260,955		260,955	160,913	100,042
BOE Other Purchased Services	2,750		2,750	2,337	413
Other Purch. Serv. (400-500 series other than 530 & 585)	315,450	(76,617)	238,833	163,298	75,535
General Supplies	15,000	(7,750)	7,250	5,961	1,289
Miscellaneous Expenditures	10,000	2,000	12,000	11,274	726
BOE Membership Dues and Fees	36,000		36,000	30,369	5,631
Total Undist. Expend. - Support Services - General Administration	1,356,079	(41,467)	1,314,612	1,040,335	274,277

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Prog Director	$ 1,535,510	$ (14,779)	$ 1,520,731	$ 1,518,400	$ 2,331
Salaries of Secretarial and Clerical Assistants	581,996	545	582,541	571,359	11,182
Unused Vacation Payment to Terminated/Retired Staff		76,850	76,850	76,848	2
Other Purchased Services (400-500 series)	56,493	(3,982)	52,511	46,728	5,783
Supplies and Materials	64,257	(12,903)	51,354	38,046	13,308
Other Objects	2,569	(846)	1,723	1,361	362
Total Undist. Expend. - Support Services -School Administration	2,240,825	44,885	2,285,710	2,252,742	32,968
Undist. Expend. - Central Services:					
Salaries	1,047,961	(60,717)	987,244	980,915	6,329
Unused Vacation Payment to Terminated/Retired Staff		10,650	10,650	10,618	32
Purchased Professional Services	14,311	8,502	22,813	18,399	4,414
Miscellaneous Purchased Services (400-500 series other than 594)	284,001	(21,796)	262,205	183,157	79,048
Supplies and Materials	23,000	(2,523)	20,477		20,477
Other Objects	10,900	1,874	12,774	9,578	3,196
Total Undist. Expend. - Central Services	1,380,173	(64,010)	1,316,163	1,202,667	113,496
Undist. Expend. - Administrative Information Technology:					
Salaries	371,589		371,589	348,583	23,006
Other Purchased Services (400-500 series)	380,148	(2,450)	377,698	228,010	149,688
Supplies and Materials	180,219	(4,426)	175,793	95,876	79,917
Total Undist. Expend. - Administrative Information Technology	931,956	(6,876)	925,080	672,469	252,611
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	483,414	(70,000)	413,414	375,218	38,196
Unused Vacation Payment to Terminated/Retired Staff		29,300	29,300	29,270	30
Cleaning, Repair, and Maintenance Services	441,190	69,705	510,895	450,972	59,923
General Supplies	188,575	2,595	191,170	164,879	26,291
Other Objects	14,900		14,900		14,900
Total Undist. Expend.- Required Maintenance for School Facilities	1,128,079	31,600	1,159,679	1,020,339	139,340

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services:					
Salaries	$ 1,693,469	$ (3,573)	$ 1,689,896	$ 1,541,032	$ 148,864
Unused Vacation Payment to Terminated/Retired Staff		29,545	29,545	29,539	6
Purchased Professional and Technical Services	49,000	(10,935)	38,065	36,686	1,379
Cleaning, Repair, and Maintenance Services	248,097	(51,000)	197,097	185,994	11,103
Other Purchased Property Services	91,000		91,000	56,414	34,586
Insurance	520,472	32,739	553,211	553,211	
Miscellaneous Purchased Services	32,750	(14,280)	18,470	12,739	5,731
General Supplies	219,362	123,822	343,184	207,876	135,308
Energy (Natural Gas)	659,800	(4,200)	655,600	616,078	39,522
Energy (Electricity)	562,000		562,000	452,039	109,961
Other Objects	24,500	(10,403)	14,097	1,671	12,426
Interest - Energy Savings Improvement Program Bonds	298,075		298,075	298,075	
Principal - Energy Savings Improvement Program Bonds	295,000		295,000	295,000	
Total Undist. Expend. - Custodial Services	4,693,525	91,715	4,785,240	4,286,354	498,886
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	256,310	14,792	271,102	269,642	1,460
Cleaning, Repair, and Maintenance Services	42,352	(2,500)	39,852	26,570	13,282
General Supplies	34,000	15,500	49,500	36,590	12,910
Total Undist. Expend, - Care And Upkeep Of Grounds	332,662	27,792	360,454	332,802	27,652
Undist. Expend. - Security:					
Salaries	276,996		276,996	224,615	52,381
Purchased Professional and Technical Services	368,492	49,993	418,485	295,435	123,050
General Supplies	27,850		27,850		27,850
Total Undist. Expend. - Security	673,338	49,993	723,331	520,050	203,281
Total Undist. Expend. - Operation and Maintenance of Plant Services	6,827,604	201,100	7,028,704	6,159,545	869,159

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Student Transportation Services:					
Salaries of Non-Instructional Aides	$ 303,050	$ 82,966	$ 386,016	$ 375,938	$ 10,078
Sal. for Pupil Trans. (Bet. Home and Sch) - Regular	1,943,218	(108,093)	1,835,125	1,826,323	8,802
Sal. for Pupil Trans. (Bet. Home and Sch) - Special Education	337,011	60,668	397,679	395,479	2,200
Sal. for Pupil Trans. (Other than Between Home & School)	188,000	(75,776)	112,224	37,770	74,454
Other Purchased Professional and Technical Services	12,000	(588)	11,412	4,453	6,959
Cleaning, Repair, and Maintenance Services	40,000		40,000	18,927	21,073
Lease Purchase Payments - School Buses	175,000	(3,335)	171,665	121,186	50,479
Contracted Services - Aid in Lieu of Payments - Nonpublic Students	99,025	899	99,924	92,718	7,206
Contracted Services - Aid in Lieu of Payments - Choice Students	3,500	(3,500)			
Contracted Services (Between Home & School) - Vendors	50,000		50,000	7,920	42,080
Contracted Services (Other than Between Home & School) - Vendors	250,000	19,574	269,574	216,377	53,197
Contracted Services (Between Home & School) - Joint Agreements	10,000	(10,000)			
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	12,000	(12,000)			
Contracted Services (Reglar Students) - ESC's & CTSA's	825,000	78	825,078	809,730	15,348
Contract. Serv.(Special Education Students) - ESC's & CTSA's	2,100,000		2,100,000	1,631,478	468,522
Miscellaneous Purchased Services - Transportation	81,000	(15,609)	65,391	54,826	10,565
General Supplies	12,000	(2,665)	9,335	5,368	3,967
Transportation Supplies	330,000	5,089	335,089	293,987	41,102
Other Objects	4,000	63	4,063	3,798	265
Total Undist. Expend. - Student Transportation Services	6,774,804	(62,229)	6,712,575	5,896,278	816,297
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Social Security Contributions	213,904	2,071	215,975	70,418	145,557
Other Retirement Contribution - Regular	75,000		75,000		75,000
Worker's Compensation	70,000		70,000	70,000	
Health Benefits	5,105,589	(712,070)	4,393,519	4,393,518	1
Tuition Reimbursement	100,000		100,000	34,519	65,481
Other Employee Benefits	194,991	8,866	203,857	135,877	67,980
Unused Sick Payment to Terminated/Retired Staff	50,000	30,945	80,945	80,945	
Total Regular Programs - Instruction	5,809,484	(670,188)	5,139,296	4,785,277	354,019

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Programs - Instruction:					
Social Security Contributions	$ 82,008	$ (100)	$ 81,908	$ 21,241	$ 60,667
Other Retirement Contributions - PERS		41,850	41,850	41,771	79
Workers Compensation	10,900		10,900	10,900	
Health Benefits	722,107	603,083	1,325,190	1,287,793	37,397
Tuition Reimbursement	14,500	3,769	18,269	17,261	1,008
Other Employee Benefits	30,000	13,900	43,900	27,000	16,900
Unused Sick Payment to Terminated/Retired Staff	17,000	(17,000)			
Total Special Programs - Instruction	876,515	645,502	1,522,017	1,405,966	116,051
Other Instructional Programs - Instruction:					
Social Security Contributions	185,875	3,254	189,129	168,155	20,974
Other Retirement Contributions - PERS	20,000	(5,483)	14,517	10,209	4,308
Workers Compensation	5,000		5,000	5,000	
Health Benefits	180,249	(11,393)	168,856	168,856	
Other Employee Benefits	3,000	21,945	24,945	24,944	1
Total Other Instructional Programs - Instruction	394,124	8,323	402,447	377,164	25,283
Attendance and Social Work Services:					
Social Security Contributions	20,970	(500)	20,470	19,377	1,093
Other Retirement Contributions - PERS	35,000	9,300	44,300	44,237	63
Workers Compensation	7,400		7,400	7,400	
Health Benefits	152,514	(32,150)	120,364	120,322	42
Other Employee Benefits	800	100	900	900	
Total Attendance and Social Work Services	216,684	(23,250)	193,434	192,236	1,198

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Social Security Contributions	$ 3,208	$ 1,892	$ 5,100	$ 5,100	
Workers Compensation	5,400		5,400	5,400	
Health Benefits	40,974	(700)	40,274	39,776	$ 498
Tuition Reimbursement		500	500	413	87
Other Employee Benefits	8,000	1,000	9,000	9,000	
Total Health Services	57,582	2,692	60,274	59,689	585
Other Support Services - Speech, OT, PT & Related Services:					
Social Security Contributions	1,100		1,100	432	668
Workers Compensation	1,500		1,500	1,500	
Health Benefits	78,066	75,639	153,705	134,147	19,558
Tuition Reimbursement	3,000		3,000		3,000
Other Employee Benefits	3,000		3,000	3,000	
Total Other Support Services - Speech, OT, PT & Related Services	86,666	75,639	162,305	139,079	23,226
Other Support Services - Students - Extraordinary Services:					
Social Security Contributions	95,091		95,091	82,810	12,281
Other Retirement Contributions - PERS	170,000	35,200	205,200	205,147	53
Health Benefits	937,984	91,450	1,029,434	1,004,698	24,736
Tuition Reimbursement	4,000		4,000	1,159	2,841
Other Employee Benefits	3,000	2,500	5,500	5,500	
Total Other Supp Services - Students - Extraordinary Services	1,210,075	129,150	1,339,225	1,299,314	39,911

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Guidance:					
Social Security Contributions	$ 29,536		$ 29,536	$ 19,409	$ 10,127
Other Retirement Contributions - PERS	40,000		40,000	28,751	11,249
Workers Compensation	8,800		8,800	8,800	
Health Benefits	464,002	$ 23,119	487,121	480,718	6,403
Tuition Reimbursement	1,500		1,500		1,500
Other Employee Benefits	12,800	(550)	12,250	11,423	827
Unused Sick Payment to Terminated/Retired Staff		32,000	32,000	32,000	
Total Other Support Services - Guidance	556,638	54,569	611,207	581,101	30,106
Other Support Services - Child Study Team:					
Social Security Contributions	21,460		21,460	14,359	7,101
Other Retirement Contributions - PERS	23,949		23,949	20,644	3,305
Workers Compensation	14,600		14,600	14,600	
Health Benefits	303,688	(9,420)	294,268	292,096	2,172
Tuition Reimbursement	2,000		2,000		2,000
Other Employee Benefits	12,000		12,000	12,000	
Total Other Support Services - Child Study Team	377,697	(9,420)	368,277	353,699	14,578
Other Support Services - Improvement of Instructional Services:					
Social Security Contributions	28,839		28,839	23,648	5,191
Other Retirement Contributions - PERS	55,000	(5,700)	49,300	49,212	88
Workers Compensation	8,800		8,800	8,800	
Health Benefits	146,042	2,000	148,042	136,666	11,376
Tuition Reimbursement	12,004		12,004	6,139	5,865
Other Employee Benefits	19,100	1,397	20,497	20,497	
Unused Sick Payment to Terminated/Retired Staff		7,500	7,500	7,500	
Total Other Support Services - Improvement of Instructional Services	269,785	5,197	274,982	252,462	22,520

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Educational Media Services - School Library:					
Social Security Contributions	$ 23,835		$ 23,835	$ 21,462	$ 2,373
Other Retirement Contributions - PERS	50,000	$ 400	50,400	50,317	83
Workers Compensation	8,800		8,800	8,800	
Health Benefits	111,334	16,000	127,334	124,759	2,575
Tuition Reimbursement	5,000		5,000		5,000
Other Employee Benefits	6,000		6,000	5,936	64
Total Other Support Services - Educational Media Services - School Library	204,969	16,400	221,369	211,274	10,095
Other Support Services - Instructional Staff Training Services:					
Social Security Contributions	9,624		9,624	6,688	2,936
Other Retirement Contributions - PERS	10,500		10,500	8,684	1,816
Workers Compensation	10,500		10,500	10,500	
Health Benefits	38,807		38,807	36,396	2,411
Other Employee Benefits	3,900	(3,000)	900	900	
Total Other Support Services - Instructional Staff Training Services	73,331	(3,000)	70,331	63,168	7,163
Support Services - General Administration:					
Social Security Contributions	8,658		8,658	6,964	1,694
Other Retirement Contributions - PERS	14,000	550	14,550	14,542	8
Workers Compensation	8,800		8,800	8,800	
Health Benefits	82,446		82,446	80,553	1,893
Other Employee Benefits	3,400		3,400	3,026	374
Total Support Services - General Administration	117,304	550	117,854	113,885	3,969

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - School Administration:					
Social Security Contributions	$ 61,499		$ 61,499	$ 43,952	$ 17,547
Other Retirement Contributions - PERS	100,000		100,000	93,700	6,300
Workers Compensation	33,000		33,000	33,000	
Health Benefits	371,167	$ 51,633	422,800	422,084	716
Tuition Reimbursement	11,000		11,000		11,000
Other Employee Benefits	44,141	(1,041)	43,100	43,084	16
Unused Sick Payment to Terminated/Retired Staff		37,500	37,500	37,500	
Total Support Services - School Administration	620,807	88,092	708,899	673,320	35,579
Support Services - Central Services:					
Social Security Contributions	55,376		55,376	35,507	19,869
Other Retirement Contributions - PERS	100,000		100,000	78,187	21,813
Workers Compensation	8,800		8,800	8,800	
Health Benefits	239,464	(13,535)	225,929	215,211	10,718
Tuition Reimbursement	9,000	(2,500)	6,500		6,500
Other Employee Benefits	12,025	1,800	13,825	13,824	1
Unused Sick Payment to Terminated/Retired Staff		15,000	15,000	15,000	
Total Support Services - Central Services	424,665	765	425,430	366,529	58,901
Support Services - Administrative Information Technology:					
Social Security Contributions	28,427		28,427	21,124	7,303
Other Retirement Contributions - PERS	53,000		53,000	44,511	8,489
Workers Compensation	8,900		8,900	8,900	
Health Benefits	43,461		43,461	42,437	1,024
Other Employee Benefits	8,000	(945)	7,055	7,054	1
Total Support Services - Administrative Informaation Technology	141,788	(945)	140,843	124,026	16,817

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Required Maintenance for School Facilities:					
Social Security Contributions	$ 36,981		$ 36,981	$ 15,034	$ 21,947
Other Retirement Contributions - PERS	76,000	$ (41,820)	34,180	34,179	1
Workmen's Compensation	6,400		6,400	6,400	
Health Benefits	168,538	(58,500)	110,038	105,036	5,002
Tuition Reimbursement	6,000	(2,720)	3,280		3,280
Other Employee Benefits	1,000	2,244	3,244	3,244	
Unused Sick Payment to Terminated/Retired Staff		7,425	7,425	7,424	1
Total Required Maintenance for School Facilities	294,919	(93,371)	201,548	171,317	30,231
Custodial Services:					
Social Security Contributions	129,550		129,550	123,965	5,585
Other Retirement Contributions - PERS	250,000	(30,477)	219,523	219,522	1
Workmen's Compensation	59,000	4,182	63,182	63,182	
Health Benefits	613,881	(1,800)	612,081	610,407	1,674
Other Employee Benefits	16,050	1,800	17,850	17,549	301
Unused Sick Payment to Terminated/Retired Staff		10,757	10,757	10,756	1
Total Custodial Services	1,068,481	(15,538)	1,052,943	1,045,381	7,562
Care and Upkeep of Grounds:					
Social Security Contributions	19,608	2,341	21,949	21,949	
Other Retirement Contributions - PERS	36,000	1,021	37,021	37,020	1
Workmen's Compensation	1,700		1,700	1,700	
Health Benefits	150,388	(330)	150,058	147,427	2,631
Other Employee Benefits	500		500	300	200
Total Care And Upkeep Of Grounds	208,196	3,032	211,228	208,396	2,832

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Social Security Contributions	$ 28,975		$ 28,975	$ 16,919	$ 12,056
Other Retirement Contributions - PERS	60,000	$ (15,622)	44,378	38,331	6,047
Workmen's Compensation	2,500		2,500	2,500	
Health Benefits	224,786	330	225,116	218,227	6,889
Other Employee Benefits	3,000	(1,400)	1,600	1,425	175
Unused Sick Payment to Terminated/Retired Staff		7,452	7,452	3,726	3,726
Total Security	319,261	(9,240)	310,021	281,128	28,893
Student Transportation Services:					
Social Security Contributions	212,002		212,002	198,435	13,567
Other Retirement Contributions - PERS	278,879	(66,550)	212,329	193,014	19,315
Workers Compensation	57,000		57,000	57,000	
Health Benefits	1,165,744	(30,000)	1,135,744	1,126,753	8,991
Other Employee Benefits	36,900	(3,674)	33,226	32,470	756
Unused Sick Payment to Terminated/Retired Staff	5,000	(3,041)	1,959	1,956	3
Total Student Transportation Services	1,755,525	(103,265)	1,652,260	1,609,628	42,632
TOTAL ALLOCATED BENEFITS	15,084,496	101,694	15,186,190	14,314,039	872,151
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				3,325,746	(3,325,746)
TPAF Pension Contributions (Non-Budgeted)				11,242,451	(11,242,451)
TPAF Non-Contributory Insurance (Non-Budgeted)				139,264	(139,264)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,968	(3,968)
Reimbursed TPAF Social Security Contributions				2,532,715	(2,532,715)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				17,244,144	(17,244,144)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	15,084,496	101,694	15,186,190	31,558,183	(16,371,993)

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	$ 52,344,302	$ (480,063)	$ 51,864,239	$ 64,739,614	$ (12,875,375)
TOTAL GENERAL CURRENT EXPENSE	85,919,738	(217,082)	85,702,656	96,215,046	(10,512,390)
CAPITAL OUTLAY					
Equipment					
Instruction - Grades 9-12		40,031	40,031	40,027	4
School-Sponsored and Other Instructional Programs		2,585	2,585	2,585	
Undist.Expend. - Support Services - Health Services		2,895	2,895	2,895	
Undist. Expend. Support Services - Child Study Teams		5,184	5,184		5,184
Undist. Expend. - Support Services - Instructioal Staff		18,891	18,891	18,891	
Undistributed Expenditures - School Administration		2,800	2,800		2,800
Undistributed Expenditures - Central Services		2,300	2,300	2,233	67
Undistributed Expenditures - Administrative Information Technology	34,292	8,420	42,712	38,707	4,005
Undist. Expend. - Custodial Services		2,273	2,273		2,273
Undist. Expend. - Student Transportation - Non-Instructional Equipment		22,135	22,135	22,135	
Total Equipment	34,292	107,514	141,806	127,473	14,333
Facilities Acquisition and Construction Servies:					
Architectural/Engineering Services	30,000		30,000		30,000
Other Purchased Professional and Technical Services	75,900		75,900	75,900	
Construction Services	551,033	(11,745)	539,288	124,270	415,018
Land and Improvements	10,500		10,500	10,500	
Assessment for Debt Service on SDA Funding	183,311		183,311	183,311	
Total Facilities Acquisition and Construction Services	850,744	(11,745)	838,999	393,981	445,018
TOTAL CAPITAL OUTLAY	885,036	95,769	980,805	521,454	459,351

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction:					
Salaries of Teachers	$ 38,205	$ (500)	$ 37,705	$ 29,565	$ 8,140
General Supplies		2,622	2,622	140	2,482
Other Objects	1,500		1,500		1,500
Total Summer School - Instruction	39,705	2,122	41,827	29,705	12,122
Summer School - Support Services:					
Personal Services - Employee Benefits	1,960	500	2,460	2,262	198
Total Summer School - Support Services	1,960	500	2,460	2,262	198
Total Summer School	41,665	2,622	44,287	31,967	12,320
Accredited Evening/Adult H.S./Post-Graduate - Instruction:					
Salaries of Teachers	194,993	89,900	284,893	252,702	32,191
General Supplies	2,000		2,000	1,093	907
Total Accredited Evening/Adult H.S./Post-Graduate - Instruction	196,993	89,900	286,893	253,795	33,098
Accredited Evening/Adult H.S./Post-Graduate - Support Services:					
Salaries	68,370	1,350	69,720	66,959	2,761
Personal Services - Employee Benefits	48,084	27,441	75,525	69,577	5,948
Total Accredited Evening/Adult H.S./Post-Graduate - Support Services	116,454	28,791	145,245	136,536	8,709
Total Accredited Evening/Adult H.S./Post-Graduate	313,447	118,691	432,138	390,331	41,807
TOTAL SPECIAL SCHOOLS	355,112	121,313	476,425	422,298	54,127
TOTAL EXPENDITURES	87,159,886		87,159,886	97,158,798	(9,998,912)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,267,949)		(2,267,949)	6,080,109	8,348,058

MORRIS HILLS REGIONALSCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfer from/(to):					
Capital Projects Fund - Unexpended Project Balances - Capital Reserve				$ 900,534	$ 900,534
Capital Projects Fund - Capital Reserve	$ (1,584,800)	$ (2,080,507)	$ (3,665,307)	(3,665,307)	
	(1,584,800)	(2,080,507)	(3,665,307)	(2,764,773)	900,534
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,852,749)	(2,080,507)	(5,933,256)	3,315,336	9,248,592
Fund Balance, July 1	10,925,196		10,925,196	10,925,196	
Fund Balance, June 30	$ 7,072,447	$ (2,080,507)	$ 4,991,940	$ 14,240,532	$ 9,248,592

Recapitulation:

Restricted Fund Balance:	
Excess Surplus - Restricted For 2026-2027	$ 1,047,988
Capital Reserve	7,986,993
Maintenance Reserve	300,050
Unemployment Compensation	500,281
Assigned Fund Balance:	
Year End Encumbrances	413,347
Designated for Subsequent Year's Expenditures	1,499,803
Unassigned Fund Balance	2,492,070
	14,240,532
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(1,059,919)
Fund Balance per Governmental Funds (GAAP)	$ 13,180,613

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	$ 1,000	$ 425,729	$ 426,729	$ 388,174	$ (38,555)
State Sources	376,352	186,506	562,858	311,834	(251,024)
Federal Sources	775,217	237,972	1,013,189	993,774	(19,415)
Total Revenues	1,152,569	850,207	2,002,776	1,693,782	(308,994)
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	5,300	12,859	18,159	18,159	
Purchased Professional - Educational Services	265,081	173,642	438,723	188,459	250,264
Purchased Professional - Technical Services	8,416	(3,975)	4,441	3,991	450
Other Purchased Services	502,675	111,743	614,418	614,368	50
General Supplies	24,368	23,211	47,579	41,198	6,381
Textbooks	23,166		23,166	22,916	250
Other Objects	400	1,066	1,466	1,409	57
Total Instruction	829,406	318,546	1,147,952	890,500	257,452
Support Services:					
Personal Services - Salaries	101,755	26,914	128,669	126,472	2,197
Personal Services - Employee Benefits	42,922	7,217	50,139	41,574	8,565
Other Purchased Professional - Technical Services	91,090	82,293	173,383	167,592	5,791
Other Purchased Services	4,938	65,816	70,754	70,206	548
Supplies and Materials	70,261	(52,176)	18,085	18,085	
Other Objects		179	179	179	
Scholarships Awarded		32,543	32,543	32,543	
Student Activities		381,072	381,072	381,072	
Total Support Services	310,966	543,858	854,824	837,723	17,101
Facilities Acquisition:					
Non-Instructional Equipment	12,197	(12,197)			
Total Facilities Acquisition	12,197	(12,197)			
Total Expenditures	1,152,569	850,207	2,002,776	1,728,223	274,553
(Deficit) of Revenues (Under) Expenditures	$ - 0 -	$ - 0 -	$ - 0 -	$ (34,441)	$ (34,441)

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 103,238,907	$ 1,693,782
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		18,837
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,174,646	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,059,919)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 103,353,634	$ 1,712,619
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 97,158,798	$ 1,728,223
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		
Prior Year Encumbrances		18,837
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 97,158,798	$ 1,747,060

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

MORRIS HILLS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Elementary and Secondary Education Act					
	Title I	Title II, Part A	Title III	Title III Immigrant	Title IV	IDEA Part B, Basic
REVENUE:						
Local Sources						
State Sources						
Federal Sources	$ 109,852	$ 68,089	$ 20,459	$ 10,125	$ 12,490	$ 772,759
Total Revenue	109,852	68,089	20,459	10,125	12,490	772,759
EXPENDITURES:						
Instruction:						
Personal Services - Salaries			10,040			
Purchased Professional - Educational Services						
Purchased Professional - Technical Services					3,991	
Other Purchased Services						609,368
General Supplies			7,904	6,452	8,499	
Textbooks						
Other Objects				1,409		
Total Instruction			17,944	7,861	12,490	609,368
Support Services:						
Personal Services - Salaries	68,355	56,026	400	1,691		
Personal Services - Employee Benefits	35,969	4,274	819	123		
Other Purchased Professional and Technical Services		4,201				163,391
Other Purchased Services		2,184	1,296	450		
Supplies and Materials	5,528	1,225				
Other Objects		179				
Scholarships Awarded						
Student Activities						
Total Support Services	109,852	68,089	2,515	2,264		163,391
Total Expenditures	$ 109,852	$ 68,089	$ 20,459	$ 10,125	$ 12,490	$ 772,759

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	NJ Nonpublic						
		Auxiliary Services (Chapter 192)		Handicapped Services (Chapter 193)			
	STEM	Compensatory Education	Home Instruction	Corrective Speech	Examination & Classification	Supplementary Instruction	Technology
REVENUE:							
Local Sources							
State Sources	$ 666	$ 18,207	$ 653	$ 2,604	$ 49,129	$ 58,976	$ 22,185
Federal Sources							
Total Revenue	666	18,207	653	2,604	49,129	58,976	22,185
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	619						
Purchased Professional - Educational Services		18,207	653	2,604	49,129	58,976	
Purchased Professional - Technical Services							
Other Purchased Services							5,000
General Supplies							17,185
Textbooks							
Other Objects							
Total Instruction	619	18,207	653	2,604	49,129	58,976	22,185
Support Services:							
Personal Services - Salaries							
Personal Services - Employee Benefits	47						
Other Purchased Professional and Technical Services							
Other Purchased Services							
Supplies and Materials							
Other Objects							
Scholarships Awarded							
Student Activities							
Total Support Services	47						
Total Expenditures	$ 666	$ 18,207	$ 653	$ 2,604	$ 49,129	$ 58,976	$ 22,185

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	NJ Nonpublic						
	Textbooks	Nursing	Security Aid	Local Grants	Student Activities	Scholarships	Totals June 30, 2025
REVENUE:							
Local Sources				$ 9,000	$ 355,477	$ 23,697	$ 388,174
State Sources	$ 22,916	$ 58,890	$ 77,608				311,834
Federal Sources							993,774
Total Revenue	22,916	58,890	77,608	9,000	355,477	23,697	1,693,782
EXPENDITURES:							
Instruction:							
Personal Services - Salaries				7,500			18,159
Purchased Professional - Educational Services		58,890					188,459
Purchased Professional - Technical Services							3,991
Other Purchased Services							614,368
General Supplies				1,158			41,198
Textbooks	22,916						22,916
Other Objects							1,409
Total Instruction	22,916	58,890		8,658			890,500
Support Services:							
Personal Services - Salaries							126,472
Personal Services - Employee Benefits				342			41,574
Other Purchased Professional - Technical Services							167,592
Other Purchased Services			66,276				70,206
Supplies and Materials			11,332				18,085
Other Objects							179
Scholarships Awarded						32,543	32,543
Student Activities					381,072		381,072
Total Support Services			77,608	342	381,072	32,543	837,723
Total Expenditures	$ 22,916	$ 58,890	$ 77,608	$ 9,000	$ 381,072	$ 32,543	$ 1,728,223

CAPITAL PROJECTS FUND

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	$ 3,665,307
Interest Revenue	124,515
Total Revenue and Other Financing Sources	3,789,822
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	342,816
Construction Services	1,713,479
Transfers Out:	
General Fund - Unexpended Project Balances - Capital Reserve	900,534
Debt Service Fund - Interest Earned	124,515
Total Expenditures and Other Financing Uses	3,081,344
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	708,478
Fund Balance - Beginning	2,861,025
Fund Balance - Ending	$ 3,569,503
Recapitulation of Fund Balance at June 30, 2025:	
Committed Fund Balance	$ 3,261,823
Committed Fund Balance - Year-End Encumbrances	307,680
Committed Fund Balance per Governmental Funds (Budgetary/GAAP Basis)	$ 3,569,503

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - HVAC UPGRADES
ATHLETIC FIELD REPAIRS/TENNIS COURT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 896,117	$ 2,080,507	$ 2,976,624	$ 2,976,624
Total Revenue and Other Financing Sources	896,117	2,080,507	2,976,624	2,976,624
Expenditures:				
Purchased Professional and Technical Services		170,689	170,689	267,599
Construction Services	627,650		627,650	2,709,025
Total Expenditures	627,650	170,689	798,339	2,976,624
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 268,467	$ 1,909,818	$ 2,178,285	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 1,000,000
Additional Authorization	$ 2,080,507
Change Orders	$ - 0 -
Unexpended Balance - Returned to Capital Reserve	$ (103,883)
Revised Authorized Cost	$ 2,976,624
Percentage Completion	26.82%
Original Target Completion Date	9/30/25
Revised Target Completion Date	12/01/25

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 3,209,000		$ 3,209,000	$ 3,209,000
Total Revenue and Other Financing Sources	3,209,000	$ - 0 -	3,209,000	3,209,000
Expenditures:				
Purchased Professional and Technical Services	327,512		327,512	411,500
Construction Services	2,267,502		2,267,502	2,797,500
Total Expenditures	2,595,014	- 0 -	2,595,014	3,209,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 613,986	$ -0-	$ 613,986	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 659,000
Additional Authorization	$ 2,550,000
Change Orders	$ - 0 -
Revised Authorized Cost	$ 3,209,000
Change Order Percentage	0.00%
Percentage Completion	80.87%
Original Target Completion Date	12/31/23
Revised Target Completion Date	6/30/26

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - OIL TANK REMOVAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 219,131	$ (1,625)	$ 217,506	$ 217,506
Total Revenue and Other Financing Sources	219,131	(1,625)	217,506	217,506
Expenditures:				
Purchased Professional and Technical Services	29,917		29,917	29,917
Construction Services	187,589		187,589	187,589
Total Expenditures	217,506	- 0 -	217,506	217,506
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 1,625	$ (1,625)	$ - 0 -	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 200,000
Additional Authorization	$ 19,131
Change Orders	$ - 0 -
Unexpended Balance - Returned to Capital Reserve	$ (1,625)
Revised Authorized Cost	$ 217,506
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/24

Exhibit F-1d

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS HIGH SCHOOL - LIBRARY RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 450,000	$ 1,584,800	$ 2,034,800	$ 2,034,800
Total Revenue and Other Financing Sources	450,000	1,584,800	2,034,800	2,034,800
Expenditures:				
Purchased Professional and Technical Services	44,956	171,347	216,303	241,177
Construction Services		1,321,039	1,321,039	1,793,623
Total Expenditures	44,956	1,492,386	1,537,342	2,034,800
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 405,044	$ 92,414	$ 497,458	$ - 0 -

Additional Project Information:	
Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 450,000
Additional Authorization	$ 1,584,800
Change Orders	$ - 0 -
Revised Authorized Cost	$ 2,034,800
Percentage Completion	75.55%
Original Target Completion Date	6/30/23
Revised Target Completion Date	12/01/25

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - ROOFING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 400,000		$ 400,000	$ 400,000
Total Revenue and Other Financing Sources	400,000	$ - 0 -	400,000	400,000
Expenditures:				
Purchased Professional and Technical Services	17,597		17,597	30,000
Construction Services	202,817		202,817	370,000
Total Expenditures	220,414	- 0 -	220,414	400,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 179,586	$ - 0 -	$ 179,586	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 150,000
Additional Authorization	$ 250,000
Change Orders	$ - 0 -
Revised Authorized Cost	$ 400,000
Change Order Percentage	0.00%
Percentage Completion	55.10%
Original Target Completion Date	6/30/23
Revised Target Completion Date	6/30/26

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - LAVATORY REMODELING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 1,381,467	$ (22,474)	$ 1,358,993	$ 1,358,993
Total Revenue and Other Financing Sources	1,381,467	(22,474)	1,358,993	1,358,993
Expenditures:				
Purchased Professional and Technical Services	59,849	780	60,629	60,629
Construction Services	1,095,373	202,991	1,298,364	1,298,364
Total Expenditures	1,155,222	203,771	1,358,993	1,358,993
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 226,245	$ (226,245)	$ - 0 -	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 300,000
Additional Authorization	$ 1,070,000
Change Orders	$ 11,467
Unexpended Balance - Returned to Capital Reserve	$ (22,474)
Revised Authorized Cost	$ 1,358,993
Change Order Percentage	3.82%
Percentage Completion	100.00%
Original Target Completion Date	12/31/23
Revised Target Completion Date	12/31/24

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS -
BELL/CLOCK/SOUND SYSTEM/SECURITY CAMERA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 2,900,000	$ (876,435)	$ 2,023,565	$ 2,023,565
Total Revenue and Other Financing Sources	2,900,000	(876,435)	2,023,565	2,023,565
Expenditures:				
Purchased Professional and Technical Services	41,625		41,625	41,625
Construction Services	1,923,230	58,710	1,981,940	1,981,940
Total Expenditures	1,964,855	58,710	2,023,565	2,023,565
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 935,145	$ (935,145)	$ - 0 -	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 1,200,000
Additional Authorization	$ 1,700,000
Change Orders	$ - 0 -
Unexpended Balance - Returned to Capital Reserve	$ (876,435)
Revised Authorized Cost	$ 2,023,565
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/24
Revised Target Completion Date	6/30/25

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS HILLS AND MORRIS KNOLLS HIGH SCHOOLS - AUDITORIUM AND BAND LIGHTING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 110,000		$ 110,000	$ 110,000
Total Revenue and Other Financing Sources	110,000	$ - 0 -	110,000	110,000
Expenditures:				
Construction Services	9,812		9,812	110,000
Total Expenditures	9,812	- 0 -	9,812	110,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 100,188	$ - 0 -	$ 100,188	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 110,000
Percentage Completion	8.92%
Original Target Completion Date	6/30/25
Revised Target Completion Date	11/01/25

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MORRIS KNOLLS HIGH SCHOOL - ROOM C-38 RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	$ 138,780		$ 138,780	$ 138,780
Total Revenue and Other Financing Sources	138,780	$ - 0 -	138,780	138,780
Expenditures:				
Construction Services	8,041	130,739	138,780	138,780
Total Expenditures	8,041	130,739	138,780	138,780
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 130,739	$ (130,739)	$ - 0 -	$ - 0 -

Additional Project Information:	
Project Number(s)	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	$ 125,900
Additional Authorization	$ - 0 -
Change Orders	$ 12,880
Revised Authorized Cost	$ 138,780
Change Order Percentage	10.23%
Percentage Completion	100.00%
Original Target Completion Date	12/31/24

PROPRIETARY FUNDS

Exhibit G-1

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Food Service	Academy for Technology	Shared Services	Total Enterprise Funds
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	$ 413,874			$ 413,874
Receivable from:				
Federal Government	10,704			10,704
State Government	753			753
Other Governments		$ 488,837	$ 167,837	656,674
Other Receivable	62,333			62,333
Inventories	12,241			12,241
Total Current Assets	499,905	488,837	167,837	1,156,579
Non-Current Assets:				
Capital Assets	994,558	1,002,113		1,996,671
Less: Accumulated Depreciation	(448,394)	(708,529)		(1,156,923)
Total Non-Current Assets	546,164	293,584		839,748
Total Assets	1,046,069	782,421	167,837	1,996,327
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund		482,219	166,496	648,715
Accounts Payable	15,701		1,341	17,042
Unearned Revenue:				
Prepaid Sales	49,125			49,125
Total Current Liabilities	64,826	482,219	167,837	714,882
Total Liabilities	64,826	482,219	167,837	714,882
NET POSITION:				
Investment in Capital Assets	546,164	293,584		839,748
Unrestricted	435,079	6,618		441,697
Total Net Position	$ 981,243	$ 300,202	$ - 0 -	$ 1,281,445

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Food Service	Academy for Technology	Shared Services	Total Enterprise Funds
Operating Revenue:				
Charges for Services:				
Daily Sales:				
Reimbursable Programs	$ 566,090			$ 566,090
Non-Reimbursable Programs	679,024			679,024
Total Daily Sales	1,245,114			1,245,114
Special Events	17,871			17,871
Tuition		$ 2,841,034		2,841,034
Service Fees			$ 1,352,282	1,352,282
Total Operating Revenue	1,262,985	2,841,034	1,352,282	5,456,301
Operating Expenses:				
Cost of Sales:				
Reimbursable	556,215			556,215
Non-Reimbursable	293,969			293,969
Total Cost of Sales	850,184			850,184
Salaries	607,886	2,168,963	864,485	3,641,334
Payroll Taxes	87,231	37,594	18,172	142,997
Employee Benefits	123,356	634,478	355,273	1,113,107
Purchased Professional/Educational Services			100,000	100,000
Other Purchased Services	108,602			108,602
Purchased Property Services	105,348			105,348
Supplies and Materials	96,270		14,352	110,622
Depreciation Expense	24,995	19,573		44,568
Total Operating Expenses	2,003,872	2,860,608	1,352,282	6,216,762
Operating Income/(Loss)	(740,887)	(19,574)		(760,461)

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Food Service	Academy for Technology	Shared Services	Total Enterprise Funds
Non-Operating Revenue:				
Federal Sources:				
School Breakfast Program	$ 91,620			$ 91,620
National School Lunch Program	404,591			404,591
Food Distribution Program	92,112			92,112
COVID-19:				
Pandemic EBT Food Benefits	643			643
Local Food for Schools (LFS) Cooperative	4,063			4,063
State Sources:				
School Breakfast Program	4,381			4,381
School Lunch Program	32,310			32,310
Total Non-Operating Revenue	629,720			629,720
Change in Net Position	(111,167)	$ (19,574)	$ - 0 -	(130,741)
Net Position - Beginning of Year	1,092,410	319,776	- 0 -	1,412,186
Net Position - End of Year	$ 981,243	$ 300,202	$ - 0 -	$ 1,281,445

MORRIS HILLS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds			Total/ Major Enterprise Funds
	Food Service	Academy for Technology	Shared Services	
Cash Flows from Operating Activities:				
Receipts from Customers	$ 1,255,932	$ 2,352,197	$ 1,335,569	$ 4,943,698
Payments to Employees	(62,691)	(2,206,557)	(881,364)	(3,150,612)
Payments to Food Service Vendor	(1,673,274)			(1,673,274)
Payments to Suppliers	(159,435)	(152,259)	(454,205)	(765,899)
Net Cash Provided by/(Used for) Operating Activities	(639,468)	(6,619)	- 0 -	(646,087)
Cash Flows from Noncapital and Related Financing Activities:				
Federal Subsidy Reimbursements	491,945			491,945
Federal Pandemic EBT Food Benefits	643			643
Local Food for Schools (LFS) Cooperative	5,070			5,070
State Subsidy Reimbursements	36,403			36,403
Net Cash Provided by Noncapital and Related Financing Activities	534,061			534,061
Net Increase/(Decrease) in Cash and Cash Equivalents	(105,407)	(6,619)	- 0 -	(112,026)
Cash and Cash Equivalents, July 1	519,281	6,619	- 0 -	525,900
Cash and Cash Equivalents, June 30	$ 413,874	$ -0-	$ - 0 -	$ 413,874
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating (Loss)	$ (740,887)	$ (19,574)	$ - 0 -	$ (760,461)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	24,995	19,573		44,568
Federal Food Distribution Program	92,112			92,112
Changes in Assets and Liabilities:				
(Increase) in Receivables:				
Tuition		(488,837)		(488,837)
Other	(13,609)		(16,713)	(30,322)
Decrease in Inventory	400			400
Increase/(Decrease) in Accounts Payable	(9,703)		797	(8,906)
Increase in Interfund Payable		482,219	15,916	498,135
Increase in Unearned Revenue - Prepaid Sales	7,224			7,224
Net Cash Provided by/(Used for) Operating Activities	$ (639,468)	$ (6,619)	$ - 0 -	$ (646,087)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at $92,112 for the fiscal year ended June 30, 2025.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2025 Date	Maturities of Bonds Outstanding June 30, 2025 Amount	Interest Rate	Balance June 30, 2024	Matured	Balance June 30, 2025
Refunding Bonds	07/16/20	$ 17,615,000	10/01/25	$ 2,300,000	1.033%			
			10/01/26	2,325,000	1.286%			
			10/01/27	2,360,000	1.396%			
			10/01/28	2,390,000	1.562%			
			10/01/29	2,425,000	1.662%	$ 14,075,000	$ 2,275,000	$ 11,800,000
						$ 14,075,000	$ 2,275,000	$ 11,800,000

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2025 Date	Amount	Interest Rate	Balance June 30, 2024	Matured	Balance June 30, 2025
ESIP	04/03/19	$ 8,230,000	07/15/25	$ 250,000	5.00%			
			07/15/26	280,000	5.00%			
			07/15/27	305,000	5.00%			
			07/15/28	330,000	4.00%			
			07/15/29	360,000	4.00%			
			07/15/30	390,000	4.00%			
			07/15/31	415,000	4.00%			
			07/15/32	450,000	4.00%			
			07/15/33	480,000	4.00%			
			07/15/34	515,000	4.00%			
			07/15/35	465,000	4.00%			
			07/15/36	500,000	5.00%			
			07/15/37	540,000	5.00%			
			07/15/38	585,000	5.00%			
			07/15/39	630,000	5.00%	$ 6,790,000	$ 295,000	$ 6,495,000
						$ 6,790,000	$ 295,000	$ 6,495,000

Exhibit I-2

MORRIS HILLS REGIONAL SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Item	Interest Rate	Original Issue	Balance June 30, 2024	Matured	Balance June 30, 2025
School Buses	4.69%	$ 550,073	$ 550,073	$ 117,244	$ 432,829
			$ 550,073	$ 117,244	$ 432,829

MORRIS HILLS REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 2,415,060		$ 2,415,060	$ 2,415,060	
Total Revenues	2,415,060		2,415,060	2,415,060	
EXPENDITURES:					
Regular Debt Service:					
Interest	174,398		174,398	174,397	$ 1
Redemption of Principal	2,275,000		2,275,000	2,275,000	
Total Regular Debt Service	2,449,398		2,449,398	2,449,397	1
Total Expenditures	2,449,398		2,449,398	2,449,397	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(34,338)		(34,338)	(34,337)	1
Other Financing Sources/(Uses):					
Transfers In - Capital Projects Fund:					
Interest Earned				124,515	124,515
Total Other Financing Sources/(Uses)				124,515	124,515
Excess/(Deficiency) of Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures	(34,338)		(34,338)	90,178	124,516
Fund Balance, July 1	206,540		206,540	206,540	
Fund Balance, June 30	$ 172,202	$ - 0 -	$ 172,202	$ 296,718	$ 124,516

Recapitulation of Fund Balance at June 30, 2025:	
Restricted for Subsequent Year's Expenditures	$ 172,202
Restricted	124,516
	$ 296,718

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	Exhibit
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net Investment in Capital Assets	$ 13,322,185	$ 14,959,542	$ 17,702,520	$ 13,374,986	$ 22,992,570
Restricted	3,573,668	2,577,638	4,198,009	4,360,038	6,348,874
Unrestricted (Deficit)	(17,414,636)	(20,765,544)	(24,107,015)	(15,626,751)	(22,584,917)
Total Governmental Activities Net Position (Deficit)	$ (518,783)	$ (3,228,364)	$ (2,206,486)	$ 2,108,273	$ 6,756,527
Business-type Activities:					
Investment in Capital Assets	$ 602,675	$ 668,114	$ 710,215	$ 721,067	$ 686,527
Unrestricted	266,550	248,898	260,957	308,798	357,157
Total Business-type Activities Net Position	$ 869,225	$ 917,012	$ 971,172	$ 1,029,865	$ 1,043,684
District-wide:					
Net Investment in Capital Assets	$ 13,924,860	$ 15,627,656	$ 18,412,735	$ 14,096,053	$ 23,679,097
Restricted	3,573,668	2,577,638	4,198,009	4,360,038	6,348,874
Unrestricted (Deficit)	(17,148,086)	(20,516,646)	(23,846,058)	(15,317,953)	(22,227,760)
Total District-wide Net Position (Deficit)	$ 350,442	$ (2,311,352)	$ (1,235,314)	$ 3,138,138	$ 7,800,211

	June 30,				
	2021	2022	2023	2024	2025
Governmental Activities:					
Net Investment in Capital Assets	$ 27,105,052	$ 29,611,536	$ 33,864,986	$ 37,899,925	$ 39,468,644
Restricted	6,511,705	7,319,978	5,654,663	7,235,803	10,742,944
Unrestricted (Deficit)	(21,700,206)	(19,053,595)	(16,379,098)	(12,747,490)	(10,739,379)
Total Governmental Activities Net Position (Deficit)	$ 11,916,551	$ 17,877,919	$ 23,140,551	$ 32,388,238	$ 39,472,209
Business-type Activities:					
Investment in Capital Assets	$ 769,960	$ 764,487	$ 804,904	$ 884,316	$ 839,748
Unrestricted	198,784	403,683	475,429	527,870	441,697
Total Business-type Activities Net Position	$ 968,744	$ 1,168,170	$ 1,280,333	$ 1,412,186	$ 1,281,445
District-wide:					
Net Investment in Capital Assets	$ 27,875,012	$ 30,376,023	$ 34,669,890	$ 38,784,241	$ 40,308,392
Restricted	6,511,705	7,319,978	5,654,663	7,235,803	10,742,944
Unrestricted (Deficit)	(21,501,422)	(18,649,912)	(15,903,669)	(12,219,620)	(10,297,682)
Total District-wide Net Position (Deficit)	$ 12,885,295	$ 19,046,089	$ 24,420,884	$ 33,800,424	$ 40,753,654

Source: Morris Hills Regional School District Financial Reports.

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

	Fiscal Year Ending June 30,									
Expenses:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Instruction:										
Regular	$ 31,973,788	$ 37,018,549	$ 37,441,788	$ 34,618,354	$ 32,729,696	$ 33,071,300	$ 32,555,760	$ 31,545,645	$ 32,248,908	$ 31,824,886
Special Education	5,524,463	6,328,897	6,942,610	6,680,264	6,998,361	6,956,260	6,134,877	6,572,245	6,820,793	6,713,988
Other Special Instruction	935,440	1,154,988	1,105,403	348,014	371,392	384,520	366,250	456,013	561,290	651,574
School-Sponsored Other Instruction	4,089,715	4,580,034	4,643,699	4,355,763	4,007,556	4,079,200	3,979,506	3,705,126	3,912,702	3,975,514
Support Services:										
Tuition	4,996,386	5,492,215	5,654,973	4,916,322	4,996,804	5,721,003	5,181,076	5,224,934	5,594,743	6,316,126
Student & Instruction Related Services	10,919,707	12,491,731	12,756,070	12,364,467	12,094,105	13,318,329	14,353,846	14,393,623	15,395,765	15,343,388
General Administration Services	967,219	1,903,353	1,939,439	1,565,177	1,621,108	1,686,900	1,759,543	1,691,489	1,655,307	1,662,145
School Administration Services	3,311,209	3,795,506	3,672,535	3,702,636	3,724,617	3,633,615	3,374,884	3,087,288	3,088,628	3,171,908
Central Services	1,141,510	1,455,283	1,286,315	1,400,474	1,668,513	1,474,512	1,651,873	1,653,533	1,536,548	1,532,441
Administrative Information Technology	698,091	964,766	879,762	880,448	932,828	633,713	701,670	531,510	937,114	786,399
Plant Operations and Maintenance	5,392,773	5,627,322	5,763,813	5,730,133	6,225,422	6,592,113	6,777,563	6,311,555	6,877,528	7,706,930
Pupil Transportation	4,963,127	5,327,176	5,789,216	5,685,945	5,729,894	5,620,683	5,919,918	7,013,809	7,282,851	7,593,833
Special Schools	640,370	621,651	612,908	440,003	406,686	422,391	417,481	369,727	375,561	480,182
Interest on Long-term Debt	1,086,027	1,021,722	969,472	994,303	850,382	536,947	342,379	268,305	237,852	218,705
Unallocated Depreciation	2,352,091	2,828,487	2,596,576	2,567,551	2,567,551	2,567,551	2,567,551	2,567,551	2,567,551	2,567,551
Total Governmental Activities Expenses	78,991,916	90,611,680	92,054,579	86,249,854	84,924,915	86,699,037	86,084,177	85,392,353	89,093,141	90,545,570
Business-type Activities:										
Food Service	1,220,669	1,322,694	1,420,996	1,516,447	1,205,732	339,038	1,927,214	1,748,397	1,809,304	2,003,872
Academy for Technology	1,137,372	1,137,372	1,137,372	1,579,040	2,012,172	2,578,650	2,746,368	2,800,153	2,781,092	2,860,608
Adult Continuing Education	83,718	62,568	35,708							
Shared Services	1,249,402	1,326,921	1,275,740	1,294,678	1,331,185	1,357,321	1,155,800	1,130,005	1,185,453	1,352,282
Total Business-type Activities Expenses	3,691,161	3,849,555	3,869,816	4,390,165	4,549,089	4,275,009	5,829,382	5,678,555	5,775,849	6,216,762
Total District-wide Expenses	$ 82,683,077	$ 94,461,235	$ 95,924,395	$ 90,640,019	$ 89,474,004	$ 90,974,046	$ 91,913,559	$ 91,070,908	$ 94,868,990	$ 96,762,332

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services						$ 126,809	$ 304,759	$ 436,327	$ 442,338	$ 379,174
Operating Grants and Contributions	$ 18,030,698	$ 23,883,730	$ 25,856,392	$ 21,125,790	$ 19,003,504	21,487,429	20,412,519	17,431,542	17,199,171	13,837,320
Capital Grants and Contributions			1,257,269	688,691	545,940				145,142	
Total Governmental Activities Program Revenues	18,030,698	23,883,730	27,113,661	21,814,481	19,549,444	21,614,238	20,717,278	17,867,869	17,786,651	14,216,494
Business-type Activities:										
Charges for Services:										
Food Service	1,023,150	1,088,301	1,172,675	1,229,992	925,615	58,805	194,287	1,139,467	1,292,466	1,262,985
Academy for Technology	1,117,800	1,117,800	1,117,800	1,559,467	1,992,600	2,559,078	2,726,796	2,780,581	2,761,520	2,841,034
Adult Continuing Education	83,577	62,568	35,708							
Shared Services	1,249,402	1,326,921	1,275,740	1,294,678	1,331,185	1,357,321	1,155,800	1,130,005	1,185,453	1,352,282
Operating Grants and Contributions	287,571	301,752	338,150	364,721	313,508	224,865	1,951,925	740,665	668,263	629,720
Total Business-type Activities Revenues	3,761,500	3,897,342	3,940,073	4,448,858	4,562,908	4,200,069	6,028,808	5,790,718	5,907,702	6,086,021
Total District-wide Program Revenues	$ 21,792,198	$ 27,781,072	$ 31,053,734	$ 26,263,339	$ 24,112,352	$ 25,814,307	$ 26,746,086	$ 23,658,587	$ 23,694,353	$ 20,302,515
Net (Expense)/Revenue:										
Governmental Activities:	$ (60,961,218)	$ (66,727,950)	$ (64,940,918)	$ (64,435,373)	$ (65,375,471)	$ (65,084,799)	$ (65,366,899)	$ (67,524,484)	$ (71,306,490)	$ (76,329,076)
Business-type Activities	70,339	47,787	70,257	58,693	13,819	(74,940)	199,426	112,163	131,853	(130,741)
Total District-wide Net (Expense)/Revenue	$ (60,890,879)	$ (66,680,163)	$ (64,870,661)	$ (64,376,680)	$ (65,361,652)	$ (65,159,739)	$ (65,167,473)	$ (67,412,321)	$ (71,174,637)	$ (76,459,817)

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 54,322,759	$ 55,409,214	$ 56,906,279	$ 58,778,040	$ 60,284,540	$ 61,490,231	$ 62,720,036	$ 63,974,437	$ 69,210,821	$ 72,151,196
Taxes Levied for Debt Service	2,615,000	2,616,550	2,583,270	2,577,170	2,581,086	2,584,150	2,430,894	2,282,642	2,352,374	2,415,060
Unrestricted Grants and Contributions	5,531,590	5,556,684	5,625,623	5,727,264	5,634,440	5,630,164	5,648,430	5,871,956	8,236,263	7,972,890
Tuition	212,230	254,217	347,997	298,046	295,742	292,636	303,121	215,451	277,169	314,482
Investment Earnings	5,957	46,701	97,459	192,558	196,755	16,424	22,633	175,127	301,027	387,832
Miscellaneous Income	212,112	335,003	386,071	249,877	137,926	231,218	203,153	267,503	176,523	171,587
Premium on ESIP Bonds				927,177						
Transfers			16,097							
Total Governmental Activities General Revenues and Other Changes	62,899,648	64,218,369	65,962,796	68,750,132	69,130,489	70,244,823	71,328,267	72,787,116	80,554,177	83,413,047
Business-type Activities:										
Transfers			(16,097)							
Total Business-type Activities General Revenues and Other Changes	- 0 -	- 0 -	(16,097)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Total District-wide General Revenues and Other Changes in Net Position	$ 62,899,648	$ 64,218,369	$ 65,946,699	$ 68,750,132	$ 69,130,489	$ 70,244,823	$ 71,328,267	$ 72,787,116	$ 80,554,177	$ 83,413,047
Change in Net Position:										
Governmental Activities	$ 1,938,430	$ (2,509,581)	$ 1,021,878	$ 4,314,759	$ 3,755,018	$ 5,160,024	$ 5,961,368	$ 5,262,632	$ 9,247,687	$ 7,083,971
Business-type Activities	70,339	47,787	54,160	58,693	13,819	(74,940)	199,426	112,163	131,853	(130,741)
Total District-wide Change in Net Position	$ 2,008,769	$ (2,461,794)	$ 1,076,038	$ 4,373,452	$ 3,768,837	$ 5,085,084	$ 6,160,794	$ 5,374,795	$ 9,379,540	$ 6,953,230

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	$ 3,572,668	$ 2,525,719	$ 4,150,257	$ 4,303,193	$ 5,605,600	$ 5,706,372	$ 6,494,004	$ 4,839,181	$ 6,383,908	$ 9,835,312
Assigned	623,000	444,966	254,790	523,000	523,000	523,000	533,000	533,000	2,068,159	1,913,150
Unassigned	68,812			437,916	845,965	1,347,540	1,114,790	509,196	1,298,483	1,432,151
Total General Fund	$ 4,264,480	$ 2,970,685	$ 4,405,047	$ 5,264,109	$ 6,974,565	$ 7,576,912	$ 8,141,794	$ 5,881,377	$ 9,750,550	$ 13,180,613
All Other Governmental Funds:										
Restricted	$ 1,000	$ 51,919	$ 47,752	$ 56,845	$ 743,274	$ 805,333	$ 825,974	$ 815,482	$ 851,895	$ 907,632
Committed	4,234,025	3,719,471	1,369,461	9,553,741	2,545,079	2,565,029	2,749,462	3,572,017	2,861,025	3,569,503
Total All Other Governmental Funds	$ 4,235,025	$ 3,771,390	$ 1,417,213	$ 9,610,586	$ 3,288,353	$ 3,370,362	$ 3,575,436	$ 4,387,499	$ 3,712,920	$ 4,477,135
Total Governmental Funds	$ 8,499,505	$ 6,742,075	$ 5,822,260	$ 14,874,695	$ 10,262,918	$ 10,947,274	$ 11,717,230	$ 10,268,876	$ 13,463,470	$ 17,657,748

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	$ 56,937,759	$ 58,025,764	$ 59,489,549	$ 61,355,210	$ 62,865,626	$ 64,074,381	$ 65,150,930	$ 66,257,079	$ 71,563,195	$ 74,566,256
Tuition Charges	212,230	254,217	347,997	298,046	295,742	292,636	303,121	215,451	277,169	314,482
Interest Earnings	5,957	46,701	70,175	89,350	196,755	16,424	22,633	175,127	301,027	387,832
Miscellaneous	215,447	337,372	420,823	359,750	138,507	358,274	507,912	705,477	621,937	559,761
State Sources	15,035,062	16,028,899	18,368,764	19,454,924	19,950,038	22,680,970	26,558,864	27,386,237	31,119,095	30,776,973
Federal Sources	740,680	714,654	800,627	872,774	1,020,501	1,093,429	1,930,369	2,240,772	2,157,315	1,000,524
Total Revenues	73,147,135	75,407,607	79,497,935	82,430,054	84,467,169	88,516,114	94,473,829	96,980,143	106,039,738	107,605,828
Expenditures:										
Instruction:										
Regular Instruction	20,237,201	20,888,477	20,941,724	21,056,137	20,968,236	20,884,379	22,184,374	22,894,796	23,269,710	23,604,398
Special Education Instruction	3,521,797	3,660,412	3,896,610	4,086,114	4,403,173	4,272,528	4,175,132	4,478,784	5,083,632	4,677,055
Other Special Instruction	635,628	688,042	652,979	227,914	259,913	265,145	281,306	372,897	459,329	559,841
School-Sponsored Other Instruction	2,952,714	2,959,200	2,954,029	2,992,243	2,962,520	2,987,518	3,203,178	3,165,939	3,360,170	3,543,475
Support Services:										
Tuition	4,996,386	5,492,215	5,654,973	4,916,322	4,996,804	5,721,003	5,181,076	5,224,934	5,594,743	6,316,126
Student & Instruction Related Services	6,615,897	6,894,417	6,965,098	7,026,974	7,500,963	8,153,719	9,539,897	10,236,492	10,428,067	10,478,992
General Administration Services	852,100	881,745	916,578	979,601	1,005,994	1,113,523	1,202,523	1,194,333	1,018,277	1,040,335
School Administration Services	2,010,456	2,009,009	1,959,709	2,123,440	2,137,189	2,115,267	2,201,192	2,098,507	2,089,502	2,252,742
Central Services	935,556	1,198,841	1,070,358	1,149,641	1,242,467	1,174,996	1,344,919	1,312,772	1,256,316	1,202,667
Administrative Information Technology	527,339	782,055	649,318	688,519	702,199	497,731	593,111	442,118	829,199	672,469
Plant Operations and Maintenance	3,935,050	4,114,079	4,416,871	4,331,662	4,598,803	5,229,779	5,559,364	5,163,753	5,519,387	6,159,545
Pupil Transportation	3,688,678	3,906,715	4,618,275	4,511,805	4,213,615	4,125,447	4,562,385	5,610,055	5,685,643	5,896,278
Allocated Benefits	8,573,967	8,665,749	9,089,461	9,952,200	10,506,152	10,649,933	11,605,626	11,927,195	13,186,737	14,314,039
Unallocated Benefits	6,568,849	7,441,450	8,450,041	9,684,696	10,033,368	12,194,229	15,641,024	16,266,530	17,099,492	17,244,144
Capital Outlay	2,015,530	4,557,772	5,178,210	5,860,475	11,523,017	5,676,342	3,639,959	5,277,100	5,747,735	2,577,749
Special Schools	463,233	407,309	396,563	308,819	301,069	309,388	332,913	309,650	314,903	422,298
Debt Service:										
Principal	1,420,000	1,450,000	1,500,000	1,555,000	1,610,000	2,140,000	2,145,000	2,215,000	2,260,000	2,275,000
Interest and Other Charges	1,196,250	1,167,550	1,123,050	1,061,950	1,006,700	581,178	310,894	237,642	192,375	174,397
Total Expenditures	71,146,631	77,165,037	80,433,847	82,513,512	89,972,182	88,092,105	93,703,873	98,428,497	103,395,217	103,411,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000,504	(1,757,430)	(935,912)	(83,458)	(5,505,013)	424,009	769,956	(1,448,354)	2,644,521	4,194,278

MORRIS HILLS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses):										
School Refunding Bonds Issued						$ 17,615,000				
Payments to Escrow Agent for Bond Refunding						(17,354,653)				
Financed Purchases Proceeds	$ 2,300,000								$ 550,073	
ESIP Bond Proceeds				$ 8,230,000						
ESIP Bond Premium				927,177						
Transfers In	1,479,467	$ 2,890,598	$ 3,177,029	4,116,975	$ 2,405,391	3,486,991	$ 5,327,883	$ 6,496,611	4,519,799	$ 4,690,356
Transfers Out	(1,479,467)	(2,890,598)	(3,160,932)	(4,116,975)	(2,405,391)	(3,486,991)	(5,327,883)	(6,496,611)	(4,519,799)	(4,690,356)
Total Other Financing Sources (Uses)	2,300,000	- 0 -	16,097	9,157,177	- 0 -	260,347	- 0 -	- 0 -	550,073	- 0 -
Net Change in Fund Balances	$ 4,300,504	$ (1,757,430)	$ (919,815)	$ 9,073,719	$ (5,505,013)	$ 684,356	$ 769,956	$ (1,448,354)	$ 3,194,594	$ 4,194,278
Debt Service as a Percentage of Noncapital Expenditures	3.75%	3.57%	3.46%	3.39%	3.31%	3.28%	2.72%	2.63%	2.51%	2.42%

Source: Morris Hills Regional School District Financial Reports.

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals - Use of Facilities	Other	Total
2016	$ 4,963	$ 212,230	$ 26,683	$ 185,429	$ 429,305
2017	34,562	254,217	28,603	266,620	584,002
2018	61,846	347,997	29,143	356,928	795,914
2019	103,418	298,046	29,267	220,610	651,341
2020	91,290	295,742	16,372	121,554	524,958
2021	7,619	307,836	165	215,853	531,473
2022	9,846	303,121	37,524	165,629	516,120
2023	47,907	215,451	14,968	252,535	530,861
2024	128,825	277,169	14,376	162,147	582,517
2025	263,317	314,482	22,235	149,352	749,386

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

DENVILLE TOWNSHIP

Year End Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 35,800,700	$ 1,841,849,600	$ 4,049,500	$ 81,200	$ 269,647,900	$ 64,280,400	$ 7,579,600	$ 2,223,288,900	$ - 0 -	$ 2,223,288,900	$ 213,333,200	$ 0.91	$ 3,250,387,268
2016*	39,986,400	2,422,594,000	4,869,400	61,200	485,899,900	97,249,100	14,896,000	3,065,556,000	- 0 -	3,065,556,000	265,875,000	0.71	3,375,616,140
2017	45,669,600	2,424,023,800	4,869,400	79,900	485,680,300	97,846,100	14,896,000	3,073,065,100	- 0 -	3,073,065,100	268,916,600	0.73	3,300,059,059
2018	33,042,500	2,436,447,100	3,923,000	86,800	484,202,300	97,746,100	14,896,000	3,070,343,800	- 0 -	3,070,343,800	274,761,800	0.70	3,314,151,624
2019	32,059,100	2,436,447,100	3,923,000	86,800	484,202,300	97,746,100	14,896,000	3,069,360,400	- 0 -	3,070,343,800	276,050,700	0.70	3,327,546,997
2020	31,170,900	2,449,740,600	4,379,300	80,700	485,843,100	96,019,300	14,896,000	3,082,129,900	- 0 -	3,082,129,900	276,753,200	0.70	3,325,516,358
2021	29,691,800	2,463,935,300	4,058,300	80,400	492,261,800	95,501,300	14,896,000	3,100,424,900	- 0 -	3,100,424,900	278,321,400	0.70	3,390,301,916
2022	41,200,800	2,472,746,900	4,058,300	80,400	433,852,200	95,456,100	30,396,000	3,077,790,700	- 0 -	3,077,790,700	263,727,800	0.70	3,464,015,112
2023	55,828,000	2,480,024,100	4,027,500	83,900	429,270,500	95,520,900	30,396,000	3,095,150,900	- 0 -	3,095,150,900	247,234,100	0.72	3,784,447,039
2024	44,423,200	2,499,862,100	4,027,500	90,900	434,023,400	96,600,100	30,396,000	3,109,423,200	- 0 -	3,109,423,200	247,992,100	0.76	4,206,117,947

ROCKAWAY BOROUGH

Year End Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 7,207,500	$ 564,302,030	$ - 0 -	$ - 0 -	$ 153,387,425	$ 31,102,600	$ 22,292,400	$ 778,291,955	$ 92	$ 778,292,047	$ 72,870,600	$ 0.75	$ 849,680,286
2016	6,698,100	565,692,330	- 0 -	- 0 -	153,560,925	31,102,600	22,816,100	779,870,055	92	779,870,147	74,113,150	0.76	840,700,393
2017	6,308,400	567,433,330	- 0 -	1,700	153,269,525	29,990,700	22,816,100	779,819,755	92	779,819,847	74,125,150	0.79	904,562,353
2018	6,103,200	567,645,730	- 0 -	1,700	151,240,275	31,694,400	22,816,100	779,501,405	92	779,501,497	73,208,950	0.86	849,574,967
2019	6,556,300	568,187,700	- 0 -	- 0 -	151,432,200	36,330,300	22,896,100	785,402,600	92	785,402,692	73,214,900	0.86	821,116,320
2020	5,622,000	568,788,600	- 0 -	- 0 -	153,073,300	36,726,200	24,315,600	788,525,700	92	788,525,792	71,207,100	0.83	826,842,253
2021	5,622,000	570,027,400	- 0 -	- 0 -	152,901,300	36,881,200	24,315,600	789,747,500	92	789,747,592	70,650,400	0.85	853,785,051
2022	5,491,500	570,738,500	- 0 -	- 0 -	153,243,600	36,881,200	25,108,100	791,462,900	92	791,462,992	72,332,800	0.85	867,261,364
2023	5,978,300	571,783,200	- 0 -	- 0 -	152,789,600	36,911,200	25,153,100	792,615,400	92	792,615,492	70,096,800	0.86	917,321,536
2024	6,047,300	572,390,900	- 0 -	- 0 -	150,696,600	36,876,000	25,044,200	791,055,000	92	791,055,092	72,627,000	0.85	991,718,420

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

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
b - Tax rates are per $100 of assessed valuation.
* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Assessors.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

ROCKAWAY TOWNSHIP

Year End Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 60,924,200	$ 2,657,056,500	$ 7,855,000	$ 204,100	$ 564,369,300	$ 206,651,600	$ 58,654,300	$ 3,555,715,000	$ - 0 -	$ 3,555,715,000	$ 409,409,900	$ 0.73	$ 3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	- 0 -	3,579,254,100	409,692,400	0.72	3,846,774,464
2017	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	- 0 -	3,593,083,900	413,450,900	0.73	3,969,743,155
2018	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	- 0 -	3,956,629,100	461,558,200	0.70	4,233,241,964
2019	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	- 0 -	4,086,910,800	514,871,900	0.71	4,212,185,628
2020	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	- 0 -	4,202,110,400	396,482,400	0.71	4,524,860,678
2021	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	- 0 -	4,295,071,200	399,960,700	0.72	4,548,703,196
2022*	42,732,300	3,359,721,200	11,507,500	136,600	685,902,200	297,179,900	218,335,700	4,615,515,400	- 0 -	4,615,515,400	403,871,500	0.68	4,907,786,998
2023	44,035,700	3,638,485,800	11,811,100	145,400	639,626,000	331,218,200	281,338,800	4,946,661,000	- 0 -	4,946,661,000	410,334,800	0.68	5,279,761,888
2024	45,933,200	3,879,124,600	13,067,200	161,000	647,019,100	363,014,900	325,269,000	5,273,589,000	- 0 -	5,273,589,000	427,579,200	0.68	5,727,661,719

WHARTON BOROUGH

Year End Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities [a]	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015	$ 11,789,600	$ 427,569,800	$ 576,400	$ 4,000	$ 92,610,400	$ 97,716,600	$ 21,914,000	$ 652,180,800	$ - 0 -	$ 652,180,800	$ 96,632,800	$ 0.65	$ 673,503,608
2016	12,991,500	431,891,600	581,100	4,000	92,517,600	96,320,200	22,465,700	656,771,700	- 0 -	656,771,700	97,154,200	0.61	663,528,365
2017	12,993,400	434,199,800	581,100	4,000	92,741,300	98,448,800	22,649,900	661,618,300	- 0 -	661,618,300	101,972,200	0.63	668,396,422
2018	12,873,400	446,757,300	598,200	4,000	93,118,800	105,321,100	22,772,700	681,445,500	- 0 -	681,445,500	102,182,300	0.62	675,041,790
2019	13,857,600	460,137,300	612,300	4,000	94,940,200	105,912,700	23,065,000	698,529,100	- 0 -	698,529,100	102,579,700	0.69	716,029,500
2020	15,400,200	478,323,300	628,700	4,000	98,332,800	111,845,100	23,475,200	728,009,300	- 0 -	728,009,300	110,236,300	0.76	747,194,562
2021	14,406,400	498,177,500	655,100	4,000	100,490,100	115,222,600	26,040,200	754,995,900	- 0 -	754,995,900	109,439,100	0.77	763,011,808
2022	17,090,900	526,093,300	339,500	3,100	102,671,000	119,543,000	28,343,900	794,084,700	- 0 -	794,084,700	107,614,600	0.74	809,127,099
2023	18,497,300	557,759,300	355,900	1,000	106,336,200	124,763,400	29,980,300	837,693,400	- 0 -	837,693,400	116,904,500	0.74	888,911,552
2024	29,678,800	607,638,200	380,300	1,000	106,383,500	127,560,400	36,431,800	908,074,000	- 0 -	908,074,000	130,740,500	0.74	902,054,211

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

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
b - Tax rates are per $100 of assessed valuation.
* - Property revaluation/reassessment became effective in this year.

Source: Municipal Tax Assessors.

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

(Rate per $100 of Assessed Value)

DENVILLE TOWNSHIP

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct Rate	Denville Township	Denville Township Public Schools	Morris County	Total Direct and Overlapping Tax Rate
2015	$ 0.82	$ 0.09	$ 0.91	$ 0.63	$ 1.22	$ 0.36	$ 3.12
2016	* 0.64	* 0.07	* 0.71	* 0.48	* 0.92	* 0.28	* 2.39 *
2017	0.66	0.07	0.73	0.48	0.95	0.28	2.44
2018	0.64	0.06	0.70	0.49	0.99	0.28	2.46
2019	0.64	0.06	0.70	0.50	1.01	0.28	2.49
2020	0.64	0.06	0.70	0.50	1.03	0.28	2.51
2021	0.64	0.06	0.70	0.51	1.05	0.28	2.54
2022	0.65	0.05	0.70	0.52	1.06	0.29	2.57
2023	0.67	0.05	0.72	0.53	1.09	0.31	2.65
2024	0.71	0.05	0.76	0.53	1.14	0.33	2.76

ROCKAWAY BOROUGH

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct Rate	Rockaway Borough	Rockaway Borough Public Schools	Morris County	Total Direct and Overlapping Tax Rate
2015	$ 0.68	$ 0.07	$ 0.75	$ 0.79	$ 0.75	$ 0.28	$ 2.57
2016	0.69	0.07	0.76	0.81	1.00	0.28	2.85
2017	0.72	0.07	0.79	0.82	1.03	0.30	2.94
2018	0.78	0.08	0.86	0.85	1.06	0.28	3.05
2019	0.79	0.07	0.86	0.87	1.09	0.27	3.09
2020	0.76	0.07	0.83	0.89	1.16	0.27	3.15
2021	0.77	0.08	0.85	0.90	1.17	0.28	3.20
2022	0.79	0.06	0.85	0.91	1.19	0.28	3.23
2023	0.80	0.06	0.86	0.93	1.17	0.29	3.25
2024	0.79	0.06	0.85	0.95	1.22	0.31	3.33

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

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

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

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

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

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

UNAUDITED

(Rate per $100 of Assessed Value)

ROCKAWAY TOWNSHIP

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct Rate	Rockaway Township	Rockaway Township Public Schools	Morris County	Total Direct and Overlapping Tax Rate
2015	$ 0.66	$ 0.07	$ 0.73	$ 0.86	$ 1.20	$ 0.27	$ 3.06
2016	0.65	0.07	0.72	0.87	1.22	0.27	3.08
2017	0.66	0.07	0.73	0.87	1.23	0.29	3.12
2018	0.64	0.06	0.70	0.77	1.15	0.28	2.90
2019	0.61	0.10	0.71	0.74	1.13	0.27	2.85
2020	0.65	0.06	0.71	0.73	1.12	0.28	2.84
2021	0.66	0.06	0.72	0.73	1.12	0.27	2.84
2022 *	0.63 *	0.05 *	0.68 *	0.71 *	1.06 *	0.27 *	2.72 *
2023	0.63	0.05	0.68	0.67	1.01	0.27	2.62
2024	0.63	0.05	0.68	0.63	0.98	0.27	2.56

WHARTON BOROUGH

Year Ended Dec. 31,	Morris Hills Regional School District			Overlapping Rates			
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct Rate	Wharton Borough	Wharton Borough Public Schools	Morris County	Total Direct and Overlapping Tax Rate
2015	$ 0.59	$ 0.06	$ 0.65	$ 0.76	$ 1.35	$ 0.26	$ 3.02
2016	0.55	0.06	0.61	0.78	1.36	0.26	3.01
2017	0.57	0.06	0.63	0.79	1.38	0.26	3.06
2018	0.56	0.06	0.62	0.78	1.36	0.26	3.02
2019	0.63	0.06	0.69	0.77	1.35	0.27	3.08
2020	0.69	0.07	0.76	0.76	1.32	0.27	3.11
2021	0.70	0.07	0.77	0.73	1.29	0.26	3.05
2022	0.68	0.06	0.74	0.74	1.25	0.26	2.99
2023	0.69	0.05	0.74	0.59	1.23	0.27	2.83
2024	0.69	0.05	0.74	0.44	1.25	0.28	2.71

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

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

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

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

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

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

DENVILLE TOWNSHIP

	2024			2015	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
MPT of Morris LLC	$ 58,293,500	1.87%	Shops at Union Hall	$ 21,966,000	0.99%
Denville Union Hill LLC	33,896,000	1.09%	St. Francis Life Care Corp	20,000,000	0.90%
Springpoint At Denville Inc	31,248,000	1.00%	Tamara Enterprises	12,112,200	0.54%
Tamara Enterprises	18,342,600	0.59%	Rockaway River Country Club	8,767,600	0.39%
Denville Commons LLC	16,300,000	0.52%	Individual Taxpayer #1	6,737,000	0.30%
EV Equities I LLC	15,500,000	0.50%	Denville Station, LLC	5,108,000	0.23%
TEJ Denville Hospitality LLC	10,710,000	0.34%	Individual Taxpayer #2	4,924,000	0.22%
Rockaway River Country Club	10,027,200	0.32%	Denville West Main, LLC	4,900,000	0.22%
Pinefield Manor LLC	9,758,000	0.31%	Grecco Reality LLC	4,844,100	0.22%
Denville West Main LLC	9,529,500	0.31%	WP Properties, LLC	4,790,000	0.22%
Total	$ 213,604,800	6.87%	Total	$ 94,148,900	4.23%

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

ROCKAWAY BOROUGH

	2024			2015	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Commons, LLC	$ 12,500,000	1.58%	Rockaway Commons, LLC	$ 13,026,250	1.67%
Conn. Storage Dept. PT NJ	6,704,000	0.85%	Conn. Storage Dept. PT NJ	6,704,000	0.86%
Highway Enterprises, Inc.	5,700,000	0.72%	Highway Enterprises, Inc.	6,400,000	0.82%
HS Gardens, LLC	4,983,000	0.63%	MC Williams Development Corp.	5,212,500	0.67%
WithInvestors Rockaway, LLC	4,640,000	0.59%	HS Gardens, LLC	4,983,000	0.64%
KTB Realty, LLC	4,639,900	0.59%	WithInvestors Rockaway, LLC	4,640,000	0.60%
E & W Realty Associates, LLC	4,450,500	0.56%	MC Williams Forge Company	4,250,000	0.55%
McWilliams Forge Company	4,260,500	0.54%	E & W Realty Associates, LLC	4,090,200	0.53%
Moretrench Corporation	4,197,400	0.53%	Moretrench Corp.	4,042,400	0.52%
385 Franklin Ave LLC	4,045,200	0.51%	Roned Realty, L.P.	4,000,000	0.51%
Total	$ 56,120,500	7.09%	Total	$ 57,348,350	7.37%

Source: Municipal Tax Assessors.

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

ROCKAWAY TOWNSHIP

	2024			2015	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates, Inc	$ 150,380,900	2.85%	Rockaway Center Associates	$ 170,041,500	4.78%
Pondview Estates	148,661,200	2.82%	MT. Hope Rock Products, Inc (Tilcon)	59,148,100	1.66%
Tilcon	70,710,100	1.34%	Linque Management	30,121,400	0.85%
WPG Rockaway Commons LLC	67,952,400	1.29%	MarketPlace at Rockaway, LLC	29,073,500	0.82%
R&K Commons LLC	66,289,700	1.26%	Rockaway 2014 LLC	26,971,100	0.76%
Rustic Ridge, Inc.	51,249,500	0.97%	Macy's East, Inc.	25,346,900	0.71%
Ivy Commons Property LLC	36,069,300	0.68%	Dover UE LLC	25,316,800	0.71%
Marketplace at Rockaway, LLC	35,632,900	0.68%	Rustic Ridge, Inc.	24,800,000	0.70%
Dover UE, LLC	32,813,500	0.62%	Highlands at Morris	19,228,200	0.54%
Macy's	26,520,000	0.50%	Realty Income Corp./AMC Enterprises	18,783,500	0.53%
Total	$ 686,279,500	13.01%	Total	$ 428,831,000	12.06%

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

WHARTON BOROUGH

	2024			2015	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
			TA Wharton LLC	$ 55,711,800	8.54%
			The Realty Associates Fund VIII LP	32,223,900	4.94%
This information was not available.			Glass Paramus	19,433,900	2.98%
			Costco Wholesale	17,842,300	2.74%
			CCKK, LLC	12,115,400	1.86%
			Bayview Gardens	8,700,000	1.33%
			Wharton Mall	8,273,700	1.27%
			Brentwood Associates	6,528,500	1.00%
			Wharton Apartments	4,000,000	0.61%
			Waltann Greenbrook, LLC	3,863,700	0.59%
			Total	$ 168,693,200	25.87%

Source: Municipal Tax Assessors.

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

DENVILLE TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy[a] Amount	Collected Within the Fiscal Year of the Levy[a] Percentage of Levy	Collections in Subsequent Years
2016	$ 20,753,444	$ 20,753,444	100.00%	$ - 0 -
2017	22,799,243	22,799,243	100.00%	- 0 -
2018	21,918,982	21,918,982	100.00%	- 0 -
2019	21,342,735	21,342,735	100.00%	- 0 -
2020	21,729,610	21,729,610	100.00%	- 0 -
2021	21,313,959	21,313,959	100.00%	- 0 -
2022	21,721,419	21,721,419	100.00%	- 0 -
2023	21,671,718	21,671,718	100.00%	- 0 -
2024	22,790,108	22,697,118	99.59%	92,990
2025	24,103,942	24,103,942	100.00%	- 0 -

ROCKAWAY BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy[a] Amount	Collected within the Fiscal Year of the Levy[a] Percentage of Levy	Collections in Subsequent Years
2016	$ 5,843,123	$ 5,843,123	100.00%	$ - 0 -
2017	5,967,952	5,967,952	100.00%	- 0 -
2018	6,335,178	6,335,178	100.00%	- 0 -
2019	7,089,482	7,089,482	100.00%	- 0 -
2020	6,432,500	6,432,500	100.00%	- 0 -
2021	6,643,191	6,643,191	100.00%	- 0 -
2022	6,702,645	6,702,645	100.00%	- 0 -
2023	6,713,599	6,713,599	100.00%	- 0 -
2024	6,878,431	6,878,431	100.00%	- 0 -
2025	6,593,157	6,593,157	100.00%	- 0 -

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

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

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

ROCKAWAY TOWNSHIP

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy[a] Amount	Collected Within the Fiscal Year of the Levy[a] Percentage of Levy	Collections in Subsequent Years
2016	$ 26,324,330	$ 26,324,330	100.00%	$ - 0 -
2017	25,225,962	25,225,962	100.00%	- 0 -
2018	26,978,245	26,978,245	100.00%	- 0 -
2019	28,700,860	28,700,860	100.00%	- 0 -
2020	29,318,281	29,318,281	100.00%	- 0 -
2021	30,421,537	30,421,537	100.00%	- 0 -
2022	30,886,498	30,886,498	100.00%	- 0 -
2023	32,031,438	32,031,438	100.00%	- 0 -
2024	34,975,811	34,975,811	100.00%	- 0 -
2025	37,345,168	37,345,168	100.00%	- 0 -

WHARTON BOROUGH

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy[a] Amount	Collected within the Fiscal Year of the Levy[a] Percentage of Levy	Collections in Subsequent Years
2016	$ 4,016,862	$ 4,016,862	100.00%	$ - 0 -
2017	4,032,607	4,032,607	100.00%	- 0 -
2018	4,257,144	4,257,144	100.00%	- 0 -
2019	4,222,133	4,222,133	100.00%	- 0 -
2020	5,385,235	5,385,235	100.00%	- 0 -
2021	5,695,694	5,695,694	100.00%	- 0 -
2022	5,840,368	5,840,368	100.00%	- 0 -
2023	5,840,324	5,840,324	100.00%	- 0 -
2024	6,918,845	6,918,845	100.00%	- 0 -
2025	6,523,989	6,523,989	100.00%	- 0 -

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

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

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

	Governmental Activities					Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Energy Savings Improvement Bonds	Unamortized Bond Issuance Premiums	Financed Purchases	Bond Anticipation Notes (BANs)	Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$ 26,810,000	$ - 0 -	$ 4,000,262	$ 2,300,000	$ - 0 -	$ - 0 -	$ 33,110,262	0.69%	$ 615.01
2017	25,360,000	- 0 -	3,714,529	1,852,618	- 0 -	- 0 -	30,927,147	0.65%	563.93
2018	23,860,000	- 0 -	3,428,796	1,401,027	- 0 -	- 0 -	28,689,823	0.58%	521.24
2019	22,305,000	8,230,000	3,143,063	941,813	- 0 -	- 0 -	34,619,876	0.67%	630.17
2020	20,695,000	8,230,000	2,857,330	474,848	- 0 -	- 0 -	32,257,178	0.61%	585.19
2021	20,695,000	7,970,000	2,571,597	- 0 -	- 0 -	- 0 -	31,236,597	0.57%	549.99
2022	18,550,000	7,545,000	2,285,864	- 0 -	- 0 -	- 0 -	28,380,864	0.47%	497.91
2023	16,335,000	7,075,000	2,000,131	- 0 -	- 0 -	- 0 -	25,410,131	0.41%	442.24
2024	14,075,000	6,790,000	1,714,398	550,073	- 0 -	- 0 -	23,129,471	0.35%	396.30
2025	11,800,000	6,495,000	1,428,665	432,829	- 0 -	- 0 -	20,156,494	0.30%	345.36

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

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

Source: Morris Hills Regional School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation and Energy Savings Improvement Bonds	Unamortized Bond Issuance Premiums	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 26,810,000	$ 4,000,262	$ - 0 -	$ 30,810,262	0.427%	$ 572.29
2017	25,360,000	3,714,529	- 0 -	29,074,529	0.360%	530.15
2018	23,860,000	3,428,796	- 0 -	27,288,796	0.337%	495.79
2019	30,535,000	3,143,063	- 0 -	33,678,063	0.397%	613.03
2020	28,925,000	2,857,330	- 0 -	31,782,330	0.368%	576.57
2021	28,665,000	2,571,597	- 0 -	31,236,597	0.355%	549.99
2022	26,095,000	2,285,864	- 0 -	28,380,864	0.317%	497.91
2023	23,410,000	2,000,131	- 0 -	25,410,131	0.274%	442.24
2024	20,865,000	1,714,398	- 0 -	22,579,398	0.233%	386.87
2025	18,295,000	1,428,665	- 0 -	19,723,665	0.196%	337.94

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

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.
b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Morris Hills Regional School District Financial Reports.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Denville Township	$ 7,630,600	100.00%	$ 7,630,600
Rockaway Borough	6,232,948	100.00%	6,232,948
Rockaway Township	16,163,231	100.00%	16,163,231
Wharton Borough	- 0 -	100.00%	- 0 -
Morris County General Obligation Debt - (all constituent municipalities)	324,225,727	10.10%	32,762,302
Subtotal, Overlapping Debt			62,789,080
Morris Hills Regional School District Direct Debt			18,295,000
Total Direct and Overlapping Debt			$ 81,084,080

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

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

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

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

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Debt Limit	$ 257,846,475	$ 260,277,774	$ 264,572,537	$ 267,800,874	$ 273,270,894
Total Net Debt Applicable to Limit	26,810,000	25,360,000	23,860,000	30,535,000	28,925,000
Legal Debt Margin	$ 231,036,475	$ 234,917,774	$ 240,712,537	$ 237,265,874	$ 244,345,894
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.40%	9.74%	9.02%	11.40%	10.58%

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Debt Limit	$ 277,746,017	$ 287,595,983	$ 301,774,206	$ 324,473,654	$ 352,581,794
Total Net Debt Applicable to Limit	28,665,000	26,095,000	23,410,000	20,865,000	18,295,000
Legal Debt Margin	$ 249,081,017	$ 261,500,983	$ 278,364,206	$ 303,608,654	$ 334,286,794
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.32%	9.07%	7.76%	6.43%	5.19%

Legal Debt Margin Calculation for Fiscal Year 2025

Year Ended December 31,	Denville Township	Rockaway Borough	Rockaway Township	Wharton Borough	Equalized Valuation Basis
2022	$ 3,753,403,293	$ 909,832,050	$ 5,202,925,713	$ 884,774,039	$ 10,750,935,095
2023	4,176,428,147	987,190,684	5,666,278,351	897,849,303	11,727,746,485
2024	4,436,329,291	1,037,449,180	6,287,813,282	1,017,906,064	12,779,497,817
	$ 12,366,160,731	$ 2,934,471,914	$ 17,157,017,346	$ 2,800,529,406	$ 35,258,179,397

Average Equalized Valuation of Taxable Property	$ 11,752,726,466
Debt Limit [a] (3% of Average Equalization Value)	$ 352,581,794
Net Bonded School Debt at June 30, 2025	18,295,000
Legal Debt Margin	$ 334,286,794

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

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

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

DENVILLE TOWNSHIP

Fiscal Year	Population [a]	Morris County Per Capita Personal Income [b]	Personal Income [c]	Unemployment Rate [d]
2016	16,579	$ 87,984	$ 1,458,686,736	3.80%
2017	16,746	90,256	1,511,426,976	3.60%
2018	16,630	93,695	1,558,147,850	3.20%
2019	16,435	96,774	1,590,480,690	2.80%
2020	16,362	98,875	1,617,792,750	7.70%
2021	17,100	107,135	1,832,008,500	5.10%
2022	17,127	109,057	1,867,819,239	3.10%
2023	17,148	115,850	1,986,595,800	3.40%
2024	17,376	115,850 **	2,013,009,600	3.80%
2025	17,376 *	115,850 **	2,013,009,600	Not Available

ROCKAWAY BOROUGH

Fiscal Year	Population [a]	Morris County Per Capita Personal Income [b]	Personal Income [c]	Unemployment Rate [d]
2016	6,431	$ 87,984	$ 565,825,104	4.40%
2017	6,413	90,256	578,811,728	3.70%
2018	6,356	93,695	595,525,420	3.30%
2019	6,272	96,774	606,966,528	2.80%
2020	6,244	98,875	617,375,500	8.80%
2021	6,587	107,135	705,698,245	6.00%
2022	6,592	109,057	718,903,744	3.50%
2023	6,596	115,850	764,146,600	3.90%
2024	6,651	115,850 **	770,518,350	4.20%
2025	6,651 *	115,850 **	770,518,350	Not Available

* - Latest population data available (2024) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

Source:

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

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

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

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

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

ROCKAWAY TOWNSHIP

Fiscal Year	Population [a]		Morris County Per Capita Personal Income [b]		Personal Income [c]	Unemployment Rate [d]
2016	24,311		$ 87,984		$ 2,138,979,024	4.40%
2017	25,188		90,256		2,273,368,128	3.70%
2018	25,613		93,695		2,399,810,035	3.40%
2019	25,866		96,774		2,503,156,284	2.70%
2020	26,054		98,875		2,576,089,250	8.00%
2021	25,869		107,135		2,771,475,315	5.50%
2022	26,036		109,057		2,839,408,052	3.20%
2023	26,368		115,850		3,054,732,800	3.80%
2024	26,893		115,850	**	3,115,554,050	3.90%
2025	26,893	*	115,850	**	3,115,554,050	Not Available

WHARTON BOROUGH

Fiscal Year	Population [a]		Morris County Per Capita Personal Income [b]		Personal Income [c]	Unemployment Rate [d]
2016	6,516		$ 87,984		$ 573,303,744	4.80%
2017	6,495		90,256		586,212,720	4.10%
2018	6,442		93,695		603,583,190	3.70%
2019	6,364		96,774		615,869,736	3.80%
2020	6,463		98,875		639,029,125	9.80%
2021	7,239		107,135		775,550,265	7.10%
2022	7,245		109,057		790,117,965	4.20%
2023	7,346		115,850		851,034,100	4.20%
2024	7,444		115,850	**	862,387,400	4.30%
2025	7,444	*	115,850	**	862,387,400	Not Available

* - Latest population data available (2024) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

Source:

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

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

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

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

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

	2024			2015	
Employer	Number of Employees	Percentage of Total Employment	Employer	Number of Employees	Percentage of Total Employment
Atlantic Health System	10,743	3.99%	U.S Army Armament Reseach and Development	6,000	2.36%
Norvartis Corporation	6,300	2.34%	Atlantic Health System	5,171	2.03%
U.S Army Armament Reseach and Development	6,000	2.23%	Norvartis Corporation	4,622	1.82%
Barclays	4,222	1.57%	Bayer Healthcare, LLC	2,800	1.10%
Bayer Healthcare, LLC	2,713	1.01%	County of Morris	1,757	0.69%
Automatic Data Processing, Inc.	2,600	0.97%	Wyndham Worldwide Corporation	1,626	0.64%
Accenture	2,134	0.79%	Accenture	1,561	0.61%
PricewaterhouseCoopers	2,095	0.78%	St. Clare's	1,504	0.59%
Cigna	1,839	0.68%	BASF Corporation	1,500	0.59%
Deloitte & Touche	1,637	0.61%	PricewaterhouseCoopers	1,360	0.53%
Total	40,283	14.97%		27,901	10.96%
Total Employment *	269,026		Total Employment *	254,562	

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

Source: Morris County Chamber of Commerce.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	247.0	257.0	260.0	265.0	267.0	270.0	271.0	249.1	258.1	256.8
Special Education	37.0	39.0	39.0	41.0	42.0	36.0	36.0	34.0	34.0	35.2
Other Special Instruction	14.0	12.0	12.0	18.0	18.0	12.0	12.0	12.0	1.0	
Adult/Continuing Education Programs	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & Instruction Related Services	72.0	77.0	77.0	78.0	78.0	73.0	73.0	73.0	80.5	82.7
General Administration Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services	22.0	23.0	23.0	25.0	25.0	24.0	24.0	24.0	22.0	23.8
Plant Operations and Maintenance	48.0	48.0	48.0	48.0	48.0	49.0	49.0	54.0	46.0	45.0
Pupil Transportation	59.5	59.0	59.0	60.0	60.0	66.5	66.5	65.0	59.0	55.5
Business and Other Support Services	7.5	9.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	10.0
Total	511.0	528.0	530.0	546.0	550.0	542.5	543.5	523.1	512.6	512.0

Source: Morris Hills Regional School District Personnel Records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	October 15 Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percent Change	Teaching Staff [b]	Pupil/Teacher Ratio June 30 Morris Hills High School	Pupil/Teacher Ratio June 30 Morris Knolls High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	2,869	$ 66,514,851	$ 23,184	1.62%	275	10.1:1	10.5:1	2,726.0	2,596.0	-1.84%	95.23%
2017	2,438	69,989,715	28,708	23.83%	269	10.1:1	10.3:1	2,764.0	2,623.7	1.39%	94.92%
2018	2,749	72,632,587	26,421	-7.96%	271	10.1:1	10.3:1	2,777.5	2,664.6	0.49%	95.94%
2019	2,602	74,036,087	28,454	7.69%	279	10.1:1	10.1:1	2,682.0	2,565.3	-3.44%	95.65%
2020	2,688	75,832,465	28,211	-0.85%	281	10.1:1	10.1:1	2,664.0	2,582.0	-0.67%	96.92%
2021	2,634	79,694,585	30,256	7.25%	281	10.1:1	10.1:1	2,582.0	2,521.0	-3.08%	97.64%
2022	2,693	87,608,020	32,532	15.31%	294	10.1:1	10.1:1	2,554.4	2,411.0	-1.07%	94.39%
2023	2,672	90,698,755	33,944	12.19%	283	10.1:1	10.1:1	2,616.7	2,487.8	2.44%	95.07%
2024	2,672	95,195,107	35,627	9.51%	292	10.1:1	10.1:1	2,611.4	2,490.4	-0.20%	95.37%
2025	2,629	98,384,404	37,423	10.25%	292	10.1:1	10.1:1	2,623.9	2,502.3	0.48%	95.37%

Note: Enrollment based on annual October District counts.

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

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

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

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

Source: Morris Hills Regional School District records.

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

District Building	2016	2017	2018	2019	2020
Morris Hills High School (1953):					
Square Feet	229,760	229,760	229,760	229,760	229,760
Capacity (Students)	1,398	1,398	1,398	1,398	1,398
Enrollment	1,111	1,299	1,269	1,283	1,216
Enrollment - Academy Programs	96	96	120	143	164
Morris Knolls High School (1964):					
Square Feet	263,065	263,065	263,065	263,065	263,065
Capacity (Students)	1,652	1,652	1,652	1,652	1,652
Enrollment	1,742	1,570	1,169	1,466	1,386
Enrollment - Adult High School	96	53	42	35	107
Enrollment -Academy Programs				34	79

District Building	2021	2022	2023	2024	2025
Morris Hills High School (1953):					
Square Feet	229,760	229,760	229,760	229,760	229,760
Capacity (Students)	1,398	1,398	1,398	1,398	1,398
Enrollment	1,256	1,169	1,238	1,240	1,090
Enrollment - Academy Programs	180	180	180	180	180
Morris Knolls High School (1964):					
Square Feet	263,065	263,065	263,065	263,065	263,065
Capacity (Students)	1,652	1,652	1,652	1,652	1,652
Enrollment	1,432	1,465	1,455	1,432	1,383
Enrollment - Adult High School	75	100	100	95	102
Enrollment - Academy Programs	122	154	154	154	154

Number of Schools at June 30, 2025:
High School = 2

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

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

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

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

School Facilities*	Fiscal Year Ended June 30, 2016	2017	2018	2019	2020
Morris Hills	$ 559,387	$ 503,222	$ 421,425	$ 466,288	$ 383,833
Morris Knolls	412,528	462,278	408,199	440,387	370,728
Grand Total	$ 971,915	$ 965,500	$ 829,624	$ 906,675	$ 754,561

School Facilities*	Fiscal Year Ended June 30, 2021	2022	2023	2024	2025
Morris Hills	$ 515,443	$ 387,818	$ 344,253	$ 377,720	$ 459,153
Morris Knolls	552,638	452,862	371,536	461,660	561,186
Grand Total	$ 1,068,081	$ 840,680	$ 715,789	$ 839,380	$ 1,020,339

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

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

School Package Policy - **New Jersey Schools Insurance Group (NJSIG)**	**COVERAGE**	**DEDUCTIBLE**
Real & Personal Property (per occurrence)	$400,000,000	$5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	25,000,000	5,000
Demolition & Increased Cost of Construction	50,000,000	
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	100,000,000	10,000
Earthquake	50,000,000	
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	400,000,000	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	25,000
Property Damage	Included	25,000
Off Premises Property Damage	1,000,000	25,000
Extra Expense	10,000,000	25,000
Service Interruption	10,000,000	25,000
Perishable Goods	1,000,000	25,000
Data Restoration	1,000,000	25,000
Demolition	1,000,000	25,000
Ordinance or Law	1,000,000	25,000
Expediting Expense	1,000,000	25,000
Hazardous Substances	1,000,000	25,000
Newly Acquired Locations - 120 Days Notice	1,000,000	25,000
Terrorism	Included	
Crime Coverage:		
Public Employee Dishonesty with Faithful Performance	100,000	1,000
Forgery or Alteration	100,000	1,000
Theft, Disappearance & Destruction/Money Orders & Counterfeit Paper Cash	100,000	1,000
Computer Fraud	250,000	1,000

Source: Morris Hills Regional School District records.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	COVERAGE	DEDUCTIBLE
School Package Policy -		
New Jersey Schools Insurance Group (NJSIG)		
Public Officials Bond		
Board Secretary - G Libby (Selective Insurance Company)	$400,000	
Treasurer - J Csatlos (RLI)	400,000	
General Liability:		
Bodily Injury & Property Damage	31,000,000 per occurrence	
Products & Completed Operations	31,000,000 aggregate	
Sexual Abuse	15,000,000 per occurrence	
	16,000,000 per member aggregate	
	27,000,000 annual NJSIG aggregate	
Communicable Disease Outbreak	1,000,000 per occurrence	
	9,000,000 annual NJSIG aggregate	
Personal Injury & Advertising Injury	31,000,000	
Employee Benefits Liability	1,000,000 per employee	$1,000
	2,000,000 per member aggregate	
Premises Medical Payments	10,000 per accident	
	5,000 per person	
Terrorism	1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	31,000,000	1,000
Personal Injury Protection	250,000	
Medical Payments	10,000	
Underinsured	25,000 per person	
	50,000 per accident	
	25,000 property damage per accident	
Terrorism	1,000,000	
Garagekeepers	Included	
School Leaders Errors & Omissions		
Coverage A - protection against "loss"/Wrongful Acts	31,000,000	10,000
Coverage B - defense costs for specific administrative actions	100,000 per claim	10,000
	300,000 aggregate	10,000
Retro Date	7/1/1986	
Workers' Compensation		
Part One	Statutory	
Part Two:		
Bodily Injury by Accident	3,000,000	
Bodily Injury by Disease	3,000,000	
Excess Liability (Starstone)		
Student Accident (CHUBB)		
Catastrophic	7,500,000	25,000
Aggregate Limit of Insurance	1,000,000 per accident	
Cyber Coverage		
Standard	250,000	25,000
Reduced:		
-Small or Medium Member (Annual revenue less than $100,000,000)	475,000	25,000
-Large Member (Annual revenue greater than or equal to $100,000,000)	450,000	50,000

Source: Morris Hills Regional School District records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Morris Hills Regional School District, in the County of Morris (the "District") as of, and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nisivoccia, LLP

Mount Arlington, New Jersey
November 13, 2025

NISIVOCCIA, LLP

Kathryn L. Mantell

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

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Morris Hills Regional School District (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

Nisivoccia, LLP

Mount Arlington, New Jersey
November 13, 2025

NISIVOCCIA, LLP

Kathryn L. Mantell

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From	Grant Period To	Program/ Award Amount	June 30, 2024 Budgetary Unearned Revenue/ (Accounts Receivable)	June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	June 30, 2025 Budgetary (Accounts Receivable)	June 30, 2025 Budgetary Unearned Revenue	June 30, 2025 Due to Grantor	Amount Paid to Sub-Recipients
U.S. Department of Education -													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster (I.D.E.A.):													
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-3370-25	7/1/24	9/30/25	$ 776,351			$ 623,054	$ (772,759)	$ (149,705)			
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-3370-24	7/1/23	9/30/24	778,571	$ (87,574)		87,574					
Total Special Education Cluster						(87,574)		710,628	(772,759)	(149,705)			
Elementary and Secondary Education Act:													
Title I - Part A	84.010	ESEA-3370-25	7/1/24	9/30/25	118,281			47,207	(109,852)	(62,645)			
Title I - Part A	84.010	ESEA-3370-24	7/1/23	9/30/24	211,218	(94,929)		94,929					
Subtotal Title I - Part A						(94,929)		142,136	(109,852)	(62,645)			
Title II - Part A	84.367A	ESEA-3370-25	7/1/24	9/30/25	70,679			62,586	(68,089)	(5,503)			
Title II - Part A	84.367A	ESEA-3370-24	7/1/23	9/30/24	8,140	(1,508)		1,508					
Subtotal Title II - Part A						(1,508)		64,094	(68,089)	(5,503)			
Title III	84.365A	ESEA-3370-25	7/1/24	9/30/25	20,884			18,456	(20,459)	(2,003)			
Title III	84.365A	ESEA-3370-24	7/1/23	9/30/24	21,287	(590)		590					
Subtotal Title III - Part A						(590)		19,046	(20,459)	(2,003)			
Title III - Immigrant	84.365A	ESEA-3370-25	7/1/24	9/30/25	11,602			3,940	(10,125)	(6,185)			
Title III - Immigrant	84.365A	ESEA-3370-24	7/1/23	9/30/24	7,415	(3,107)		3,107					
Subtotal Title III - Immigrant						(3,107)		7,047	(10,125)	(6,185)			
Title IV	84.186A	ESEA-3370-25	7/1/24	9/30/25	15,392			8,032	(12,490)	(4,458)			
Title IV	84.186A	ESEA-3370-24	7/1/23	9/30/24	10,000	(8,650)		8,650					
Subtotal Title IV						(8,650)		16,682	(12,490)	(4,458)			
Total Elementary and Secondary Education Act						(108,784)		249,005	(221,015)	(80,794)			
Education Stabilization Fund:													
COVID-19 ARP Consolidated:													
Accelerated Learning Coaching and Educator Support	84.425U	S425U210027	3/13/20	9/30/24	214,873	(5,191)		5,191					
Evidence-Based Comprehensive Beyond the School Day Activities	84.425U	S425U210027	3/13/20	9/30/24	40,000	(8,562)		8,562					
COVID-19 ARP Homeless Children and Youth	84.425W	S425W210027	3/13/20	9/30/24	9,554	(473)		473					
Total Education Stabilization Fund						(14,226)		14,226					
Total U.S. Department of Education						(210,584)		973,859	(993,774)	(230,499)			

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From	Grant Period To	Program/ Award Amount	June 30, 2024 Budgetary Unearned Revenue/ (Accounts Receivable)	June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	June 30, 2025 Budgetary (Accounts Receivable)	June 30, 2025 Budgetary Unearned Revenue	June 30, 2025 Due to Grantor	Amount Paid to Sub-Recipients
U.S. Department of Treasury -													
Passed-through State Department of Education:													
Special Revenue Fund:													
American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds:													
ACSERS	21.027	N/A	7/01/23	6/30/24	$ 889,941	$ (482,675)		$ 482,675					
COVID-19 - Nonpublic Digital Divide	21.019	S377A130031	7/16/20	10/31/20	22,534		$ 10					$ 10	
Total U.S. Department of Treasury						(482,675)	10	482,675				10	
Total Special Revenue Fund						(693,259)	10	1,456,534	$ (993,774)	$ (230,499)		10	
U.S. Department of Agriculture - Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
School Breakfast Program	10.553	N/A	7/1/24	6/30/25	91,620			87,751	(91,620)	(3,869)			
School Breakfast Program	10.553	N/A	7/1/23	6/30/24	85,237	(2,530)		2,530					
Subtotal School Breakfast Program						(2,530)		90,281	(91,620)	(3,869)			
National School Lunch Program	10.555	N/A	7/1/24	6/30/25	404,591			397,756	(404,591)	(6,835)			
National School Lunch Program	10.555	N/A	7/1/23	6/30/24	340,461	(3,908)		3,908					
Subtotal National School Lunch Program						(3,908)		401,664	(404,591)	(6,835)			
Federal Food Distribution Program	10.555	N/A	7/1/24	6/30/25	92,112			92,112	(92,112)				
Total Child Nutrition Cluster						(6,438)		584,057	(588,323)	(10,704)			
COVID 19 - Pandemic EBT Food Benefits	10.542	N/A	7/1/24	6/30/25	643			643	(643)				
Local Food for Schools (LFS) Cooperative	10.185	N/A	7/1/23	6/30/25	11,597	(1,007)		5,070	(4,063)				
Total U.S. Department of Agriculture						(7,445)		589,770	(593,029)	(10,704)			
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:													
Medicaid Cluster:													
Medical Assistance Program - (SEMI)	93.778	N/A	7/1/24	6/30/25	6,750			6,750	(6,750)				
Total U.S. Department of Health and Human Services/Medicaid Cluster								6,750	(6,750)				
Total Federal Awards						$ (700,704)	$ 10	$ 2,053,054	$ (1,593,553)	$ (241,203)	$ - 0 -	$ 10	$ - 0 -

N/A - Not Available/Applicable.

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	June 30, 2024 Budgetary Unearned Revenue/ (Accounts Receivable)	June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2025 GAAP (Accounts Receivable)	June 30, 2025 Due to Grantor	MEMO Budgetary (Accounts Receivable)	MEMO Cumulative Total Expenditures
NJ Department of Education:													
General Fund:													
State Aid - Public:													
Equalization Aid	25-495-034-5120-078	7/1/24	6/30/25	$ 4,903,639			$ 4,427,297	$ (4,903,639)				$ (476,342)	$ 4,903,639
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	6,266,543	$ (608,189)		608,189						
Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	554,744			500,856	(554,744)				(53,888)	554,744
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	554,744	(53,840)		53,840						
Special Education Categorical Aid	25-495-034-5120-089	7/1/24	6/30/25	3,061,117			2,763,759	(3,061,117)				(297,358)	3,061,117
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	3,061,117	(297,092)		297,092						
School Choice Aid	25-495-034-5120-068	7/1/24	6/30/25	2,114,688			1,909,266	(2,114,688)				(205,422)	2,114,688
School Choice Aid	24-495-034-5120-068	7/1/23	6/30/24	1,943,680	(188,641)		188,641						
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	277,006			250,097	(277,006)				(26,909)	277,006
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	277,006	(26,884)		26,884						
Stabilized School Budget Aid	N/A	7/1/24	6/30/25	536,353			536,353	(536,353)					536,353
Menstrual Product Reimbursement	N/A	7/1/24	6/30/25	19,413				(19,413)		$ (19,413)		(19,413)	19,413
Extraordinary Special Education Costs	25-495-034-5120-044	7/1/24	6/30/25	1,590,583				(1,590,583)		(1,590,583)		(1,590,583)	1,590,583
Extraordinary Special Education Costs	24-495-034-5120-044	7/1/23	6/30/24	1,641,573	(1,641,573)		1,641,573						
Nonpublic School Transportation Costs	25-495-034-5120-014	7/1/24	6/30/25	29,888				(29,888)		(29,888)		(29,888)	29,888
Nonpublic School Transportation Costs	24-495-034-5120-014	7/1/23	6/30/24	29,039	(29,039)		29,039						
On-Behalf TPAF Contributions:													
Post Retirement Medical	25-495-034-5094-001	7/1/24	6/30/25	3,325,746			3,325,746	(3,325,746)					3,325,746
Pension	25-495-034-5094-002	7/1/24	6/30/25	11,242,451			11,242,451	(11,242,451)					11,242,451
Non-Contributory Insurance	25-495-034-5094-004	7/1/24	6/30/25	139,264			139,264	(139,264)					139,264
Long-Term Disability Insurance	25-495-034-5094-004	7/1/24	6/30/25	3,968			3,968	(3,968)					3,968
Reimbursed TPAF Social Security Aid	25-495-034-5094-003	7/1/24	6/30/25	2,532,715			2,408,790	(2,532,715)		(123,925)		(123,925)	2,532,715
Reimbursed TPAF Social Security Aid	24-495-034-5094-003	7/1/23	6/30/24	2,198,834	(11,388)		11,388						
Total General Fund State Aid - Public					(2,856,646)		30,364,493	(30,331,575)		(1,763,809)		(2,823,728)	30,331,575
Special Revenue Fund:													
NJ Nonpublic Aid:													
Textbook Aid (Chapter 194)	25-100-034-5120-064	7/1/24	6/30/25	23,166			23,166	(22,916)			$ 250		22,916
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23	6/30/24	27,344		$ 2,591			$ (2,591)				
Nursing Services (Chapter 226)	25-100-034-5120-070	7/1/24	6/30/25	58,890			58,890	(58,890)					58,890
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	56,760		2,979			(2,979)				
Technology Initiative	25-100-034-5120-373	7/1/24	6/30/25	22,197			22,197	(22,185)			12		22,185
Technology Initiative	24-100-034-5120-373	7/1/23	6/30/24	23,177		107			(107)				
Security Aid	25-100-034-5120-509	7/1/24	6/30/25	78,105			78,105	(77,608)			497		77,608
Security Aid	24-100-034-5120-509	7/1/23	6/30/24	83,435		162			(162)				
Auxiliary Services (Chapter 192):													
Compensatory Education	25-100-034-5120-067	7/1/24	6/30/25	97,968			97,968	(18,207)			79,761		18,207
Home Instruction	25-100-034-5120-067	7/1/24	6/30/25	653				(653)		(653)			653
Home Instruction	24-100-034-5120-067	7/1/23	6/30/24	3,511	(3,511)		3,511						

N/A - Not Available/Applicable.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	June 30, 2024 Budgetary Unearned Revenue/ (Accounts Receivable)	June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2025 GAAP (Accounts Receivable)	June 30, 2025 Due to Grantor	MEMO Budgetary (Accounts Receivable)	MEMO Cumulative Total Expenditures
NJ Department of Education:													
Special Revenue Fund:													
NJ Nonpublic Aid:													
Handicapped Services (Chapter 193):													
Examination & Classification	25-100-034-5120-066	7/1/24	6/30/25	$ 127,466			$ 127,466	$ (49,129)			$ 78,337		$ 49,129
Examination & Classification	24-100-034-5120-066	7/1/23	6/30/24	69,022		$11,370			$ (11,370)				
Supplementary Instruction	25-100-034-5120-066	7/1/24	6/30/25	145,376			145,376	(58,976)			86,400		58,976
Supplementary Instruction	24-100-034-5120-066	7/1/23	6/30/24	72,688		6,443			(6,443)				
Corrective Speech	25-100-034-5120-066	7/1/24	6/30/25	8,370			8,370	(2,604)			5,766		2,604
Corrective Speech	24-100-034-5120-066	7/1/23	6/30/24	2,790		95			(95)				
STEM	25-100-034-5068-051	7/1/24	6/30/25	666				(666)		$ (666)		$ (666)	666
STEM	24-100-034-5068-051	7/1/23	6/30/24	5,928	$ (3,998)		3,998						
Subtotal Special Revenue Fund					(7,509)	23,747	569,047	(311,834)	(23,747)	(1,319)	251,023	(666)	311,834
Total NJ Department of Education					(2,864,155)	23,747	30,933,540	(30,643,409)	(23,747)	(1,765,128)	251,023	$ (2,824,394)	30,643,409
Total Special Revenue Fund					(7,509)	23,747	569,047	(311,834)	(23,747)	(1,319)	251,023	(666)	311,834
NJ Department of Agriculture:													
Food Service Enterprise Fund:													
State School Breakfast Program	25-100-010-3350-023	7/1/24	6/30/25	4,381			4,187	(4,381)		(194)		(194)	4,381
State School Breakfast Program	24-100-010-3350-023	7/1/23	6/30/24	4,185	(135)		135						
State School Lunch Program	25-100-010-3350-023	7/1/24	6/30/25	32,310			31,751	(32,310)		(559)		(559)	32,310
State School Lunch Program	24-100-010-3350-023	7/1/23	6/30/24	26,392	(330)		330						
Total NJ Department of Agriculture/Food Service Enterprise Fund					(465)		36,403	(36,691)		(753)		(753)	36,691
TOTAL STATE AWARDS					$ (2,864,620)	$23,747	$30,969,943	$ (30,680,100)	$ (23,747)	$ (1,765,881)	$ 251,023	$ (2,825,147)	$ 30,680,100
Less - State Awards Not Subject to Single Audit Major Program Determination:													
On-Behalf TPAF Pension System Contributions:													
Post-Retirement Medical	25-495-034-5094-001	7/1/24	6/30/25	3,325,746				3,325,746					
Pension	25-495-034-5094-002	7/1/24	6/30/25	11,242,451				11,242,451					
Non-Contributory Insurance	25-495-034-5094-004	7/1/24	6/30/25	139,264				139,264					
Long-Term Disability Insurance	25-495-034-5094-004	7/1/24	6/30/25	3,968				3,968					
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION								$ (15,968,671)					

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, Morris Hills Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules are presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is $114,727 for the General Fund and $18,837 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

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

	Federal	State	Total
General Fund	$ 6,750	$30,446,302	$30,453,052
Special Revenue Fund	993,774	330,671	1,324,445
Food Service Enterprise Fund	593,029	36,691	629,720
Total Financial Assistance	$ 1,593,553	$30,813,664	$32,407,217

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. Revenue and expenditures reported under the Federal Food Distribution Program represent current fiscal year value received and current fiscal year distributions, respectively.

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

1.) Material weakness identified? ____ Yes X No

2.) Significant deficiencies identified? ____ Yes X None reported

Noncompliance material to basic financial statements noted? ____ Yes X No

Federal Awards

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

Internal control over major programs:

1.) Material weakness identified? ____ Yes X No

2.) Significant deficiencies identified? ____ Yes X None reported

Noncompliance material to basic financial statements noted? ____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

____ Yes X No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Special Education Cluster (I.D.E.A.):					
I.D.E.A . - Part B, Basic Regular	84.027	07/01/24	09/30/25	$ 776,351	$ 772,759

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

Auditee qualified as low-risk auditee? X Yes ____ No

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

State Awards

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

Internal control over major programs:

1.) Material weakness identified? ____ Yes X No

2.) Significant deficiencies identified? ____ Yes X None reported

Noncompliance material to basic financial statements noted? ____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

____ Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
State Aid Public:					
Equalization Aid	25-495-034-5120-078	07/01/24	06/30/25	$ 4,903,639	$ 4,903,639
Special Education Categorical Aid	25-495-034-5120-089	07/01/24	06/30/25	3,061,117	3,061,117
Security Aid	25-495-034-5120-084	07/01/24	06/30/25	277,006	277,006
School Choice Aid	25-495-034-5120-068	07/01/24	06/30/25	2,114,688	2,114,688
Stabilized School Budget Aid	Not Available	07/01/24	06/30/25	536,353	536,353

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

Auditee qualified as low-risk auditee? X Yes ____ No

Section II - Financial Statement Findings - N/A

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

MORRIS HILLS REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.