

LONG HILL TOWNSHIP SCHOOL DISTRICT

Prepared by:
Long Hill Township Board of Education
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

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

For the Fiscal Year Ended June 30, 2025

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

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INTRODUCTORY SECTION
(UNAUDITED)



LONG HILL

Township School District

759 Valley Road, Gillette, NJ 07933

Robbin Boehmer
Business Administrator/Board Secretary

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

October 3, 2025

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

Dear Board Members:

The annual comprehensive financial report of the Long Hill Township School District (the "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Long Hill Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Long Hill Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for classified students with special needs. The District completed the 2024-2025 fiscal year with an enrollment of 861 students, which is an increase of 7 student or 0.8% from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

Long Hill Township is a suburban community in the southern part of Morris County. The District had an enrollment of 862 students at the start of the 2025-2026 school year.

While facility upgrades, rising special education and transportation costs and decreases in federal and state aid continue to present challenges, the Long Hill Township Board of Education remains steadfast in its commitment to responsible financial management. The Board recognizes the effect of the school tax levy on residents and strives to balance fiscal accountability with the delivery of a safe, welcoming environment and a high-quality education for all students.

3) MAJOR INITIATIVES:

The district has established the following district strategic plan goals for the 2025-2026 school year. These goals are closely aligned with the District's five-year strategic plan.

1. Teaching and Learning: Inspiring Innovation
Raise student achievement by strengthening the use of data-informed instructional strategies, resulting in at least 75% of students meeting their Tier 1 goals in ELA during at least two MTSS instructional cycles.
2. Culture of Respect and Well-Being
Support students in navigating challenges and deepening peer relationships by developing a district-wide student-led mentoring program. Progress will be measured through the NJ SCI survey, other qualitative feedback, and quantitative data.
3. Future-Focused Facilities
Prepare for future instructional upgrades and a major amendment to the district's Long-Range Facilities Plan (LRFP), by evaluating Central's media center renovation. Progress will be measured by comparing usage of Central's Learning Commons to previous year and gathering feedback from students and staff.
4. Building Community
Build a more connected and informed school community through enhanced communication and collaboration among students, staff, families, and community members. Progress will be measured through the NJ SCI survey, other qualitative feedback, and quantitative data.

The District continues its commitment to a culture of inquiry and collaboration, with continued emphasis on strengthening programs and facilities that directly support student success. For the 2025–2026 school year, the budget provides for the implementation of a new K–8 mathematics program and adds a third preschool inclusion class, expanding access and opportunity for our youngest learners. Investments also continue in technology to sustain the district's 1:1 device initiative and enhance digital resources, with an emphasis on advancing the district's STEAM program. Funds have been dedicated to the implementation of Multi-Tiered System of Supports (MTSS), an instructional model designed to deliver targeted academic, behavioral, and social-emotional interventions for all students. Additional staffing has been allocated to expand intervention support for this model, and the Summer Institute remains a priority.

At the facilities level, the District is renovating the Central Middle School's library into a Learning Commons designed to promote collaborative problem-solving and innovation.

3) MAJOR INITIATIVES: (Cont'd)

Significant capital investments are also being made in HVAC systems, including the replacement of rooftop units and unit ventilators across all three schools. Security enhancements remain a top priority, with the installation of new security cameras, upgrades to locks, and the addition of fencing around playground areas to help ensure a safe and secure learning environment.

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

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

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

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

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

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

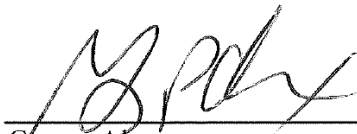
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

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

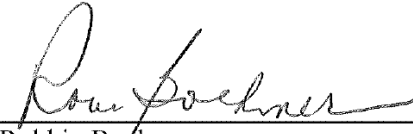
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed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

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Long Hill Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,



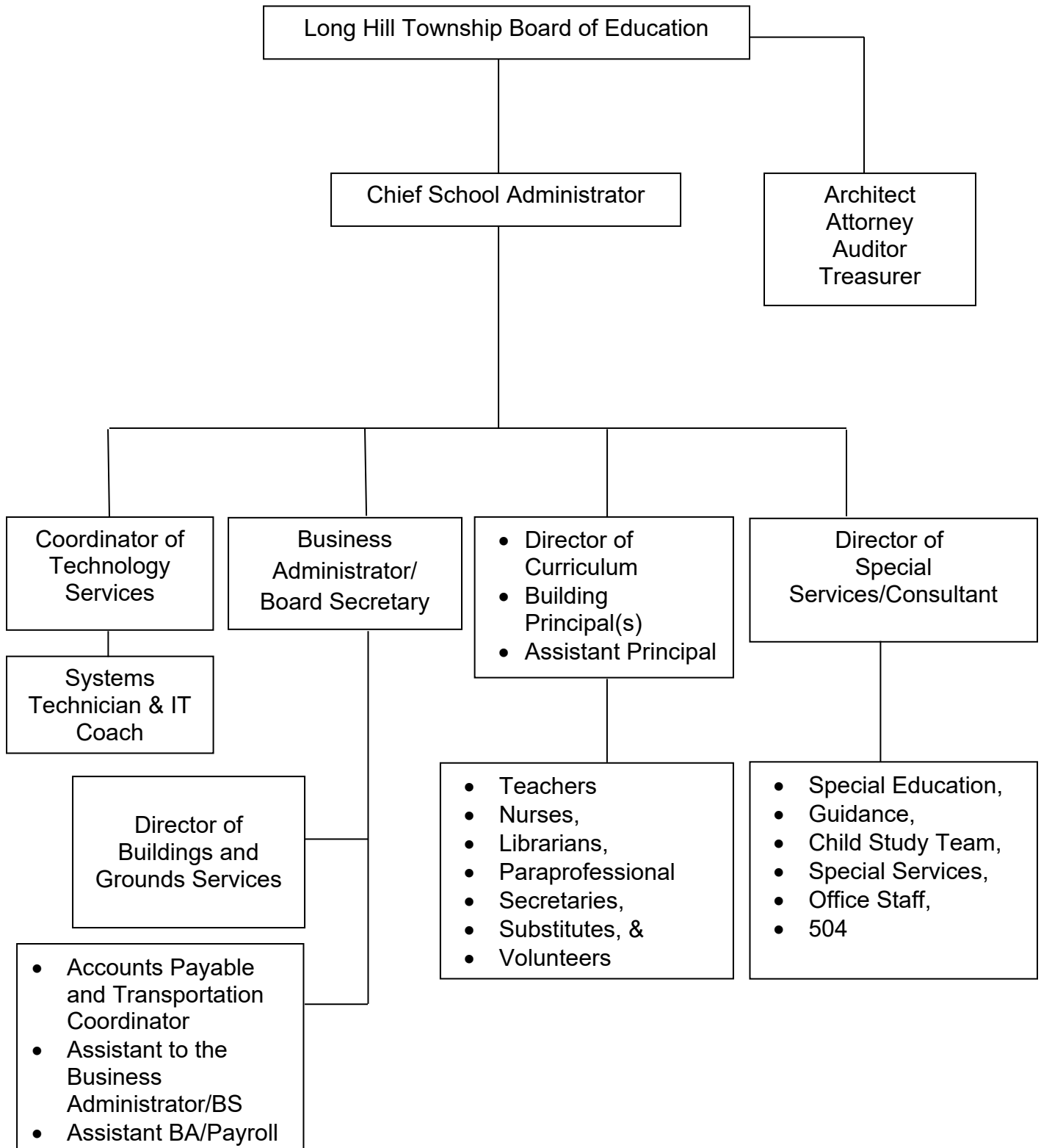
George Alexis
Superintendent



Robbin Boehmer
Business Administrator/Board Secretary

LONG HILL TOWNSHIP SCHOOL DISTRICT
Gillette, New Jersey

ORGANIZATIONAL CHART



**LONG HILL TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Kim Case, President		2026
Ann Butler, Vice President		2025
Danielle Daley		2027
Alex D'Jamoos		2025
Justin Foster		2026
Thomas Grosskopf		2026
Crystal Marr		2025
Katie McLennan		2027
Karen Ann Nyquist		2025

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

**LONG HILL TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2025**

AUDIT FIRM

Nisivoccia LLP
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
and
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Newton, NJ 07860
and
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Bridgewater, New Jersey 08807

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(Special Education Counsel)

OFFICIAL DEPOSITORIES

PNC Bank
1057 Valley Road
Stirling, NJ 07980

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Hill Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 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.

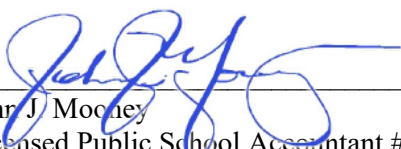
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 October 3, 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
October 3, 2025

Nisiroccia LLP
NISIVOCCIA LLP


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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LONG HILL TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of the Long Hill Township School District's Financial Report

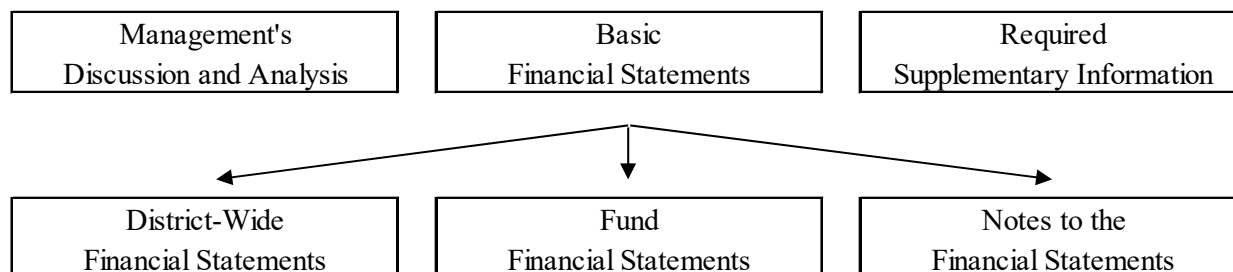


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private business: food service
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 up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by 3.49%. Net position from governmental activities increased \$541,685 and net position from business-type activities increased \$65,366.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Current and							
Other Assets	\$ 6,816,459	\$ 6,429,427	\$ 62,699	\$ 4,782	\$ 6,879,158	\$ 6,434,209	
Capital Assets, Net	17,021,946	17,797,712	72,918	9,153	17,094,864	17,806,865	
Lease Assets, Net	9,930	61,382			9,930	61,382	
Total Assets	23,848,335	24,288,521	135,617	13,935	23,983,952	24,302,456	-1.31%
Deferred Outflows of Resources	220,820	245,834			220,820	245,834	-10.18%
Other Liabilities	321,433	356,865	519	40	321,952	356,905	
Long-Term							
Liabilities	5,307,885	6,122,137	55,837		5,363,722	6,122,137	
Total Liabilities	5,629,318	6,479,002	56,356	40	5,685,674	6,479,042	-12.25%
Deferred Inflows of Resources	511,708	668,909			511,708	668,909	-23.50%
Net Position:							
Net Investment in							
Capital Assets	13,401,662	13,480,428	17,081	9,153	13,418,743	13,489,581	
Restricted	5,635,396	5,177,939			5,635,396	5,177,939	
Unrestricted/(Deficit)	(1,108,929)	(1,271,923)	62,180	4,742	(1,046,749)	(1,267,181)	
Total Net Position	\$ 17,928,129	\$ 17,386,444	\$ 79,261	\$ 13,895	\$ 18,007,390	\$ 17,400,339	3.49%

Changes in Net Position. The District's combined net position was \$18,007,390 on June 30, 2025, \$607,051 or 3.49% more than it was the year before (See Figure A-3). Net investment in capital assets decreased by \$15,001 mainly due to depreciation and the payment of bond principal offset by capital asset additions. Restricted net position increased by \$457,457 mainly due to the transfer to the General Fund reserve accounts. Unrestricted net position increased by \$220,432 primarily as a result of changes in net pension liability and related deferred inflows and outflows, offset by changes in compensated absences payable (See Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Revenue:							
Program Revenue:							
Charges for Services	\$ 498,679	\$ 507,402	\$ 195,700	\$ 4,073	\$ 694,379	\$ 511,475	
Grants and Contributions:							
Operating	3,486,911	4,100,177	88,117	5,311	3,575,028	4,105,488	
General Revenue:							
Property Taxes	19,312,573	19,149,659			19,312,573	19,149,659	
Other	369,507	339,116		50	369,507	339,166	
Total Revenue	<u>23,667,670</u>	<u>24,096,354</u>	<u>283,817</u>	<u>9,434</u>	<u>23,951,487</u>	<u>24,105,788</u>	-0.64%
Expenses:							
Instruction	12,173,293	11,707,258			12,173,293	11,707,258	
Pupil and Instruction Services	4,624,106	5,222,886			4,624,106	5,222,886	
Administrative and Business	2,123,805	2,032,651			2,123,805	2,032,651	
Maintenance and Operations	2,554,293	2,592,216			2,554,293	2,592,216	
Transportation	1,278,808	1,129,261			1,278,808	1,129,261	
Other	321,680	447,581	268,451	47,172	590,131	494,753	
Total Expenses	<u>23,075,985</u>	<u>23,131,853</u>	<u>268,451</u>	<u>47,172</u>	<u>23,344,436</u>	<u>23,179,025</u>	0.71%
Transfers	<u>(50,000)</u>	<u>(32,910)</u>	<u>50,000</u>	<u>32,910</u>			
Increase/(Decrease) in Net Position	<u>\$ 541,685</u>	<u>\$ 931,591</u>	<u>\$ 65,366</u>	<u>\$ (4,828)</u>	<u>\$ 607,051</u>	<u>\$ 926,763</u>	-34.50%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of governmental activities has increased by \$541,685. However, maintaining existing programs the provision of a multitude of special programs/services for disabled students and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	\$ 12,173,293	\$ 11,707,258	\$ 8,876,434	\$ 7,643,152
Student and Instruction Services	4,624,106	5,222,886	4,533,742	5,151,317
Administrative and Business	2,123,805	2,032,651	2,052,985	1,926,815
Maintenance and Operations	2,554,293	2,592,216	2,463,729	2,592,216
Transportation	1,278,808	1,129,261	841,825	768,161
Other	321,680	447,581	321,680	442,613
	<u>\$ 23,075,985</u>	<u>\$ 23,131,853</u>	<u>\$ 19,090,395</u>	<u>\$ 18,524,274</u>

Business-Type Activities

Net position from the District's business-type activities increased \$65,366 due to the District participating in the child nutrition program in the Food Service Fund. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial position in the General Fund decreased \$69,158. This was primarily due to the transfer of capital reserve funds to the Capital Projects Fund.

To maintain a stable financial position, the District must continue to practice sound fiscal management. The District had the luxury in past years of using excess fund balance to reduce the taxes for the ensuing school year. The District has taken measures to reduce expenses and plans to not be dependent on excess fund balance going forward.

General Fund Budgetary Highlights

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

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

Capital Asset and Long-Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025
Land	\$ 8,567,700	\$ 8,567,700			\$ 8,567,700	\$ 8,567,700	
Construction in Progress	70,800				70,800		
Land Improvements	546,583	580,959			546,583	580,959	
Buildings and Building Improvements	7,174,755	8,239,542			7,174,755	8,239,542	
Machinery and Equipment	662,108	409,511	\$ 72,918	\$ 9,153	735,026	418,664	
Total Capital Assets, Net of Depreciation	<u>\$ 17,021,946</u>	<u>\$ 17,797,712</u>	<u>\$ 72,918</u>	<u>\$ 9,153</u>	<u>\$ 17,094,864</u>	<u>\$ 17,806,865</u>	<u>-4.00%</u>

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

Long-term Liabilities

At year-end, the District had \$3,035,000 in general obligation bonds – a reduction of \$685,000 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025
General Obligation Bonds, (Financed with Property Taxes)	\$ 3,035,000	\$ 3,720,000	
Net Pension Liability	1,205,540	1,367,182	
Financed Purchases	250,749	126,287	
Other Long-Term Liabilities	872,433	908,668	
	<u>\$ 5,363,722</u>	<u>\$ 6,122,137</u>	<u>-12.39%</u>

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

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

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

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

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 759 Valley Road, Gillette, NJ 07933.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,815,825	\$ 56,694	\$ 1,872,519
Receivables from Federal Government	8,042	5,564	13,606
Receivables from State Government	465,827	441	466,268
Receivables - Other	38,569		38,569
Restricted Assets - Cash and Cash Equivalents	4,488,196		4,488,196
Capital Assets:			
Sites (Land) and Construction in Progress	8,567,700		8,567,700
Depreciable Land Improvements, Buildings and Building Improvements, and Machinery and Equipment	8,383,446	72,918	8,456,364
Lease Assets, Net	9,930		9,930
Total Assets	<u>23,848,335</u>	<u>135,617</u>	<u>23,983,952</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	220,820		220,820
Total Deferred Outflows of Resources	<u>220,820</u>		<u>220,820</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	154,089	519	154,608
Accrued Interest Payable	55,642		55,642
Payable to State Government	3,279		3,279
Unearned Revenue	108,423		108,423
Noncurrent Liabilities:			
Due Within One Year	913,594	12,612	926,206
Due Beyond One Year	4,394,291	43,225	4,437,516
Total Liabilities	<u>5,629,318</u>	<u>56,356</u>	<u>5,685,674</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	511,708		511,708
Total Deferred Outflows of Resources	<u>511,708</u>		<u>511,708</u>
NET POSITION			
Net Investment in Capital Assets	13,401,662	17,081	13,418,743
Restricted for:			
Capital Projects	3,159,896		3,159,896
Maintenance	1,294,493		1,294,493
Emergency	250,000		250,000
Unemployment Compensation	251,622		251,622
Student Activities	19,385		19,385
Excess Surplus	660,000		660,000
Unrestricted/(Deficit)	(1,108,929)	62,180	(1,046,749)
Total Net Position	<u>\$ 17,928,129</u>	<u>\$ 79,261</u>	<u>\$ 18,007,390</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Governmental Activities	Business-type Activities	Total
			Grants and Contributions			
Governmental Activities:						
Instruction:						
Regular	\$ 8,773,532	\$ 178,900	\$ 955,735	\$ (7,638,897)	\$ (7,638,897)	
Special Education	2,721,498	95,587	1,993,658	(632,253)	(632,253)	
Other Special Instruction	461,074		72,979	(388,095)	(388,095)	
Other Instruction	217,189			(217,189)	(217,189)	
Support Services:						
Tuition	641,855			(641,855)	(641,855)	
Student & Instruction Related Services	3,982,251	96,119	(5,755)	(3,891,887)	(3,891,887)	
General Administrative Services	589,772		(1,341)	(591,113)	(591,113)	
School Administrative Services	999,885		73,666	(926,219)	(926,219)	
Central Services	495,731		(1,374)	(497,105)	(497,105)	
Administration Information Technology	38,417		(131)	(38,548)	(38,548)	
Plant Operations and Maintenance	2,554,293	58,326	32,238	(2,463,729)	(2,463,729)	
Pupil Transportation	1,278,808	69,747	367,236	(841,825)	(841,825)	
Transfer to Charter Schools	35,303			(35,303)	(35,303)	
Interest on Long-Term Debt	69,565			(69,565)	(69,565)	
Capital Outlay	216,812			(216,812)	(216,812)	
Total Governmental Activities	23,075,985	498,679	3,486,911	(19,090,395)		(19,090,395)

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 268,451	\$ 195,700	\$ 88,117	\$	\$ 15,366	\$ 15,366
Total Business-Type Activities	268,451	195,700	88,117		15,366	15,366
Total Primary Government	\$ 23,344,436	\$ 694,379	\$ 3,575,028	\$ (19,090,395)	\$ 15,366	(19,075,029)
General Revenues and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				18,487,575		18,487,575
Taxes Levied for Debt Service				824,998		824,998
Interest and Unrestricted Miscellaneous Revenue				355,479		355,479
Restricted Miscellaneous Revenue				14,028		14,028
Transfers				(50,000)	50,000	
Total General Revenues and Transfers				19,632,080	50,000	19,682,080
Change in Net Position				541,685	65,366	607,051
Net Position - Beginning				17,386,444	13,895	17,400,339
Net Position - Ending				\$ 17,928,129	\$ 79,261	\$ 18,007,390

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

FUND FINANCIAL STATEMENTS

LONG HILL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS

Cash and Cash Equivalents
Receivables from State Government
Receivables from Federal Government
Other Accounts Receivable
Restricted Cash and Cash Equivalents

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities:
Accounts Payable - Vendors
Payable to State Government
Unearned Revenue

Total Liabilities

Fund Balances:
Restricted:
Capital Reserve Account
Maintenance Reserve Account
Emergency Reserve Account
Excess Surplus - 2026-2027
Excess Surplus - 2025-2026
Unemployment
Student Activities
Committed:
Capital Projects Fund

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,322,743	\$ 5,882	\$ 487,200	\$ 1,815,825
465,827			465,827
35,291	8,042		8,042
4,468,811	3,278		38,569
	19,385		4,488,196
<u>\$ 6,292,672</u>	<u>\$ 36,587</u>	<u>\$ 487,200</u>	<u>\$ 6,816,459</u>
\$ 5,149			\$ 5,149
94,500	\$ 3,279		3,279
	13,923		108,423
99,649	17,202		116,851
2,672,696			2,672,696
1,294,493			1,294,493
250,000			250,000
330,000			330,000
330,000			330,000
251,622			251,622
	19,385		19,385
		\$ 487,200	487,200

LONG HILL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Fund Balances (Cont'd):				
Assigned:				
Year-End Encumbrances	\$ 347,013			\$ 347,013
Unassigned:				
General Fund	717,199			717,199
Total Fund Balances	6,193,023	\$ 19,385	\$ 487,200	6,699,608
Total Liabilities and Fund Balances	<u>\$ 6,292,672</u>	<u>\$ 36,587</u>	<u>\$ 487,200</u>	

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

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

17,021,946

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

9,930

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

(55,642)

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

(396,221)

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

(1,205,540)

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

Deferred Outflows - Pensions
Deferred Inflows - Pensions

71,880
(511,708)

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

(3,706,124)

Net Position of Governmental Activities

\$ 17,928,129

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 18,487,575			\$ 824,998	\$ 19,312,573
Transportation Fees from Individuals	69,747				69,747
Tuition	274,487				274,487
Rents and Royalties	58,326				58,326
Interest Earned on Maintenance Reserve Funds	837				837
Interest on Capital Reserve Funds	1,788				1,788
Restricted Miscellaneous	14,028	\$ 96,119			110,147
Unrestricted Miscellaneous	352,854	18,521			371,375
Total - Local Sources	19,259,642	114,640		824,998	20,199,280
State Sources	6,001,616	66,538			6,068,154
Federal Sources		295,355			295,355
Total Revenues	25,261,258	476,533		824,998	26,562,789
EXPENDITURES					
Current:					
Regular Instruction	5,756,830	113,367			5,870,197
Special Education Instruction	1,526,751	237,761			1,764,512
Other Special Instruction	264,457				264,457
Other Instruction	204,975				204,975
Support Services and Undistributed Costs:					
Tuition	641,855				641,855
Student & Instruction Related Services	2,929,259	101,079			3,030,338
General Administrative Services	476,131				476,131
School Administrative Services	659,083				659,083

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

EXPENDITURES	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Central Services	\$ 356,439				\$ 356,439
Administration Information Technology	28,879				28,879
Plant Operations and Maintenance	2,293,475				2,293,475
Pupil Transportation	1,273,726				1,273,726
Unallocated Benefits	7,430,403				7,430,403
Debt Service:					
Principal				\$ 685,000	685,000
Interest and Other Charges				148,800	148,800
Capital Outlay	844,850	\$ 29,286	\$ 70,800		944,936
Transfer of Funds to Charter Schools	35,303				35,303
Total Expenditures	24,722,416	481,493	70,800	833,800	26,108,509
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	538,842	(4,960)	(70,800)	(8,802)	454,280
OTHER FINANCING SOURCES/(USES):					
Transfers In/(Out)	(608,000)		558,000		(50,000)
Total Other Financing Sources/(Uses)	(608,000)	-0-	558,000	-0-	(50,000)
Net Change in Fund Balances	(69,158)	(4,960)	487,200	(8,802)	404,280
Fund Balance—July 1	6,262,181	24,345		8,802	6,295,328
Fund Balance—June 30	\$ 6,193,023	\$ 19,385	\$ 487,200	\$ -0-	\$ 6,699,608

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 404,280

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

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

Capital Asset Additions	\$	591,369
Depreciation		<u>(1,367,135)</u>
		(775,766)

Capital outlays related to lease assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period. (51,452)

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. 685,000

Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 38,645

The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 99,858

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 12,558

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

Financed Purchases are an other financing source in the governmental funds. They are not revenue in the statement of activities; financed purchases increase long-term liabilities in the statement of net position.	\$ (125,344)
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.	56,719
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	161,642
Change in Deferred Outflows	(19,388)
Change in Deferred Inflows	157,201
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(102,268)
Change in Net Position of Governmental Activities (A-2)	<u>\$ 541,685</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<u>Business-type Activities - Enterprise Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 56,694
Accounts Receivable:	
State	441
Federal	5,564
Total Current Assets	<u>62,699</u>
Non-Current Assets:	
Capital Assets	84,015
Less: Accumulated Depreciation	<u>(11,097)</u>
Total Non-Current Assets	<u>72,918</u>
Total Assets	<u>135,617</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	<u>519</u>
Total Current Liabilities	<u>519</u>
Long-Term Liabilities:	
Financed Purchases Payable:	
Due Within One Year	12,612
Due Beyond One Year	<u>43,225</u>
Total Long-Term Liabilities	<u>55,837</u>
Total Liabilities	<u>56,356</u>
NET POSITION:	
Net Investment in Capital Assets	17,081
Unrestricted	<u>62,180</u>
Total Net Position	<u>\$ 79,261</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Business-type Activities - Enterprise Fund</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	\$ 195,700
Total Operating Revenue	<u>195,700</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	185,103
Salaries, Benefits, and Taxes	43,957
Depreciation	7,994
Miscellaneous Expenses	29,146
Total Operating Expenses	<u>266,200</u>
Operating (Loss)	<u>(70,500)</u>
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	72,645
Healthy Hunger Free Kids Act	3,838
Supply Chain Assistance Program	5,547
State Sources:	
State School Lunch Program	3,557
State Extended Income Eligibility - Lunch	2,330
Local Sources:	
Interest	200
Total Non-Operating Revenue	<u>88,117</u>
Non-Operating Expense:	
Interest Expense on Financed Purchases	2,251
Total Non-Operating Expenses	<u>2,251</u>
Change in Net Position Before Transfer	15,366
Transfer - General Fund - Board Resolution	<u>50,000</u>
Change in Net Position	65,366
Net Position - Beginning of Year	<u>13,895</u>
Net Position - End of Year	<u>\$ 79,261</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 195,700
Payments to Food Service Vendors	(185,103)
Payments for Salaries - District Employee	(43,957)
Miscellaneous Expenses	(2,123)
Payments of Suppliers	(26,545)
Net Cash (Used for) Operating Activities	(62,028)
Cash Flows from Capital Financing Activities:	
Financed Purchase Payments - Principal	(14,163)
Financed Purchase Payments - Interest	(2,251)
Financed Purchase Proceeds	70,000
Acquisition of Equipment	(71,759)
Net Cash (Used for) Capital Financing Activities	(18,173)
Cash Flows from Noncapital Financing Activities:	
Cash Received from State Sources	5,446
Cash Received from Federal Sources	77,563
Board Contribution - General Fund	50,000
Net Cash Provided by Noncapital Financing Activities	133,009
Cash Flows from Investing Activities:	
Interest	200
Net Cash Provided by Investing Activities	200
Net Increase in Cash and Cash Equivalents	53,008
Cash and Cash Equivalents, July 1	3,686
Cash and Cash Equivalents, June 30	\$ 56,694
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (70,500)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	7,994
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	478
Net Cash (Used for) Operating Activities	\$ (62,028)

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 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 year).

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 25,276,350	\$ 480,055
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis recognizes Encumbrances as Revenue and		
Expenditures, while the GAAP Basis does not.		
Prior Year Encumbrances		9,149
Current Year Encumbrances		(15,857)
Prior Year State Aid Payments Recognized for GAAP Statements, not		
Recognized for Budgetary Purposes	118,101	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	(133,193)	
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,261,258</u>	<u>\$ 473,347</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 24,722,416	\$ 485,015
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but		
Not Received are Reported in the Year the Order is Placed for		
Budgetary Purposes, but in the Year the Supplies are Received		
for Financial Reporting Purposes.		(6,708)
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,722,416</u>	<u>\$ 478,307</u>
	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Revenue and Fund Balance per Summary Schedule of Revenue,		
Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 930,000	\$ 859,200
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grant Revenue/Receivable not Recognized on GAAP Basis	(372,000)	(372,000)
Revenue and Fund Balance per Governmental Funds (GAAP)	<u>\$ 558,000</u>	<u>\$ 487,200</u>

E. Cash and Cash Equivalents and Investments:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

H. Encumbrances: (Cont'd)

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

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

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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 premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

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

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$6,193,023 General Fund fund balance at June 30, 2025, \$2,672,696 is restricted in the capital reserve account; \$1,294,493 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$251,622 is restricted for unemployment compensation; \$330,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$330,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2027; \$347,013 is assigned for encumbrances; and \$717,199 is unassigned which is \$133,193 less than the calculated maximum unassigned fund balance, on a Budgetary Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026 on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2025 of \$19,385 is restricted for student activities.

Capital Projects Fund: The \$487,200 fund balance in the Capital Projects Fund at June 30, 2025 is committed, which is \$372,000 less on a GAAP basis due to the NJ SDA grants which have not been recognized on a GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2025 is \$-0-.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$133,193 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: (Cont'd)

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

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,108,929 in governmental activities, which is primarily due to compensated absences payable and net pension liability and related deferred liabilities and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

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

The District has deferred outflows related to pensions. The District had deferred inflows of resources at June 30, 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 of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Fund balance restrictions have been established for excess surplus, a maintenance reserve, a capital reserve, an emergency reserve, unemployment compensation, and student activities. The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had 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 encumbrances in the General Fund at June 30, 2025.

X. Operating Revenue and Expenses:

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

Y. Revenue - Exchange and Nonexchange Transactions:

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 1,872,519	\$ 4,488,196	\$ 6,360,715
	<u>\$ 1,872,519</u>	<u>\$ 4,488,196</u>	<u>\$ 6,360,715</u>

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 \$6,360,715 and the bank balance was \$6,852,893.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

Beginning Balance, July 1, 2024	\$ 3,036,222
Add:	
Interest Earnings	\$ 1,788
Unexpended Balance Returned - Capital Outlay	284,554
Transfer by Board Resolution - June 2025	908,132
	<u>1,194,474</u>
	4,230,696
Less:	
Budgeted Withdrawal	(1,000,000)
Board Resolution - Capital Projects Fund	(558,000)
	<u>(1,558,000)</u>
Ending Balance, June 30, 2025	<u>\$ 2,672,696</u>

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025, there were no transfers which required County Superintendent approval.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Long Hill Township School District. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

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

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

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

Beginning Balance, July 1, 2024		\$ 960,976
Add:		
Interest Earnings	\$ 837	
Transfer by Board Resolution - June 2025	<u>432,680</u>	
		<u>433,517</u>
		1,394,493
Budgeted Withdrawal		<u>(100,000)</u>
Ending Balance, June 30, 2025		<u><u>\$ 1,294,493</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 8,567,700			\$ 8,567,700
Contruction in Progress		\$ 70,800		70,800
Total Capital Assets Not Being Depreciated	8,567,700	70,800		8,638,500
Capital Assets Being Depreciated:				
Land Improvement	687,553			687,553
Buildings and Building Improvements	37,739,792	181,094		37,920,886
Machinery and Equipment	976,942	339,475		1,316,417
Total Capital Assets Being Depreciated	39,404,287	520,569		39,924,856
Governmental Activities Capital Assets	47,971,987	591,369		48,563,356
Less Accumulated Depreciation for:				
Land Improvement	(106,594)	(34,376)		(140,970)
Buildings and Building Improvements	(29,500,250)	(1,245,881)		(30,746,131)
Machinery and Equipment	(567,431)	(86,878)		(654,309)
	(30,174,275)	(1,367,135)		(31,541,410)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 17,797,712	\$ (775,766)	\$ -0-	\$ 17,021,946
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 12,256	\$ 71,759		\$ 84,015
Less Accumulated Depreciation	(3,103)	(7,994)		(11,097)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 9,153	\$ 63,765	\$ -0-	\$ 72,918

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

As of June 30, 2025, the District did not have active capital construction projects in process. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 519,903
Special Education	175,368
Other Instruction	4,909
Student and Instructional Support Services	322,510
General Administrative	43,000
School Administrative	59,522
Central Services	32,190
Administration Information Technology	2,608
Plant Operations and Maintenance	207,125
	<u>\$ 1,367,135</u>

NOTE 8. LEASE ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 184,145			\$ 184,145
Total Lease Assets Being Amortized	<u>184,145</u>			<u>184,145</u>
Governmental Activities Lease Assets	<u>184,145</u>			<u>184,145</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(122,763)	\$ (51,452)		(174,215)
	<u>(122,763)</u>	<u>(51,452)</u>		<u>(174,215)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 61,382</u>	<u>\$ (51,452)</u>	<u>\$ -0-</u>	<u>\$ 9,930</u>

Amortization expense was charged to the governmental function regular instruction is \$51,452.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. 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	Accrued	Retired	Balance 6/30/2025
Serial Bonds Payable	\$ 3,720,000		\$ 685,000	\$ 3,035,000
Financed Purchases Payable	126,287	\$ 195,344	70,882	250,749
Leases Payable	65,217		38,645	26,572
Compensated Absences Payable	347,372	102,268		449,640
Net Pension Liability	1,367,182		161,642	1,205,540
Bond Issuance Premium	496,079		99,858	396,221
	<u>\$ 6,122,137</u>	<u>\$ 297,612</u>	<u>\$ 1,056,027</u>	<u>\$ 5,363,722</u>

A. Bonds Premium:

The Unamortized bond issuance premium of the governmental fund types is recorded in the non-current liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$99,858 and the long-term portion is \$296,363.

B. Bonds Payable:

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

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

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds of 2022	1/15/2029	4.00%	\$ 3,035,000
			<u>\$ 3,035,000</u>

The current portion of bonds payable at June 30, 2025 is \$720,000.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Bonds Payable: (Cont'd)

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 720,000	\$ 121,400	\$ 841,400
2027	740,000	92,600	832,600
2028	775,000	63,000	838,000
2029	800,000	32,000	832,000
	<u>\$ 3,035,000</u>	<u>\$ 309,000</u>	<u>\$ 3,344,000</u>

C. Bonds Authorized But Not Issued:

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term portion of compensated absences is \$449,640. There is no current portion of the compensated absences liability at June 30, 2025. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the Food Service Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$1,205,540. See Note 11 for further information on the PERS.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

F. Leases Payable:

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

<u>Purpose</u>	<u>Commencement Date</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Copiers	03/18/21	Monthly	02/18/26	3.85%	<u>\$ 26,572</u>
					<u>\$ 26,572</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	<u>\$ 26,572</u>	<u>\$ 372</u>
	<u>\$ 26,572</u>	<u>\$ 372</u>

G. Financed Purchases Payable

The District has a financed purchase agreement for lighting fixtures in the gymnasium, JCP&L Direct Install of Remote Terminal Unit and Food Service Fund Cafeteria heated cabinets. The District has entered into financed purchase agreements for \$405,823 of which \$155,074 has been liquidated as of June 30, 2025. A schedule of the future minimum financed purchase payments under this financed purchase, and the present value of the net minimum financed purchase payments at June 30, 2025 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 83,579
2027	83,578
2028	41,482
2029	41,482
2030	<u>10,446</u>
Total Minimum Lease Payments	260,567
Less: Amount Representing Interest	<u>(9,818)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 250,749</u>

The current portion for the financed purchase payable is \$70,882 and the long-term portion is \$179,867. The financed purchase will be liquidated by the General Fund and Food Service Fund.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the Emergency Reserve Account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 250,000
Ending Balance, June 30, 2025	<u>\$ 250,000</u>

NOTE 11. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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.

District contributions to PERS amounted to \$119,558 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$3,887 to the PERS for normal pension benefits on behalf of the District.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Special Funding Situation

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

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

At June 30, 2025, the District reported a liability of \$1,205,540 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 0.00887%, which was a decrease of 0.0006% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit of \$178,729 for PERS. Additionally, for the fiscal year ended June 30, 2025, the State recognized pension expense for PERS on behalf of the District in the amount of \$3,887 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.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ (8,760)
	2021	5.13	\$ 1,498	
	2022	5.04		(4,956)
			<u>1,498</u>	<u>(13,716)</u>
Changes in Proportion	2020	5.21		(14,773)
	2021	5.16		(4,454)
	2022	5.13	46,233	
	2023	5.04		(350,518)
	2024	5.08		(69,140)
			<u>46,233</u>	<u>(438,885)</u>
Net Difference Between Projected and Actual	2021	5.00		(82,753)
Investment Earnings on Pension Plan Investments	2022	5.00		131,274
	2023	5.00		(34,042)
	2024	5.00		(70,377)
			<u></u>	<u>(55,898)</u>
Difference Between Expected and Actual	2020	5.21	488	
Experience	2021	5.16		(1,191)
	2022	5.13		(2,018)
	2023	5.04	6,201	
	2024	5.08	17,460	
			<u>24,149</u>	<u>(3,209)</u>
District Contribution Subsequent to the				
Measurement Date	2024	1.00	148,940	
			<u>\$ 220,820</u>	<u>\$ (511,708)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (51,183)
2026	39,605
2027	(22,786)
2028	(13,154)
2029	342
	<u>\$ (47,176)</u>

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:

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 HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
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%
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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2024		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 1,601,867	\$ 1,205,540	\$ 868,269

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$2,764,187 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of \$114,886.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2025, the District reported a liability of \$31,494,062 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The net pension liability was measured as of June 30, 2024, and 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 0.0637%, which was an increase of 0.0006% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>31,494,062</u>
Total	<u><u>\$ 31,494,062</u></u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$114,886 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
			<u></u>	<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
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)
	<u>\$ (9,436,989,313)</u>

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.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF target asset allocation as of June 30, 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 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%
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 7.0% 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 all projected benefit payments in determining the total pension liability.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

	June 30, 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	\$ 37,435,151	\$ 31,494,062	\$ 26,490,542

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$38,650 for the year ended June 30, 2025. Employee contributions to DCRP amounted to \$52,484 for the year ended June 30, 2025.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual 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 [www.nj.gov/ treasury/pensions/gasb-notices-opeb.shtml](http://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:

Retiree Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	<u>372,741</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 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.

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. 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 Associated with the District

	Total OPEB Liability
Balance at June 30, 2023	\$ 29,168,941
Changes for Year:	
Service Cost	1,163,743
Interest Cost	1,079,345
Differences between Expected and Actual Experience	(279,756)
Changes in Assumptions	2,453,073
Member Contributions	28,225
Gross Benefit Payments	(824,313)
Net Changes	3,620,317
Balance at June 30, 2024	\$ 32,789,258

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 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	\$ 38,403,243	\$ 32,789,258	\$ 28,224,976

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

The information on the following page shows the total nonemployer OPEB Liability attributable to the District as of June 30, 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	\$ 27,313,691	\$ 32,789,258	\$ 39,921,546

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 \$757,830 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 had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 628,821
	2018	9.51		767,687
	2019	9.29	\$ 121,120	
	2020	9.24	3,124,358	
	2021	9.24	18,455	
	2022	9.13		5,014,292
	2023	9.30	45,538	
	2024	9.33	2,190,149	
			<u>5,499,620</u>	<u>6,410,800</u>
Differences between Expected and Actual Experience	2018	9.51		725,703
	2019	9.29		1,425,588
	2020	9.24	2,912,024	
	2021	9.24		3,549,046
	2022	9.13	516,400	
	2023	9.30		423,030
	2024	9.33	78,001	
			<u>3,506,425</u>	<u>6,123,367</u>
Changes in Proportion	N/A	N/A	<u>326,222</u>	<u>1,594,494</u>
			<u>\$ 9,332,267</u>	<u>\$ 14,128,661</u>

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

Fiscal Year Ending June 30,	Total
2025	\$ (1,163,073)
2026	(975,244)
2027	(463,210)
2028	121,740
2029	(845,270)
Thereafter	<u>(203,065)</u>
	<u>\$ (3,528,122)</u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. 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 not experienced any insurance settlements that have exceeded coverage for any of the previous three fiscal years. The District maintains commercial insurance coverage for property, liability and individual surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this annual comprehensive financial report. Health benefits are provided to District employees through Horizon Blue Cross/Blue Shield and dental benefits are provided through Delta Dental.

Property and Liability

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

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

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

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

	<u>Morris Essex Insurance Group</u>
Total Assets	\$ 12,155,134
Net Position	\$ 7,171,024
Total Revenue	\$ 4,993,509
Total Expenses	\$ 4,260,396
Change in Net Position	\$ 733,113
Net Position Distribution to Participating Members	\$ 907,007

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Property, Liability and Health Benefits

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025	\$ 30,115	\$ 16,087	\$ 251,622
2024	54,820	44,680	237,594
2023	22,129	10,612	227,454

NOTE 14. ECONOMIC DEPENDENCY

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables and payables as of June 30, 2025.

NOTE 16. DEFERRED COMPENSATION

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

AXA Equitable
Variable Annuity Life Insurance Company (VALIC)
Aspire

NOTE 17. TAX CALENDAR

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Programs:

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

Encumbrances:

The following encumbrance balances existed as of June 30, 2025:

	Governmental Funds		
	General Fund	Special Revenue Fund	Capital Projects Fund
			Total Governmental Funds
Encumbrances	\$ 347,013	\$ 15,857	\$ 628,000
			\$ 990,870

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$0 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$15,857 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The Capital Projects Fund has encumbrances of \$628,000 which are included in the committed fund balance on the Governmental Funds Balance Sheet.

NOTE 19. ACCOUNTS PAYABLE

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

	Governmental Funds		District Contribution	Total
	General Fund	Special Revenue Fund	Subsequent to the Measurement Date	Governmental Activities
Vendors	\$ 5,149			\$ 5,149
State of New Jersey		\$ 3,279	\$ 148,940	152,219
	\$ 5,149	\$ 3,279	\$ 148,940	\$ 157,368

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0150636512%	0.0154202164%	0.0139082413%	0.0145851379%	0.0145163165%	0.0123998404%	0.0123072328%	0.01290776%	0.0094390144%	0.0088720647%
District's proportionate share of the net pension liability	\$ 3,381,488	\$ 4,567,026	\$ 3,237,616	\$ 2,871,741	\$ 2,615,620	\$ 2,022,090	\$ 1,457,976	\$ 1,947,958	\$ 1,367,182	\$ 1,205,540
District's covered employee payroll	\$ 1,038,723	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709	\$ 782,998	\$ 819,233
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	325.54%	460.06%	337.42%	300.86%	289.18%	232.94%	150.20%	237.06%	174.61%	147.15%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 129,507	\$ 136,991	\$ 128,845	\$ 145,075	\$ 142,100	\$ 135,649	\$ 144,132	\$ 162,773	\$ 124,988	\$ 119,558
Contributions in relation to the contractually required contribution	(129,507)	(136,991)	(128,845)	(145,075)	(142,100)	(135,649)	(144,132)	(162,773)	(124,988)	(119,558)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 992,699	\$ 959,527	\$ 954,517	\$ 904,491	\$ 868,071	\$ 970,692	\$ 821,709	\$ 782,998	\$ 819,233	\$ 934,180
Contributions as a percentage of covered employee payroll	13.05%	14.28%	13.50%	16.04%	16.37%	13.97%	17.54%	20.79%	15.26%	12.80%

LONG HILL TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT - TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.0626910940%	0.0673556169%	0.0675625112%	0.0643526151%	0.0657441105%	0.0657667367%	0.0661894929%	0.0632284117%	0.0631564439%	0.0637207770%
State's proportionate share of the net pension liability attributable to the District	\$ 39,623,449	\$ 52,986,217	\$ 45,553,081	\$ 40,939,751	\$ 40,347,781	\$ 43,306,605	\$ 31,820,724	\$ 32,622,330	\$ 32,230,419	\$ 31,494,062
District's covered employee payroll	\$ 6,604,240	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355	\$ 7,789,801	\$ 8,093,205
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	599.97%	802.31%	670.51%	586.16%	573.08%	613.74%	454.25%	433.73%	413.75%	389.14%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 2,419,368	\$ 3,981,177	\$ 3,155,687	\$ 2,386,644	\$ 2,379,820	\$ 2,692,989	\$ 748,756	\$ 877,958	\$ 791,808	\$ (114,886)
Contributions in relation to the contractually required contribution	(904,010)	(1,201,443)	(1,681,149)	(1,293,028)	(1,442,517)	(1,924,048)	(2,602,897)	(2,581,873)	(2,715,355)	(2,730,365)
Contribution deficiency/(excess)	\$ 1,515,358	\$ 2,779,734	\$ 1,474,538	\$ 1,093,616	\$ 937,303	\$ 768,941	\$ (1,854,141)	\$ (1,703,915)	\$ (1,923,547)	\$ (2,845,251)
District's covered employee payroll	\$ 6,604,240	\$ 6,793,820	\$ 6,984,419	\$ 7,040,489	\$ 7,056,140	\$ 7,005,158	\$ 7,521,355	\$ 7,789,801	\$ 8,093,205	\$ 8,233,054
Contributions as a percentage of covered employee payroll	36.63%	58.60%	45.18%	33.90%	33.73%	38.44%	9.96%	11.27%	9.78%	-1.40%

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

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 1,264,188	\$ 1,048,075	\$ 941,188	\$ 1,002,530	\$ 1,783,723	\$ 1,498,135	\$ 1,157,040	\$ 1,163,743
Interest Cost	1,014,047	1,173,806	1,068,273	858,469	855,778	746,657	1,027,294	1,079,345
Change of Benefit Terms					(35,113)			
Differences between Expected and Actual Experience		(3,495,423)	(4,829,278)	5,684,545	(6,618,143)	1,214,372	(474,280)	(279,756)
Changes in Assumptions	(4,148,799)	(3,100,045)	355,456	6,872,389	32,546	(7,558,079)	58,793	2,453,073
Member Contributions	27,365	24,966	21,693	19,852	21,878	23,726	26,326	28,225
Gross Benefit Payments	(743,167)	(722,357)	(731,816)	(654,982)	(674,113)	(739,586)	(800,793)	(824,313)
Net Change in Total OPEB Liability	(2,586,366)	(5,070,978)	(3,174,484)	13,782,803	(4,633,444)	(4,814,775)	994,380	3,620,317
Total OPEB Liability - Beginning	34,671,805	32,085,439	27,014,461	23,839,977	37,622,780	32,989,336	28,174,561	29,168,941
Total OPEB Liability - Ending	<u>\$ 32,085,439</u>	<u>\$ 27,014,461</u>	<u>\$ 23,839,977</u>	<u>\$ 37,622,780</u>	<u>\$ 32,989,336</u>	<u>\$ 28,174,561</u>	<u>\$ 29,168,941</u>	<u>\$ 32,789,258</u>
District's Covered Employee Payroll*	\$ 7,596,939	\$ 7,753,347	\$ 7,938,936	\$ 7,944,980	\$ 7,924,211	\$ 7,975,850	\$ 8,343,064	\$ 8,572,799
Total OPEB Liability as a Percentage of Covered Employee Payroll	422%	348%	300%	474%	416%	353%	350%	382%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2024 are 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.

LONG HILL TOWNSHIP 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, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 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

LONG HILL TOWNSHIP SCHOOL 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	\$ 18,487,575		\$ 18,487,575	\$ 18,487,575	
Tuition From Individuals	180,000		180,000	178,900	\$ (1,100)
Tuition From Other LEAs Within the State	135,000		135,000	95,587	(39,413)
Transportation Fees From Individuals	54,000		54,000	69,747	15,747
Rents and Royalties	25,000		25,000	58,326	33,326
Unrestricted Miscellaneous Revenues	98,403		98,403	352,854	254,451
Interest Earned on Maintenance Reserve	837		837	837	
Interest Earned on Capital Reserve Funds	1,788		1,788	1,788	
Other Restricted Miscellaneous Revenues				14,028	14,028
Total Revenues from Local Sources	18,982,603		18,982,603	19,259,642	277,039
Revenues from State Sources:					
Categorical Transportation Aid	330,906		330,906	330,906	
Categorical Special Education Aid	994,255		994,255	994,255	
Categorical Security Aid	88,345		88,345	88,345	
Extraordinary Aid				391,672	391,672
Non-Public Transportation Aid				36,426	36,426
Menstrual Product Reimbursement				5,978	5,978
State Reimbursement for Lead Testing of Drinking Water				3,415	3,415
TPAF Post Retirement Medical Contributions (Non-Budgeted)				807,698	807,698
TPAF Pension Contributions (Non-Budgeted)				2,730,365	2,730,365
TPAF Non-Contributory Insurance (Non-Budgeted)				33,822	33,822
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,318	1,318
Reimbursed TPAF Social Security Contributions				592,508	592,508
Total Revenues from State Sources	1,413,506		1,413,506	6,016,708	4,603,202
TOTAL REVENUE	20,396,109		20,396,109	25,276,350	4,880,241

LONG HILL TOWNSHIP SCHOOL 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
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 170,780	\$ (2,045)	\$ 168,735	\$ 164,494	\$ 4,241
Kindergarten - Salaries of Teachers	436,245	1,377	437,622	425,204	12,418
Grades 1-5 - Salaries of Teachers	2,697,933	(1,050)	2,696,883	2,693,126	3,757
Grades 6-8 - Salaries of Teachers	1,644,532	7,765	1,652,297	1,629,454	22,843
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	1,859	3,141
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	5,640		5,640	2,000	3,640
Other Purchased Services (400-500 series)	77,369	(1,267)	76,102	71,934	4,168
General Supplies	603,340	213,557	816,897	768,188	48,709
Textbooks	500	72	572	71	501
Other Objects	9,952	(6,196)	3,756	500	3,256
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,651,291	212,213	5,863,504	5,756,830	106,674
SPECIAL EDUCATION - INSTRUCTION					
Emotional Regulation Impairment:					
Salaries of Teachers	170,500	1,775	172,275	172,275	
Other Salaries for Instruction	44,508		44,508	44,508	
General Supplies	1,597	4,860	6,457	3,498	2,959
Total Emotional Regulation Impairment	216,605	6,635	223,240	220,281	2,959
Resource Room/Resource Center:					
Salaries of Teachers	1,141,018	(30,781)	1,110,237	1,087,957	22,280
General Supplies	8,006	7,655	15,661	12,826	2,835
Total Resource Room/Resource Center	1,149,024	(23,126)	1,125,898	1,100,783	25,115

LONG HILL TOWNSHIP SCHOOL 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
Autism:					
Salaries of Teachers	\$ 60,400	\$ (110)	\$ 60,290	\$ 58,830	\$ 1,460
Other Salaries for Instruction	46,753	200	46,953	46,598	355
General Supplies	1,900	(734)	1,166	1,166	
Total Autism	109,053	(644)	108,409	106,594	1,815
Preschool Disabilities - Part-Time:					
Salaries of Teachers	70,297	(70,297)			
Other Salaries for Instruction	46,551	(46,551)			
General Supplies	2,500	(2,500)			
Total Preschool Disabilities - Part-Time	119,348	(119,348)			
Preschool Disabilities - Full-Time:					
Salaries of Teachers		84,482	84,482	50,342	34,140
Other Salaries for Instruction		46,643	46,643	46,643	
General Supplies		2,108	2,108	2,108	
Total Preschool Disabilities - Full-Time		133,233	133,233	99,093	34,140
Home Instruction:					
Salaries of Teachers	4,000	(4,000)			
Total Home Instruction	4,000	(4,000)			
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,598,030	(7,250)	1,590,780	1,526,751	64,029
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	268,958	(4,795)	264,163	262,862	1,301
General Supplies	1,200	395	1,595	1,595	
Total Basic Skills/Remedial - Instruction	270,158	(4,400)	265,758	264,457	1,301

LONG HILL TOWNSHIP SCHOOL 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
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 149,430	\$ 500	\$ 149,930	\$ 149,930	
General Supplies	500	25	525	525	
Total Bilingual Education - Instruction	149,930	725	150,655	150,622	\$ 33
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	35,815		35,815	21,681	14,134
Purchased Services (300-500 series)	2,890		2,890	460	2,430
Supplies and Materials	2,400		2,400	1,379	1,021
Other Objects	500	748	1,248	1,248	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	41,605	748	42,353	24,768	17,585
School-Sponsored Athletics - Instruction:					
Salaries	37,450	2,580	40,030	28,620	11,410
Other Objects	10,000	(360)	9,640		9,640
Total School-Sponsored Athletics - Instruction	47,450	3,185	50,635	29,585	21,050
TOTAL INSTRUCTION	7,758,464	205,221	7,963,685	7,753,013	210,672
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	500,370	(244,310)	256,060	214,820	41,240
Tuition to Priv. Sch. for the Handicap. W/I State	423,504	11,835	435,339	427,035	8,304
Total Undistributed Expenditures - Instruction	923,874	(232,475)	691,399	641,855	49,544
Undistributed Expenditures - Health Services:					
Salaries	305,585	7,529	313,114	307,374	5,740
Purchased Professional and Technical Services	5,600	(610)	4,990	3,051	1,939
Supplies and Materials	6,130	6,685	12,815	12,450	365
Total Undist. Expenditures - Health Services	317,315	13,633	330,948	322,904	8,044

LONG HILL TOWNSHIP SCHOOL 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 - Speech, OT, PT, Related Services:					
Salaries	\$ 364,600	\$ (13,116)	\$ 351,484	\$ 347,680	\$ 3,804
Purchased Professional - Educational Services	35,770	5,546	41,316	39,124	2,192
Supplies and Materials	3,410	489	3,899	3,839	60
Other Objects	750	(200)	550	208	342
Total Undist. Expend. - Speech, OT, PT, Related Services	404,530	(7,281)	397,249	390,851	6,398
Undistributed Expenditures - Other Supp.Serv.Students-Extra. Services:					
Salaries	804,671	29,661	834,332	833,909	423
Purchased Professional - Educational Services	189,370	79,963	269,333	219,245	50,088
Supplies and Materials	9,330	(3,084)	6,246	3,317	2,929
Other Objects		40,000	40,000	13,693	26,307
Total Undistributed Expenditures - Other Supp. Srvs. Students - Extra.	1,003,371	146,540	1,149,911	1,070,164	79,747
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	224,622	7,616	232,238	231,926	312
Supplies and Materials	400		400	309	91
Total Undist Expend. - Guidance	225,022	7,616	232,638	232,235	403
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	462,701	(15,452)	447,249	418,371	28,878
Salaries of Secretarial and Clerical Assistants	71,841		71,841	71,400	441
Other Purchased Prof. and Tech. Services	14,778	651	15,429	15,429	
Other Purchased Services (400-500 series)	920		920	665	255
Supplies and Materials	6,247	2,475	8,722	5,800	2,922
Other Objects	1,460		1,460	1,435	25
Total Undistributed Expenditures - Child Study Team	557,947	6,709	564,656	532,135	32,521

LONG HILL TOWNSHIP SCHOOL 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 - Improv. of Inst. Services:					
Salaries of Supervisors of Instruction	\$ 78,446		\$ 78,446	\$ 78,446	
Salaries of Other Professional Staff	7,000	\$ (209)	6,791	5,530	\$ 1,261
Salaries of Secretarial and Clerical Assistants	33,160		33,160	33,160	
Total Undist. Expend.-Improv. of Inst. Services	118,606	(209)	118,397	117,136	1,261
Undistributed Expenditures - Edu. Media Services/School Library:					
Salaries	174,845	(18,263)	156,582	115,330	41,252
Salaries of Technology Coordinators	103,000		103,000	103,000	
Purchased Professional and Technical Services	38,408	(3,013)	35,395	34,175	1,220
Supplies and Materials	8,799		8,799	5,802	2,997
Total Undist. Expend.-Edu. Media Services/School Library	325,052	(21,276)	303,776	258,307	45,469
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Service		30,000	30,000	990	29,010
Other Purchased Professional and Tech. Services	950		950		950
Other Purchased Services (400-500 series)	41,375	(30,500)	10,875	4,537	6,338
Total Undistributed Expenditures - Instructional Staff Training Services	42,325	(500)	41,825	5,527	36,298

LONG HILL TOWNSHIP SCHOOL 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 - Support Services - General Admin.:					
Salaries	\$ 294,806	\$ (2,239)	\$ 292,567	\$ 290,910	\$ 1,657
Legal Services	31,011	(8,563)	22,448	15,954	6,494
Audit Fees	28,000	500	28,500	28,500	
Architectural/Engineering Services	1,500	(1,500)			
Other Purchased Professional Services	1,000	2,881	3,881	3,714	167
Communications / Telephone	69,808	14,561	84,369	75,587	8,782
BOE Other Purchased Services	3,000		3,000	2,941	59
Other Purch. Serv. (400-500 series other than 530 & 585)	8,700	(913)	7,787	4,993	2,794
General Supplies	1,650	657	2,307	2,022	285
BOE In-house training/ Meeting Supplies	450	4,534	4,984	2,734	2,250
Judgments Against The School District	66,031	(27,260)	38,771	36,022	2,749
Miscellaneous Expenditures	4,610	28,020	32,630	4,074	28,556
BOE Membership Dues and Fees	8,800		8,800	8,680	120
Total Undist. Expend. - Support Serv. - General Admin.	519,366	10,678	530,044	476,131	53,913
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals/Prog. Director	421,324		421,324	421,324	
Salaries of Secretarial and Clerical Assistants	240,578	(9,537)	231,041	229,547	1,494
Other Purchased Services (400-500 series)	3,300	239	3,539	945	2,594
Supplies and Materials	3,385	510	3,895	3,602	293
Other Objects	3,694	48	3,742	3,665	77
Total Undist. Expend. - Support Services - School Admin.	672,281	(8,740)	663,541	659,083	4,458

LONG HILL TOWNSHIP SCHOOL 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 - Central Services:					
Salaries	\$ 189,248	\$ 108,820	\$ 298,068	\$ 298,068	
Purchased Professional Services	142,454	(102,211)	40,243	31,226	\$ 9,017
Purchased Technical Services	13,275	921	14,196	14,196	
Miscellaneous Purchased Services (400-500 series other than 594)	6,855	1,178	8,033	6,465	1,568
Supplies and Materials	6,113	(1,291)	4,822	2,871	1,951
Other Objects	1,015	2,598	3,613	3,613	
Total Undist. Expend. - Central Services	358,960	10,015	368,975	356,439	12,536
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	28,750	(70)	28,680	28,534	146
Other Purchased Services (400-500 series)	500	253	753	345	408
Total Undist. Expend. - Admin. Info. Technology	29,250	183	29,433	28,879	554
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	251,616	(52,239)	199,377	134,542	64,835
General Supplies	84,854	21,700	106,554	37,370	69,184
Other Objects	1,765	5,000	6,765	4,685	2,080
Total Undist. Expend.- Required Maint. for School Facilities	338,235	(25,539)	312,696	176,597	136,099

LONG HILL TOWNSHIP SCHOOL 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 - Custodial Services:					
Salaries	\$ 124,615	\$ (16,750)	\$ 107,865	\$ 100,510	\$ 7,355
Purchased Professional and Technical Services	1,325,984	6,600	1,332,584	1,314,585	17,999
Cleaning, Repair, and Maintenance Services	17,500		17,500	15,660	1,840
Other Purchased Property Services	20,320	5,615	25,935	21,953	3,982
Insurance	257,332	(19,577)	237,755	237,755	
Miscellaneous Purchased Services	51,500	(16,218)	35,282	8,644	26,638
General Supplies	45,000	14,269	59,269	42,248	17,021
Energy (Natural Gas)	104,885	22,651	127,536	98,818	28,718
Energy (Electricity)	271,242	16,647	287,889	218,969	68,920
Energy (Gasoline)	10,000		10,000	8,593	1,407
Total Undist. Expend. - Custodial Services	2,228,378	15,437	2,243,815	2,068,385	175,430
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	7,770	(410)	7,360	6,055	1,305
Cleaning, Repair, and Maintenance Services	19,573	3,277	22,850	21,770	1,080
General Supplies	14,650	2,270	16,920	16,465	455
Other Objects	1,326	(290)	1,036	933	103
Total Care And Upkeep Of Grounds	43,319	4,847	48,166	45,223	2,943
Security:					
Purchased Professional and Technical Services		1,605	1,605	1,605	
General Supplies	900	793	1,693	1,665	28
Other Objects	250		250		250
Total Security	1,150	2,398	3,548	3,270	278
Total Undist. Expend.- Oper. and Maint. of Plant Services	2,611,082	(2,857)	2,608,225	2,293,475	314,750

LONG HILL TOWNSHIP SCHOOL 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 - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 20,922		\$ 20,922	\$ 20,922	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	10,200		10,200	6,459	\$ 3,741
Other Purchased Professional and Technical Services	4,750		4,750	4,650	100
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	90,870	\$ 5,644	96,514	84,319	12,195
Contract. Serv.(Bet. Home & Sch.)-Vendors	578,692	(14,163)	564,529	560,807	3,722
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	27,350	650	28,000	19,500	8,500
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	502,830	99,957	602,787	577,069	25,718
Misc. Purchased Serv. - Transportation	2,000	(2,000)			
General Supplies	50		50		50
Total Undist. Expend.-Student Trans. Services	1,237,664	90,088	1,327,752	1,273,726	54,026
UNALLOCATED BENEFITS:					
Social Security Contributions	195,982	14,507	210,489	210,489	
Other Retirement Contributions - PERS	154,566	(4,724)	149,842	119,558	30,284
Other Retirement Contributions - Regular	43,933		43,933	38,650	5,283
Workers Compensation	78,451	(12,922)	65,529	65,529	
Health Benefits	3,074,814	(257,911)	2,816,903	2,680,438	136,465
Tuition Reimbursement	35,000		35,000	20,055	14,945
Other Employee Benefits	107,386	(8,296)	99,090	83,623	15,467
Unused Sick Payment to Terminated/Retired Staff	163,724	(19,999)	143,725	46,350	97,375
TOTAL UNALLOCATED BENEFITS	3,853,856	(285,070)	3,568,786	3,264,692	304,094

LONG HILL TOWNSHIP SCHOOL 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
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED):					
TPAF Post Retirement Medical Contributions (Non-Budgeted)				\$ 807,698	\$ (807,698)
TPAF Pension Contributions (Non-Budgeted)				2,730,365	(2,730,365)
TPAF Non-Contributory Insurance (Non-Budgeted)				33,822	(33,822)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,318	(1,318)
Reimbursed TPAF Social Security Contributions				592,508	(592,508)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				4,165,711	(4,165,711)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,853,856	\$ (285,070)	\$ 3,568,786	7,430,403	(3,861,617)
TOTAL UNDISTRIBUTED EXPENDITURES	13,200,501	(272,946)	12,927,555	16,089,250	(3,161,695)
TOTAL GENERAL CURRENT EXPENSE	20,958,965	(67,725)	20,891,240	23,842,263	(2,951,023)
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 1-5		2,452	2,452	2,452	
Undistributed:					
Undistributed Expenditures - Supp Serv. - Related & Extraord.		8,450	8,450	8,450	
Undistributed Expenditures - General Admin.		49,166	49,166	38,397	10,769
Undistributed Expenditures - Admin. Info. Tech.		10,047	10,047	10,047	
Undistributed Expenditures - Required Maint for School Fac.		23,925	23,925	3,925	20,000
Undistributed Expenditures - Security		11,976	11,976	5,976	6,000
TOTAL EQUIPMENT		106,016	106,016	69,247	36,769

LONG HILL TOWNSHIP SCHOOL 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
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 7,000		\$ 7,000	\$ 7,000	
Construction Services	867,944	\$ 14,732	882,676	602,233	\$ 280,443
Supplies and Materials	139,358	(67,896)	71,462	67,351	4,111
Lease Purchase Agreements - Principal	50,965	14,873	65,838	65,838	
Assessment for Debt Service on SDA Funding	33,181		33,181	33,181	
Total Facilities Acquisition and Construction Services	1,098,448	(38,291)	1,060,157	775,603	284,554
 TOTAL CAPITAL OUTLAY	 1,098,448	 67,725	 1,166,173	 844,850	 321,323
 Transfer of Funds to Charter Schools:	 36,000		 36,000	 35,303	 697
Total Transfer of Funds to Charter Schools	36,000		36,000	35,303	697
 TOTAL EXPENDITURES	 22,093,413		 22,093,413	 24,722,416	 (2,629,003)
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	 (1,697,304)		 (1,697,304)	 553,934	 2,251,238
 OTHER FINANCING SOURCES/(USES):					
Transfers to Cover Deficit (Enterprise Fund)	(50,000)		(50,000)	(50,000)	
Capital Reserve - Transfer to Capital Projects Fund		(930,000)	(930,000)	(558,000)	372,000
TOTAL OTHER FINANCING SOURCES/(USES)	(50,000)	(930,000)	(980,000)	(608,000)	372,000
 Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	 (1,747,304)	 (930,000)	 (2,677,304)	 (54,066)	 2,623,238
 Fund Balance, July 1	 6,380,282		 6,380,282	 6,380,282	
 Fund Balance, June 30	 \$ 4,632,978	 \$ (930,000)	 \$ 3,702,978	 \$ 6,326,216	 \$ 2,623,238

LONG HILL TOWNSHIP SCHOOL 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
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 330,000	
Excess Surplus - Restricted For 2025-2026				330,000	
Capital Reserve				2,672,696	
Maintenance Reserve				1,294,493	
Emergency Reserve				250,000	
Unemployment Compensation				251,622	
Assigned Fund Balance:					
Year End Encumbrances				347,013	
Unassigned Fund Balance				850,392	
				<u>6,326,216</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(133,193)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,193,023</u>	

LONG HILL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 234,728	\$ 73,777	\$ 308,505	\$ 300,598	\$ (7,907)
State Sources	37,911	37,082	74,993	64,817	(10,176)
Local Sources	23,550	101,079	124,629	114,640	(9,989)
Total Revenues	296,189	211,938	508,127	480,055	(28,072)
EXPENDITURES:					
Instruction:					
Purchased Professional - Educational Services	9,816	(9,816)			
Tuition	179,660	45,907	225,567	225,567	
Other Purchased Services		1,000	1,000	1,000	
General Supplies	74,773	2,319	77,092	61,769	15,323
Textbooks	4,671	(119)	4,552	4,493	59
Total Instruction	268,920	39,291	308,211	292,829	15,382
Support Services:					
Salaries of Other Professional Staff	3,021	12,409	15,430	8,257	7,173
Purchased Professional - Educational Services	19,775	(8,205)	11,570	11,570	
Purchased Professional - Technical Services		27,066	27,066	27,066	
Other Purchased Professional Services		14,928	14,928	14,928	
Supplies and Materials	514	9	523		523
Student Activities		101,079	101,079	101,079	
Total Support Services	23,310	147,286	170,596	162,900	7,696
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	3,959	25,361	29,320	29,286	34
Total Expenditures	296,189	211,938	508,127	485,015	23,112
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (4,960)	\$ (4,960)

LONG HILL TOWNSHIP 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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,276,350	\$ 480,055
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		9,149
Current Year Encumbrances		(15,857)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	118,101	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(133,193)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,261,258</u>	<u>\$ 473,347</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,722,416	\$ 485,015
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(6,708)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 24,722,416</u>	<u>\$ 478,307</u>

Budgets/Budgetary Control:

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

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Every Student Succeeds Act		Exam and Classification		Nonpublic Handicapped Supplemental Instruction		Corrective Speech	Nonpublic Textbooks	Nonpublic Security
	Title I	Title II, Part A	Title IV						
REVENUE:									
Local Sources									
State Sources									
Federal Sources	\$ 36,677	\$ 10,368	\$ 13,660	\$	3,032	\$ 826	\$ 1,860	\$ 4,493	\$ 18,245
Total Revenue	36,677	10,368	13,660		3,032	826	1,860	4,493	18,245
EXPENDITURES:									
Instruction:									
Tuition									
Other Purchased Services	11,877							4,493	18,245
General Supplies									
Textbooks								4,493	18,245
Total Instruction	11,877								
Support Services:									
Salaries of Other Professional Staff			495		3,032	826	1,860		
Purchased Professional Educational Services									
Purchased Professional Technical Services	24,800		2,266						
Other Purchased Professional Services		10,368	4,560						
Student Activities									
Total Support Services	24,800	10,368	7,321		3,032	826	1,860		
Facilities Acquisition:									
Non-Instructional Equipment			6,339						
Total Facilities Acquisition			6,339						
Total Expenditures	\$ 36,677	\$ 10,368	\$ 13,660	\$	3,032	\$ 826	\$ 1,860	\$ 4,493	\$ 18,245

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUE:									
Local Sources									
State Sources									
Federal Sources	\$ 3,333	\$225,567	\$ 25	\$ 10,968	\$ 1,844	\$ 4,327	\$ 18,620		
Total Revenue	3,333	225,567	25	10,968	1,844	4,327	18,620		
EXPENDITURES:									
Instruction:									
Tuition		225,567							
Other Purchased Services			25	975					
General Supplies	3,333			9,993					
Textbooks									
Total Instruction	3,333	225,567	25	10,968					
Support Services:					1,844				
Salaries of Other Professional Staff									
Purchased Professional Educational Services									
Purchased Professional Technical Services									
Other Purchased Professional Services									
Student Activities									
Total Support Services					1,844				
Facilities Acquisition:									
Non-Instructional Equipment						4,327	18,620		
Total Facilities Acquisition						4,327	18,620		
Total Expenditures	\$ 3,333	\$225,567	\$ 25	\$ 10,968	\$ 1,844	\$ 4,327	\$ 18,620		

LONG HILL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic Nursing	Student Activities	Local Grants	Totals
REVENUE:				
Local Sources		\$ 96,119	\$ 18,521	\$ 114,640
State Sources	\$ 11,570			64,817
Federal Sources				300,598
Total Revenue	11,570	96,119	18,521	480,055
EXPENDITURES:				
Instruction:				
Tuition				225,567
Other Purchased Services				1,000
General Supplies			18,321	61,769
Textbooks				4,493
Total Instruction			18,321	292,829
Support Services:				
Salaries of Other Professional Staff			200	8,257
Purchased Professional Educational Services	11,570			11,570
Purchased Professional Technical Services				27,066
Other Purchased Professional Services				14,928
Student Activities		101,079		101,079
Total Support Services	11,570	101,079	200	162,900
Facilities Acquisition:				
Non-Instructional Equipment				29,286
Total Facilities Acquisition				29,286
Total Expenditures	\$ 11,570	\$ 101,079	\$ 18,521	\$ 485,015

CAPITAL PROJECTS FUND

LONG HILL TOWNSHIP 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:	
State Sources - SDA Grant	\$ 372,000
Transfer from Capital Reserve	<u>558,000</u>
Total Revenue and Other Financing Sources	<u>930,000</u>
Expenditures:	
Architectural Services	<u>70,800</u>
Total Expenditures	<u>70,800</u>
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures	859,200
Fund Balance - Beginning	<u>-0-</u>
Fund Balance - Ending	<u><u>\$ 859,200</u></u>
Recapitulation:	
Committed - Year End Encumbrances	\$ 628,000
Committed	<u>231,200</u>
	859,200
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on GAAP Basis	<u>(372,000)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 487,200</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC VENTILATION UNITS - MILLINGTON SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 217,960	\$ 217,960	\$ 217,960
Transfer from Capital Reserve		326,940	326,940	326,940
Total Revenue and Other Financing Sources		<u>544,900</u>	<u>544,900</u>	<u>544,900</u>
Expenditures:				
Architectural Services		40,500	40,500	46,200
Construction Services				498,700
Total Expenditures		<u>40,500</u>	<u>40,500</u>	<u>544,900</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 504,400</u>	<u>\$ 504,400</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number	4000-060-23-R502			
Grant Date	9/20/2023			
Original Authorized Cost	\$ 544,900			
Percentage Completion	7.43%			
Original Target Completion Date	June 30, 2026			

LONG HILL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC VENTILATION UNITS - CENTRAL SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 96,840	\$ 96,840	\$ 96,840
Transfer from Capital Reserve		145,260	145,260	145,260
Total Revenue and Other Financing Sources		242,100	242,100	242,100
Expenditures:				
Architectural Services		18,500	18,500	21,000
Construction Services				221,100
Total Expenditures		18,500	18,500	242,100
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 223,600</u>	<u>\$ 223,600</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number	4000-030-23-R501			
Grant Date	9/20/2023			
Original Authorized Cost	\$ 242,100			
Percentage Completion	7.64%			
Original Target Completion Date	June 30, 2026			

LONG HILL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC VENTILATION UNITS - GILLETTE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 57,200	\$ 57,200	\$ 57,200
Transfer from Capital Reserve		85,800	85,800	85,800
Total Revenue and Other Financing Sources		143,000	143,000	143,000
Expenditures:				
Architectural Services		11,800	11,800	11,800
Construction Services				131,200
Total Expenditures		11,800	11,800	143,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 131,200</u>	<u>\$ 131,200</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number	4000-050-23-R501			
Grant Date	9/20/2023			
Original Authorized Cost	\$ 143,000			
Percentage Completion	8.25%			
Original Target Completion Date	June 30, 2026			

PROPRIETARY FUNDS

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 56,694
Accounts Receivable:	
State	441
Federal	<u>5,564</u>
Total Current Assets	<u>62,699</u>
Non-Current Assets:	
Capital Assets	84,015
Less: Accumulated Depreciation	<u>(11,097)</u>
Total Non-Current Assets	<u>72,918</u>
Total Assets	<u>135,617</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	<u>519</u>
Total Current Liabilities	<u>519</u>
Long-Term Liabilities:	
Financed Purchases Payable:	
Due Within One Year	12,612
Due Beyond One Year	<u>43,225</u>
Total Long-Term Liabilities	<u>55,837</u>
Total Liabilities	<u>56,356</u>
NET POSITION:	
Net Investment in Capital Assets	17,081
Unrestricted	<u>62,180</u>
Total Net Position	<u><u>\$ 79,261</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 195,700
Total Operating Revenue	<u>195,700</u>
Operating Expenses:	
Cost of Sales - Reimbursable Program	185,103
Salaries, Benefits, and Taxes	43,957
Depreciation	7,994
Miscellaneous Expenses	29,146
Total Operating Expenses	<u>266,200</u>
Operating (Loss)	<u>(70,500)</u>
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	72,645
Healthy Hunger Free Kids Act	3,838
Supply Chain Assistance Program	5,547
State Sources:	
State School Lunch Program	3,557
State Extended Income Eligibility - Lunch	2,330
Local Sources:	
Interest	200
Total Non-Operating Revenue	<u>88,117</u>
Non-Operating Expense:	
Interest Expense on Financed Purchases	2,251
Total Non-Operating Expenses	<u>2,251</u>
Change in Net Position Before Transfer	15,366
Transfer - General Fund- Board Resolution	<u>50,000</u>
Change in Net Position	65,366
Net Position - Beginning of Year	<u>13,895</u>
Net Positon - End of Year	<u><u>\$ 79,261</u></u>

LONG HILL TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 195,700
Payments to Food Service Vendors	(185,103)
Payments for Salaries - District Employee	(43,957)
Miscellaneous Expenses	(2,123)
Payments to Suppliers	(26,545)
Net Cash (Used for) Operating Activities	(62,028)
Cash Flows from Capital Financing Activities:	
Financed Purchase Payments - Principal	(14,163)
Financed Purchase Payments - Interest	(2,251)
Financed Purchase Proceeds	70,000
Acquisition of Equipment	(71,759)
Net Cash (Used for) Capital Financing Activities	(18,173)
Cash Flows from Noncapital Financing Activities:	
Cash Received from State Sources	5,446
Cash Received from Federal Sources	77,563
Board Contribution - General Fund	50,000
Net Cash Provided by Noncapital Financing Activities	133,009
Cash Flows from Investing Activities:	
Interest	200
Net Cash Provided by Investing Activities	200
Net Increase in Cash and Cash Equivalents	53,008
Cash and Cash Equivalents, July 1	3,686
Cash and Cash Equivalents, June 30	\$ 56,694
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (70,500)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	7,994
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	478
Net Cash (Used for) Operating Activities	\$ (62,028)

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2024	Retired or Matured	Balance June 30, 2025
			Date	June 30, 2025 Amount				
School Refunding Bonds of 2021	10/19/21	\$ 4,970,000	1/15/26	\$ 720,000	4.00%	\$ 3,720,000	\$ 685,000	\$ 3,035,000
			1/15/27	740,000	4.00%			
			1/15/28	775,000	4.00%			
			1/15/29	800,000	4.00%			
						<u>\$ 3,720,000</u>	<u>\$ 685,000</u>	<u>\$ 3,035,000</u>

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
<u>Governmental Activities:</u>						
School Light Fixtures	0.00%	\$ 210,479	\$ 126,287		\$ 42,096	\$ 84,191
JCP&L Direct Install RTU	0.00%	125,344		\$ 125,344	14,623	110,721
Total Governmental Activities			126,287	125,344	56,719	194,912
<u>Business-Type Activities:</u>						
Cafeteria Heated Cabinets	4.35%	70,000		70,000	14,163	55,837
Total Business-Type Activities				70,000	14,163	55,837
			<u>\$ 126,287</u>	<u>\$ 195,344</u>	<u>\$ 70,882</u>	<u>\$ 250,749</u>

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2024</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
Copiers	3.85%	\$ 184,145	<u>\$ 65,217</u>	<u>\$ 38,645</u>	<u>\$ 26,572</u>
			<u>\$ 65,217</u>	<u>\$ 38,645</u>	<u>\$ 26,572</u>

LONG HILL TOWNSHIP 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	\$ 824,998		\$ 824,998	\$ 824,998	
Total Revenues	824,998		824,998	824,998	
EXPENDITURES:					
Regular Debt Service:					
Interest	148,800		148,800	148,800	
Redemption of Principal	685,000		685,000	685,000	
Total Expenditures	833,800		833,800	833,800	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(8,802)		(8,802)	(8,802)	
Fund Balance, July 1	8,802	-0-	8,802	8,802	-0-
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

LONG HILL TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$23,496,715	\$23,902,254	\$14,955,113	\$14,959,257	\$15,250,351	\$14,726,468	\$14,446,049	\$13,005,762	\$13,480,428	\$13,401,662
Restricted	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836	4,798,942	5,177,939	5,635,396
Unrestricted/(Deficit)	(2,023,635)	(3,117,357)	(3,198,309)	(3,759,279)	(3,348,737)	1,689,717	(1,333,829)	(1,349,851)	(1,271,923)	(1,108,929)
Total Governmental Activities Net Position	<u>\$23,672,734</u>	<u>\$23,079,849</u>	<u>\$14,351,756</u>	<u>\$13,693,386</u>	<u>\$15,140,988</u>	<u>\$20,908,320</u>	<u>\$17,396,056</u>	<u>\$16,454,853</u>	<u>\$17,386,444</u>	<u>\$17,928,129</u>
Business-Type Activities										
Net Investment in Capital Assets										
Unrestricted	\$ 38,063	\$ 11,965	\$ 17,544	\$ 21,529	\$ 18,140	\$ 7,991	\$ 10,787	\$ 9,970	\$ 9,153	\$ 17,081
Total Business-Type Activities Net Position	<u>\$ 38,063</u>	<u>\$ 11,965</u>	<u>\$ 17,544</u>	<u>\$ 21,529</u>	<u>\$ 18,140</u>	<u>\$ 17,120</u>	<u>\$ 18,782</u>	<u>\$ 18,723</u>	<u>\$ 13,895</u>	<u>\$ 79,261</u>
District-Wide:										
Net Investment in Capital Assets	\$23,496,715	\$23,902,254	\$14,955,113	\$14,959,257	\$15,250,351	\$14,735,597	\$14,456,836	\$13,015,732	\$13,489,581	\$13,418,743
Restricted	2,199,654	2,294,952	2,594,952	2,493,408	3,239,374	4,492,135	4,283,836	4,798,942	5,177,939	5,635,396
Unrestricted/(Deficit)	(1,985,572)	(3,105,392)	(3,180,765)	(3,737,750)	(3,330,597)	1,697,708	(1,325,834)	(1,341,098)	(1,267,181)	(1,046,749)
Total District Net Position	<u>\$23,710,797</u>	<u>\$23,091,814</u>	<u>\$14,369,300</u>	<u>\$13,714,915</u>	<u>\$15,159,128</u>	<u>\$20,925,440</u>	<u>\$17,414,838</u>	<u>\$16,473,576</u>	<u>\$17,400,339</u>	<u>\$18,007,390</u>

Source: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,499,034	\$ 8,606,961	\$ 9,344,474	\$ 9,267,572	\$ 8,894,214	\$ 8,621,366	\$ 8,713,862	\$ 8,594,163	\$ 8,204,928	\$ 8,773,532
Special Education	3,567,004	3,771,860	3,619,367	2,752,521	2,500,320	2,803,449	2,566,587	2,496,404	2,801,083	2,721,498
Other Special Instruction				525,691	529,268	403,204	504,910	480,248	482,189	461,074
Other Instruction	38,359	49,075	111,411	105,750	15,845	104,686	157,727	185,012	219,058	217,189
Support Services:										
Tuition	603,911	549,914	475,166	230,733	331,057	642,042	1,006,056	1,119,871	1,167,982	641,855
Student & Instruction Related Services	3,266,554	4,786,166	5,162,316	3,638,625	3,723,333	3,870,577	4,340,209	4,466,286	4,054,904	3,982,251
General Administrative Services	1,302,615	1,287,909	1,282,001	541,273	520,306	559,078	467,089	563,535	562,400	589,772
School Administrative Services	1,217,675	1,399,585	1,317,464	979,863	986,664	1,030,071	979,769	1,022,910	972,841	999,885
Central Services				409,843	536,932	489,033	443,944	487,930	464,368	495,731
Administrative Information Technology				215,064	58,552	43,771	88,288	51,875	33,042	38,417
Plant Operations And Maintenance	1,530,921	1,745,474	1,738,866	2,079,997	1,778,048	2,178,714	2,749,660	2,925,907	2,592,216	2,554,293
Pupil Transportation	808,295	881,120	967,197	1,114,226	718,168	879,009	1,043,046	1,203,331	1,129,261	1,278,808
Capital Outlay				33,181		80,323		834,786	302,409	216,812
Transfer to Charter School	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445	46,257	35,303
Interest On Long-Term Debt	422,579	403,199	382,997	326,243	331,814	303,210	306,754	132,301	98,915	69,565
Total Governmental Activities Expenses	20,284,630	23,553,230	24,514,637	22,345,391	21,037,577	22,136,379	23,481,108	24,679,004	23,131,853	23,075,985
Business-Type Activities										
Milk/Food Service	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462	47,172	268,451
Total Business Type Activities	22,443	41,983	10,785	8,131	16,805	1,025	6,686	8,462	47,172	268,451
Total District Expenses	\$ 20,307,073	\$ 23,595,213	\$ 24,525,422	\$ 22,353,522	\$ 21,054,382	\$ 22,137,404	\$ 23,487,794	\$ 24,687,466	\$ 23,179,025	\$ 23,344,436
Program Revenues:										
Governmental Activities:										
Charges For Services:	\$ 106,595	\$ 107,630	\$ 200,200	\$ 197,611	\$ 108,734	\$ 61,628	\$ 329,719	\$ 462,232	\$ 507,402	\$ 498,679
Operating Grants and Contributions	298,315	241,757	268,502	5,074,129	4,722,664	5,219,815	5,077,140	4,242,857	4,100,177	3,486,911
Total Governmental Activities Program Revenues	404,910	349,387	468,702	5,271,740	4,831,398	5,281,443	5,406,859	4,705,089	4,607,579	3,985,590
Business-Type Activities:										
Charges For Services:										
Milk/Food Service	12,293	9,999	9,845	7,780	9,921		4,611	4,035	4,073	195,700
Operating Grants and Contributions	7,580	5,879	6,497	4,160	3,323		3,737	4,301	5,311	88,117
Total Business Type Activities Program Revenues	19,873	15,878	16,342	11,940	13,244		8,348	8,336	9,384	283,817
Total District Program Revenues	\$ 424,783	\$ 365,265	\$ 485,044	\$ 5,283,680	\$ 4,844,642	\$ 5,281,443	\$ 5,415,207	\$ 4,713,425	\$ 4,616,963	\$ 4,269,407

LONG HILL TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental Activities	\$ (19,879,720)	\$ (23,203,843)	\$ (24,045,935)	\$ (17,073,651)	\$ (16,206,179)	\$ (16,854,936)	\$ (18,074,249)	\$ (19,973,915)	\$ (18,524,274)	\$ (19,090,395)
Business-Type Activities	(2,570)	(26,105)	5,557	3,809	(3,561)	(1,025)	1,662	(126)	(37,788)	15,366
Total District-Wide Net Expense	\$ (19,882,290)	\$ (23,229,948)	\$ (24,040,378)	\$ (17,069,842)	\$ (16,209,740)	\$ (16,855,961)	\$ (18,072,587)	\$ (19,974,041)	\$ (18,562,062)	\$ (19,075,029)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,363,661	\$ 14,649,675	\$ 14,942,669	\$ 15,241,522	\$ 16,124,600	\$ 17,080,405	\$ 17,422,013	\$ 17,770,453	\$ 18,125,862	\$ 18,487,575
Taxes Levied for Debt Service	1,090,819	1,099,590	1,100,638	1,105,138	1,102,938	1,104,838	1,110,638	1,025,392	1,023,797	824,998
Unrestricted Grants & Contributions	4,820,457	6,745,684	7,958,315	2,606						
Investment Earnings	2,025		6,644							
Transfers									(32,910)	(50,000)
Miscellaneous Income	75,041	116,009	174,898	66,015	197,592	183,791	283,602	236,867	339,116	369,507
Total Governmental Activities	20,352,003	22,610,958	24,183,164	16,415,281	17,425,130	18,369,034	18,816,253	19,032,712	19,455,865	19,632,080
Business-Type Activities:										
Interest and Miscellaneous Income	11	7	22	176	172	5	1	67	50	50,000
Transfers									32,910	50,000
Total Business-Type Activities	11	7	22	176	172	5	1	67	32,960	50,000
Total District-Wide	\$ 20,352,014	\$ 22,610,965	\$ 24,183,186	\$ 16,415,457	\$ 17,425,302	\$ 18,369,039	\$ 18,816,254	\$ 19,032,779	\$ 19,488,825	\$ 19,682,080
Change in Net Position:										
Governmental Activities	\$ 472,283	\$ (592,885)	\$ 137,229	\$ (658,370)	\$ 1,218,951	\$ 1,514,098	\$ 742,004	\$ (941,203)	\$ 931,591	\$ 541,685
Business-Type Activities	(2,559)	(26,098)	5,579	3,985	(3,389)	(1,020)	1,663	(59)	(4,828)	65,366
Total District	\$ 469,724	\$ (618,983)	\$ 142,808	\$ (654,385)	\$ 1,215,562	\$ 1,513,078	\$ 743,667	\$ (941,262)	\$ 926,763	\$ 607,051

Source: School District Financial Reports

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

UNAUDITED

(modified accrual basis of accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$2,398,577	\$2,560,694	\$2,853,549	\$2,493,406	\$3,195,459	\$4,515,241	\$4,242,209	\$4,756,237	\$5,144,792	\$5,128,811
Committed	429,087	145,377	97,506							
Assigned				73,899	531,465	356,894	741,991	673,770	319,929	347,013
Unassigned	351,443	491,039	470,182	414,793	418,028	960,054	1,129,489	721,134	797,460	717,199
Total General Fund	\$3,179,107	\$3,197,110	\$3,421,237	\$2,982,098	\$4,144,952	\$5,832,189	\$6,113,689	\$6,151,141	\$6,262,181	\$6,193,023
All Other Governmental Funds:										
Restricted, Reported In:										
Special Revenue Fund					\$ 43,913	\$ 39,064	\$ 41,624	\$ 33,900	\$ 24,345	\$ 19,385
Capital Projects Fund	\$ 355,643	\$ 301,939	\$ 301,939							
Debt Service Fund	998			\$ 2	2	2	3	8,805	8,802	
Committed:										
Capital Projects Fund										487,200
Total All Other Governmental Funds	\$ 356,641	\$ 301,939	\$ 301,939	\$ 2	\$ 43,915	\$ 39,066	\$ 41,627	\$ 42,705	\$ 33,147	\$ 506,585
Total Governmental Funds:										
Restricted	\$2,754,220	\$2,862,633	\$3,155,488	\$2,493,408	\$3,239,374	\$4,554,307	\$4,283,836	\$4,798,942	\$5,177,939	\$5,148,196
Committed	429,087	145,377	97,506							487,200
Assigned				73,899	531,465	356,894	741,991	673,770	319,929	347,013
Unassigned	351,443	491,039	470,182	414,793	418,028	960,054	1,129,489	721,134	797,460	717,199
Total Governmental Funds	\$3,534,750	\$3,499,049	\$3,723,176	\$2,982,100	\$4,188,867	\$5,871,255	\$6,155,316	\$6,193,846	\$6,295,328	\$6,699,608

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	\$15,454,480	\$15,749,265	\$16,043,307	\$16,346,660	\$17,227,538	\$18,185,243	\$18,532,651	\$18,795,845	\$19,149,659	\$19,312,573
Tuition	40,601	42,750	130,550	165,475	81,814	29,500	160,814	315,578	369,286	274,487
Transportation Fees from Individuals					42,813	16,640	55,730	67,745	69,747	69,747
Rents and Royalties				32,136	26,920	8,595	44,725	54,865	66,547	58,326
Interest Earnings	2,025	1,840	6,644	500	150	150	150	150	2,625	2,625
Miscellaneous	141,038	179,049	244,548	105,399	237,886	221,159	421,501	350,547	417,075	481,522
State Sources	2,450,018	2,766,072	2,974,843	3,215,885	3,604,331	4,341,709	5,357,464	5,461,911	5,889,793	6,068,154
Federal Sources	249,383	240,192	267,188	258,790	292,311	342,777	548,233	514,017	354,828	295,355
Total Revenue	18,337,545	18,979,168	19,667,080	20,144,075	21,513,763	23,145,773	25,121,268	25,560,658	26,308,013	26,562,789
Expenditures:										
Instruction:										
Regular Instruction	4,619,096	4,480,458	4,643,462	5,036,949	4,815,326	4,864,115	5,253,204	5,400,730	5,426,248	5,870,197
Special Education Instruction	1,389,625	1,456,020	1,521,761	1,409,001	1,419,329	1,494,608	1,388,023	1,408,846	1,755,351	1,764,512
Other Special Instruction	244,369	269,665	234,671	246,212	256,596	175,833	266,647	264,453	265,190	264,457
Other Instruction	38,359	29,209	63,391	67,069	12,603	103,780	151,081	176,369	204,970	204,975
Support Services:										
Tuition	391,202	350,099	270,364	230,733	331,057	642,042	1,006,056	1,119,871	1,167,982	641,855
Student & Instruction Related Services	2,138,681	2,178,400	2,402,988	2,664,402	2,693,051	2,833,845	3,042,477	3,058,431	2,942,708	3,030,338
General Administrative Services	357,429	357,324	347,819	411,430	394,571	449,292	346,290	432,885	449,520	476,131
School Administrative Services	559,914	578,403	569,198	560,654	571,358	604,280	605,181	633,311	650,427	659,083
Central Services	274,180	275,740	252,638	275,843	364,014	374,209	349,834	372,875	362,679	356,439
Administrative Information Technology	100,258	103,780	90,849	143,705	40,458	31,787	68,725	36,006	23,863	28,879
Plant Operations And Maintenance	1,500,569	1,690,661	1,684,276	1,873,268	1,595,953	1,936,329	2,573,921	2,499,304	2,352,942	2,293,475
Pupil Transportation	808,295	881,120	967,197	944,837	743,482	873,742	1,036,940	1,240,498	1,165,927	1,273,726
Allocated and Unallocated Benefits	4,039,361	4,440,761	4,819,209	5,162,958	5,181,885	5,688,104	6,390,438	6,720,604	7,129,078	7,430,403
Transfer to Charter Schools	27,683	71,967	113,378	124,809	113,056	127,846	113,207	114,445	46,257	35,303
Capital Outlay	134,505	423,030	59,431	628,145	899,970	158,735	1,134,546	1,228,588	1,206,679	944,936
Capital Projects	1,719,160	53,704								
Special Revenue Fund	298,315	241,757	268,502							
Debt Service:										
Principal	670,000	715,000	735,000	760,000	785,000	815,000	850,000	770,000	844,000	685,000
Interest And Other Charges	454,000	418,769	398,819	345,136	317,938	289,838	260,637	255,391	179,800	148,800
Total Expenditures	19,765,001	19,015,867	19,442,953	20,885,151	20,535,647	21,463,385	24,837,207	25,732,607	26,173,621	26,108,509

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ (171,949)	\$ 134,392	\$ 454,280
Other Financing Sources/(Uses):										
Financed Purchases (Non-Budgeted)								210,479		
Refunding Bonds Issued							4,970,000			
Refunding Bonds Defeased							(5,515,000)			
Bond Premium							654,026			
Bond Insurance Costs							(109,026)			
Transfers Out								(32,910)		(50,000)
Total Other Financing Sources/(Uses)								210,479	(32,910)	(50,000)
Net Change In Fund Balances	\$ (1,427,456)	\$ (36,699)	\$ 224,127	\$ (741,076)	\$ 978,116	\$ 1,682,388	\$ 284,061	\$ 38,530	\$ 101,482	\$ 404,280
Debt Service As A Percentage Of Noncapital Expenditures	5.73%	6.10%	5.85%	5.46%	5.62%	5.19%	4.69%	4.18%	4.10%	3.31%

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals - Use of		Transportation Fees	Prior Year Refund	Other		Total
			Facilities				Miscellaneous		
2016	\$ 2,025	\$ 39,851	\$ 24,275	\$	41,719	\$ 74,674	\$ 1,117	\$	183,661
2017	1,840	42,750	27,600		37,280	113,607	562		223,639
2018	6,644	130,550	25,700		43,950	134,365	40,533		381,742
2019	500	165,475	32,136		19,230	9,105	56,410		282,856
2020	35,130	81,814	26,920		42,813	106,265	56,197		349,139
2021	1,773	29,500	8,595		16,640	153,996	28,022		238,526
2022	747	160,814	44,725		55,730	238,162	44,693		544,871
2023	127,210	315,578	54,865		67,705	88,641	12,255		666,254
2024	266,506	369,286	66,547		58,200	53,686	18,924		833,149
2025	269,988	274,487	58,326		69,747	30,966	68,553		772,067

Source: Long Hill Township School District records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 12,534,800	\$ 1,109,792,400	\$ 4,113,800	\$ 48,300	\$ 105,033,300	\$ 16,175,000	\$ 6,268,200	\$ 1,253,965,800	\$ 129,201,400	\$ 3,141,460	\$ 1,257,107,260	\$ 1.22	\$ 1,661,302,048
2016 *	13,971,900	1,433,093,900	4,611,700	67,800	132,529,400	18,072,600	8,606,400	1,610,953,700	114,483,400	4,068,200	1,615,021,900	0.97	1,777,875,275
2017	14,201,100	1,446,332,700	4,649,300	72,600	135,721,400	18,666,200	9,181,900	1,656,673,300	115,890,900	4,065,433	1,660,738,733	0.98	1,741,293,675
2018	14,602,700	1,454,297,100	4,363,200	71,100	136,627,900	19,112,100	9,429,200	1,638,503,300	115,313,300	4,130,534	1,642,633,834	0.91	1,747,816,148
2019	15,056,700	1,464,477,700	4,423,600	66,300	139,496,700	19,255,200	9,591,100	1,652,367,300	116,927,100	4,078,046	1,656,445,346	1.01	1,755,380,885
2020	15,176,700	1,467,343,900	3,872,200	67,700	142,281,300	19,418,800	9,928,000	1,658,088,600	117,673,800	4,134,578	1,662,223,178	1.07	1,747,819,984
2021	16,212,100	1,471,083,500	2,531,200	65,900	142,392,900	19,845,200	9,928,000	1,662,058,800	117,850,100	4,078,468	1,666,137,268	1.10	1,772,549,141
2022 *	16,807,700	1,626,627,900	2,825,200	65,900	155,392,800	22,628,100	12,971,600	1,837,319,200	119,067,200	4,230,126	1,841,549,326	1.02	1,825,276,181
2023	16,041,100	1,681,164,800	4,342,900	68,700	161,500,700	23,332,400	13,543,600	1,899,994,200	126,926,600	4,689,105	1,904,683,305	1.00	1,948,726,067
2024	17,524,100	1,728,241,900	4,843,900	73,300	168,310,200	24,439,600	14,617,400	1,958,050,400	130,103,600	4,590,707	1,962,641,107	0.99	2,036,640,524

* A revaluation occurred in this year.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Source: Municipal Tax Assessor

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

Long Hill Township School District									
Year Ended December 31,		Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
		General		Total Direct	Township		Morris County		
		Basic Rate ^a	Obligation Debt Service ^b		Regional School	of Long Hill			
2015	*	\$ 1.13	\$ 0.09	\$ 1.22	\$ 0.58	\$ 0.81	\$ 0.33	\$ 2.94	
2016		0.90	0.07	0.97	0.45	0.64	0.28	2.34	
2017		0.91	0.07	0.98	0.47	0.64	0.28	2.37	
2018		0.85	0.04	0.91	0.44	0.60	0.26	2.21	
2019		0.95	0.06	1.01	0.46	0.64	0.28	2.39	
2020	*	1.00	0.06	1.07	0.43	0.65	0.27	2.42	
2021		1.04	0.07	1.10	0.43	0.66	0.28	2.46	
2022		0.96	0.06	1.02	0.39	0.61	0.26	2.27	
2023		0.94	0.05	1.00	0.39	0.60	0.26	2.25	
2024		0.95	0.04	0.99	0.39	0.60	0.26	2.23	

* A revaluation occurred in this year.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

	2024		2015	
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer Taxable Assessed Value % of Total District Net Assessed Value
Valley & Plainfield Associates LP		\$ 31,906,600	1.68 %	
Stirling Center Associates		17,409,500	0.91 %	
Stirling Manor		10,496,800	0.55 %	
Transcontinental Gas Pipeline Corp.		5,479,200	0.29 %	
Prism Millington LLC		5,090,600	0.27 %	N/A
Verizon		4,724,539	0.25 %	
Parthenon C/O Walgreens		4,254,600	0.22 %	
M&M Realty Management LLC		4,008,700	0.21 %	
Elite Properties at Long Hill LLC		3,590,300	0.19 %	
Millington Savings Bank		3,391,400	0.18 %	
Total		<u>\$ 90,352,239</u>	<u>4.74%</u>	

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 15,454,480	\$ 15,454,480	100.00%	-0-
2017	15,749,265	15,749,265	100.00%	-0-
2018	16,043,307	16,043,307	100.00%	-0-
2019	16,346,660	16,346,660	100.00%	-0-
2020	17,227,538	17,227,538	100.00%	-0-
2021	18,185,243	18,185,243	100.00%	-0-
2022	18,532,651	18,532,651	100.00%	-0-
2023	18,795,845	18,795,845	100.00%	-0-
2024	19,149,659	19,149,659	100.00%	-0-
2025	19,312,573	19,312,573	100.00%	-0-

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

Source: Long Hill Township School District records including the Certificate & Report of School Taxes

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases	Financed Purchases			
2016	\$10,539,000			\$10,539,000	1.37%	\$ 1,201
2017	9,824,000			9,824,000	1.26%	1,123
2018	9,089,000			9,089,000	1.17%	1,043
2019	8,329,000			8,329,000	1.02%	989
2020	7,544,000			7,544,000	0.91%	900
2021	6,729,000			6,729,000	0.73%	782
2022	5,334,000			5,334,000	0.57%	619
2023	4,564,000	\$ 168,383		4,732,383	0.47%	549
2024	3,720,000	126,287		3,846,287	0.39%	443
2025	3,035,000	194,912	\$ 55,837	3,229,912	0.32%	372

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2016	\$ 10,539,000		\$ 10,539,000	0.65%	\$ 1,201
2017	9,824,000		9,824,000	0.60%	1,123
2018	9,089,000		9,089,000	0.55%	1,043
2019	8,329,000		8,329,000	0.51%	989
2020	7,544,000		7,544,000	0.46%	900
2021	6,729,000		6,729,000	0.40%	782
2022	5,334,000		5,334,000	0.32%	619
2023	4,564,000		4,564,000	0.25%	530
2024	3,720,000		3,720,000	0.20%	428
2025	3,035,000		3,035,000	0.15%	349

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

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

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

LONG HILL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Long Hill Township	\$ 2,139,535	100.00%	\$ 2,139,535
Watchung Hills Regional High School	17,922,000	21.49%	3,850,845
Morris County General Obligation Debt	326,425,422	1.68%	5,496,247
Subtotal, Overlapping Debt			<u>11,486,627</u>
Long Hill School District Direct Debt			<u>3,720,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 15,206,627</u></u>

Note: a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Long Hill Township's equalized property value that is within the Morris County's boundaries and dividing it by Morris County's total equalized property value.

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized Valuation Basis	Long Hill Township
2024	\$ 2,125,543,205
2023	2,026,012,156
2022	1,936,262,198
	<u>\$ 6,087,817,559</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,029,272,520</u>
Debt Limit (3% of average equalization value)	\$ 60,878,176
Net Bonded School Debt as of June 30, 2025	<u>3,035,000</u>
Legal Debt Margin	<u>\$ 57,843,176</u>

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 50,332,611	\$ 51,680,707	\$ 52,480,826	\$ 52,246,804	\$ 52,180,459	\$ 52,367,236	\$ 53,060,323	\$ 55,067,969	\$ 57,731,905	\$ 60,878,176
Total Net Debt Applicable to Limit	10,539,000	9,824,000	9,089,000	8,329,000	7,544,000	6,729,000	5,334,000	4,564,000	3,720,000	3,035,000
Legal Debt Margin	<u>\$ 37,646,839</u>	<u>\$ 37,747,113</u>	<u>\$ 39,793,611</u>	<u>\$ 41,856,707</u>	<u>\$ 43,391,826</u>	<u>\$ 43,917,804</u>	<u>\$ 44,636,459</u>	<u>\$ 45,638,236</u>	<u>\$ 50,503,969</u>	<u>\$ 57,843,176</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	20.94%	19.01%	17.32%	15.94%	14.46%	12.85%	10.05%	8.29%	6.44%	4.99%

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

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

Year	Population ^a	Personal Income ^b	Morris County Per Capita Personal Income ^c	Unemployment Rate ^d
2016	8,666	\$ 762,469,344	\$ 87,984	3.80%
2017	8,616	777,645,696	90,256	3.50%
2018	8,541	800,248,995	93,695	3.10%
2019	8,424	815,224,176	96,774	2.70%
2020	8,382	828,770,250	98,875	7.50%
2021	8,607	922,110,945	107,135	5.30%
2022	8,621	940,180,397	109,057	3.10%
2023	8,613	997,816,050	115,850	3.50%
2024	8,692	997,816,050 ***	115,850 *	3.70%
2025	8,692 **	997,816,050 ***	115,850 *	N/A

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

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

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

N/A - Information Unavailable

Source: School District Reports

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

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

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

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

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

2024			2015		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System	10,552	3.78%	U.S Army Aramament R&D	5,841	2.27%
Novartis	6,500	2.33%	Novartis	5,035	1.96%
Picatinny Arsenal	6,000	2.15%	Atlantic Health System	4,463	1.74%
Barclays	3,374	1.21%	ADP	2,060	0.80%
Bayer	2,713	0.97%	Bayer Healthcare, LLC	1,900	0.74%
ADP	2,400	0.86%	County of Morris	1,674	0.65%
Accenture	2,344	0.84%	Wyndham Worldwide Corporation	1,653	0.64%
PricewaterhouseCoopers	2,095	0.75%	St Clare's	1,642	0.64%
Cigna	1,686	0.60%	BASF Corporation	1,500	0.58%
Deloitte & Touche	1,646	0.59%	Accenture	1,480	0.58%
Total	39,310	14.07%	Total	27,248	10.60%
Total County Labor Force	279,349		Total County Labor Force	266,051	

Source: Morris County Treasurer's Office

LONG HILL TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction:										
Regular	63.05	59.70	66.00	76.83	64.87	71.85	72.85	61.25	64.45	61.00
Special Education	29.20	36.97	26.70	37.56	40.06	36.55	37.55	37.71	39.99	42.99
Support Services:										
Administration	6.00	4.92	7.00	5.92	6.92	6.92	6.92	6.83	8.50	8.75
Secretarial	8.50	8.50	7.50	8.50	6.92	6.92	6.92	7.59	6.92	7.00
Other support services	16.85	14.00	14.00	5.32	10.10	5.00	5.00	17.48	19.75	21.27
Total	<u>123.60</u>	<u>124.09</u>	<u>121.20</u>	<u>134.13</u>	<u>128.87</u>	<u>127.24</u>	<u>129.24</u>	<u>130.86</u>	<u>139.61</u>	<u>141.01</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2016	822	\$ 16,787,336	\$ 20,432	5.46%	92.3	1:9.9	1:9.5	821.6	792.1	-1.19%	96.41%
2017	846	17,405,364	20,574	0.69%	96.7	1:9.8	1:9.0	832.9	795.3	1.38%	95.49%
2018	846	18,249,703	21,572	4.85%	92.8	1:9.3	1:9.3	850.7	813.6	3.54%	95.64%
2019	856	19,151,870	22,374	3.72%	93.8	1:9.3	1:9.3	851.7	816.4	0.12%	95.85%
2020	891	18,532,739	20,800	-7.03%	89.5	1:9.4	1:11.1	891.6	866.3	4.68%	97.16%
2021	810	16,676,467	20,588	-1.02%	87.9	1:9.4	1:11.1	801.4	786.4	-10.12%	98.13%
2022	831	22,592,024	27,187	32.05%	88.9	1:9.4	1:11.1	841.0	804.0	4.94%	95.60%
2023	832	23,478,628	28,220	3.80%	85.0	1:9.7	1:9.9	840.4	797.5	-0.07%	94.89%
2024	854	23,943,142	28,036	-0.65%	92.0	1:9.4	1:9.1	853.4	812.0	1.55%	95.15%
2025	861	24,329,773	28,258	0.79%	89.5	1:9.8	1:9.4	861.9	822.6	0.99%	95.44%

Note: Enrollment based on annual October district count.

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

Source: Long Hill Township School District records

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

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Gillette School (1935)</u>										
Square feet	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	202	216	231	233	225	176	209	201	204	215
<u>Millington School (1935)</u>										
Square feet	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128
Capacity (students)	604	604	604	604	604	604	604	604	604	604
Enrollment	322	360	348	363	396	366	357	353	369	362
<u>Central School (1935)</u>										
Square feet	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757
Capacity (students)	464	464	464	464	464	464	464	464	464	464
Enrollment	297	270	267	255	270	268	265	278	281	284

Number of Schools at June 30, 2025

Elementary	2
Middle	1

Source: District Facilities Office

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

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

Undistributed Expenditures - Required Maintenance For School Facilities

School Facilities *	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gillette School	**	**	\$ 62,413	\$ 64,836	\$ 57,289	\$ 79,911	\$ 173,708	\$ 108,995	\$ 55,623	\$ 39,737
Millington School	**	**	117,741	112,075	108,074	150,752	327,698	20,618	104,932	70,139
Central School	**	**	122,032	189,571	112,013	156,246	339,642	213,112	108,757	66,721
	<u>\$ 218,847</u>	<u>\$ 306,938</u>	<u>\$ 302,186</u>	<u>\$ 366,482</u>	<u>\$ 277,376</u>	<u>\$ 386,909</u>	<u>\$ 841,048</u>	<u>\$ 342,725</u>	<u>\$ 269,312</u>	<u>\$ 176,597</u>

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

** Not Available

Source: Long Hill Township School District records

LONG HILL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

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

Source: Long Hill Township School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Long Hill Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 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 October 3, 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mount Arlington, New Jersey
October 3, 2025

Nisivoccia LLP
NISIVOCCIA LLP



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

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Mount Arlington, New Jersey
October 3, 2025

Nisiroccia LLP
NISIVOCCIA LLP



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

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Prior Year Receivable Canceled	Balance at June 30, 2025	
			From	To		Accounts (Receivable)	Accounts (Receivable)				Amount Provided to Subrecipients	
State Department of Agriculture:												
Passed-through State Department of Agriculture:												
Special Milk Program	10.556	N/A	7/1/23	6/30/24	\$ 5,311	\$ (1,097)	\$ 1,097					
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/24	6/30/25	72,645		67,434	\$ (72,645)			\$ (5,211)	
Healthy Hunger Free Kids Act	10.555	N/A	7/1/24	6/30/25	3,838		3,485	(3,838)			(353)	
COVID19 - Supply Chain												
Assistance Funding	10.555	N/A	7/1/24	6/30/25	5,547		5,547	(5,547)				
Total Enterprise Fund						(1,097)	77,563	(82,030)			(5,564)	
Total U.S. Department of Agriculture						(1,097)	77,563	(82,030)			(5,564)	
U.S. Department of Education -												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA-4000-25	7/1/24	9/30/25	36,677		23,125	(36,677)			(13,552)	
Total Title I							23,125	(36,677)			(13,552)	
Title IIA	84.367A	ESEA-4000-24	7/1/23	9/30/24	22,104	(1,643)	1,643					
Title IIA	84.367A	ESEA-4000-25	7/1/24	9/30/25	14,937		9,038	(10,368)			(1,330)	
Total Title IIA						(1,643)	10,681	(10,368)			(1,330)	
Title III	84.365A	ESEA-4000-24	7/1/23	9/30/24	7,530	(7,530)	7,530					
Total Title III						(7,530)	7,530					
Title IV	84.424	ESEA-4000-25	7/1/24	9/30/25	13,660		13,660	(13,660)				
Total Title IV							13,660	(13,660)				
Total Elementary and Secondary Education Act						(9,173)	54,996	(60,705)			(14,882)	
Special Education Cluster (IDEA):												
I.D.E.A. Part B, Basic	84.027A	IDEA-4000-24	7/1/23	9/30/24	224,575	(66,450)	66,450					
I.D.E.A. Part B, Basic	84.027A	IDEA-4000-25	7/1/24	9/30/25	225,567		225,567	(225,567)				
I.D.E.A. Part B, Preschool	84.173A	IDEA-4000-25	7/1/24	9/30/25	12,054		10,313	(10,968)			(655)	
I.D.E.A. Part B, Preschool	84.173A	IDEA-4000-24	7/1/23	9/30/24	12,270	(2,471)	2,496	(25)				
Total Special Education Cluster (IDEA)						(68,921)	304,826	(236,560)			(655)	

LONG HILL TOWNSHIP 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		Program or Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Prior Year Receivable Canceled	Balance at June 30, 2025	
			From	To		Accounts (Receivable)	Accounts (Receivable)				Amount Provided to Subrecipients	
Education Stabilization Fund:												
COVID 19 - ARP:												
ESSER III	84.425U	S425D210027	3/13/20	9/30/24	\$202,180	\$ (24,174)	\$ 24,173	\$ 1	\$ (3,333)			
Summer Learning and Enrichment	84.425U	S425D210027	3/13/20	9/30/23	40,000		3,333					
Total Education Stabilization Fund						(24,174)	27,506	1	(3,333)			
						(102,268)	387,328	1	(300,598)		\$ (15,537)	
Total U.S. Department of Education						(102,268)	387,328	1	(300,598)		(15,537)	
Total Special Revenue Fund						\$ (103,365)	\$ 464,891	1	\$ (382,628)	\$ 1	\$ (21,101)	\$ -0-
TOTAL FEDERAL AWARDS												

N/A - Not Applicable/Available

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at July 1, 2024			Cash Received	Budgetary Expenditures	Prior Year Accounts Receivable		Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO
		From	To		Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor			GAAP (Accounts Receivable)	Due to Grantor		Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
State Department of Education:															
General Fund:															
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 911,645	\$ (85,573)			\$ 85,573							\$ 911,645
Categorical Security Aid	24-495-034-5120-084	7/1/23	6/30/24	78,115	(7,332)			7,332							78,115
Categorical Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	268,424	(25,196)			25,196							268,424
Additional Non-Public Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	35,035	(35,035)			35,035							35,035
Extraordinary Special Education Costs Aid	24-495-034-5094-004	7/1/23	6/30/24	469,278	(469,278)			469,278							469,278
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23	6/30/24	583,837	(29,147)			29,147							583,837
Special Education Categorical Aid	25-495-034-5120-089	7/1/24	6/30/25	994,255				900,568	\$ (994,255)				\$ (93,687)		994,255
Categorical Security Aid	25-495-034-5120-084	7/1/24	6/30/25	88,345				80,020	(88,345)				(8,325)		88,345
Categorical Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	330,906				299,725	(330,906)				(31,181)		330,906
Additional Non-Public Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	36,426					(36,426)				(36,426)		36,426
Menstrual Product Reimbursement	N/A	7/1/24	6/30/25	5,978					(5,978)				(5,978)		5,978
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24	6/30/25	391,672				564,172	(391,672)				(391,672)		391,672
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24	6/30/25	592,508				807,698	(592,508)				(28,336)		592,508
On-Behalf TPAF Post Retirement Medical Contributions	25-495-034-5094-001	7/1/24	6/30/25	807,698				2,730,365	(807,698)						807,698
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24	6/30/25	2,730,365				33,822	(2,730,365)						2,730,365
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24	6/30/25	33,822				1,318	(33,822)						33,822
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24	6/30/25	1,318					(1,318)						1,318
Total General Fund State Aid					(651,561)			6,069,249	(6,013,293)				(595,605)		8,359,627
General Fund:															
State Reimbursement for Lead Testing of Drinking Water	N/A	7/1/24	6/30/25	3,415					(3,415)				(3,415)		3,415
Total General Fund									(6,016,708)				(465,827)		8,363,042
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid (Chapter 194)	25-100-034-5120-064	7/1/24	6/30/25	4,552				4,552	(4,493)				\$ 59		4,493
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	12,120							\$ 285				11,835
Nursing Services (Chapter 226)	25-100-034-5120-070	7/1/23	6/30/25	11,570				11,570	(11,570)						11,570
Technology Initiative	25-100-034-5120-373	7/1/24	6/30/25	4,361				4,361	(4,327)				34		4,327
Technology Initiative	24-100-034-5120-373	7/1/23	6/30/24	4,949							\$ 5				4,944
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	18,245				18,245	(18,245)						18,245
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	20,705							54				20,651
Auxiliary Services (Chapter 192):															
Home Instruction	25-201-603-2520-007	7/1/24	6/30/25	1,844				1,844	(1,844)				\$ 1,844		1,844
Home Instruction	24-201-603-2520-007	7/1/23	6/30/24	1,844											
Handicapped Services (Chapter 193):															
Supplementary Instruction	25-100-034-5120-066	7/1/24	6/30/25	826				826	(826)						826
Examination and Classification	25-100-034-5120-066	7/1/24	6/30/25	4,358				4,358	(3,032)				1,326		3,032
Corrective Speech	25-100-034-5120-066	7/1/24	6/30/25	3,720				3,720	(1,860)				1,860		1,860
Total Special Revenue Fund					(1,844)			49,476	(46,197)				3,279		87,485
Total State Department of Education					(653,405)			6,118,725	(6,059,490)				(599,020)		8,450,527
Special Revenue Fund:															
School Development Authority - Emergent and Capital Maintenance Needs	N/A	7/1/23	6/30/25	18,620					(18,620)						18,620
Total NJ Schools Development Authority									(18,620)						18,620

LONG HILL TOWNSHIP 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		Program or Award Amount	Balance at July 1, 2024			Cash Received	Budgetary Expenditures	Prior Year Accounts Receivable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO	
		From	To		Budgetary (Accounts Receivable)	Unearned Revenue	Due to Grantor					GAAP (Accounts Receivable)	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
Enterprise Fund:															
State School Lunch Program	25-100-010-4000-025	7/1/24	6/30/25	\$ 3,557				\$ 3,116	\$ (3,557)			\$ (441)	\$	\$ (441)	\$ 3,557
Extended Income Eligibility - Lunch	25-100-010-4000-025	7/1/24	6/30/25	2,330				2,170	(2,330)			(160)		(160)	2,330
Subtotal - Enterprise Fund								5,286	(5,887)			(601)		(601)	5,887
Total State Awards Subject to Single Audit Determination					\$ (653,405)	\$ 18,620	\$ 344	\$ 6,124,011	(6,087,412)	\$ 1,844	\$ 344	\$ (466,428)	\$ 3,279	\$ (599,621)	\$ 8,475,034
Less: State Awards Not Subject to Single Audit Major Program Determination															
On-Behalf TPAF Pension System Contributions:															
On-Behalf TPAF Post Retirement Medical Contributions	25-495-034-5094-001	7/1/24	6/30/25	807,698					807,698						
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24	6/30/25	2,730,365					2,730,365						
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24	6/30/25	33,822					33,822						
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24	6/30/25	1,318					1,318						
Subtotal - On-Behalf TPAF Pension System Contributions									3,573,203						
Total State Awards Subject to Single Audit Major Program Determination									\$(2,514,209)						

N/A - Not Applicable/Available

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15,092) for the General Fund, (\$6,708) for the Special Revenue Fund and \$372,000 for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund		\$ 6,001,616	\$ 6,001,616
Special Revenue Fund	\$ 295,355	66,538	361,893
Proprietary Fund	<u>82,030</u>	<u>5,887</u>	<u>87,917</u>
Total Financial Assistance	<u>\$ 377,385</u>	<u>\$ 6,074,041</u>	<u>\$ 6,451,426</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

In prior years, the District was awarded three grants in the amount of \$372,000 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, grant funds totaling \$-0- have been expended and drawn down on a GAAP basis. In the Capital Project Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement requests submitted to the NJSDA.

LONG HILL TOWNSHIP 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

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

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

_____ Yes _____ X _____ No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Categorical Aid	25-495-034-5120-089	7/1/24	6/30/25	\$ 994,255	\$ 994,255
Categorical Security Aid	25-495-034-5120-084	7/1/24	6/30/25	88,345	88,345

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

LONG HILL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The audit did not disclose any findings.