



***MORRIS SCHOOL DISTRICT***

***MORRIS SCHOOL DISTRICT  
BOARD OF EDUCATION***

***COUNTY OF MORRIS  
MORRISTOWN, NEW JERSEY***

***ANNUAL COMPREHENSIVE FINANCIAL REPORT***

***FOR THE FISCAL YEAR  
ENDED JUNE 30, 2022***

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**JUNE 30, 2022**

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# **INTRODUCTORY SECTION**



*Anthony Lo Franco, CPA  
Business Administrator /  
Board Secretary*

*Michelle Ferraro  
Administrative Assistant*

*Morris School District  
Office of the Business Administrator  
31 Hazel Street  
Morristown, NJ 07960  
973-292-2300 ext. 2021  
Fax: 973-387-7605*

*Joan Frederick, CPA  
Assistant Business  
Administrator / Assistant  
Board Secretary*

*Gregory Sumski  
Assistant Business  
Administrator for  
Operations*

March 7, 2023

Honorable President and  
Members of the Board of Education  
Morris School District  
Morristown, New Jersey

Dear President Spiotta and Board Members:

The Annual Comprehensive Financial Report of the Morris School District as of and for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of these data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Morris School District ("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 general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

Morris School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the District-wide financial statements of the District are included in this report. The Morris School District Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general, vocational, special education, bilingual, gifted and talented and advanced placement programs that address the Morris School District's student needs. The District completed the 2021-22 fiscal year with an average daily enrollment of 5,077 students, which represented an increase of 57 students from the previous year. Average daily enrollment (ADE) and average daily attendance (ADA) information appears below.

AVERAGE DAILY ENROLLMENT AND ATTENDANCE DATA

<u>Fiscal Year</u>	<u>ADE</u>	<u>ADE Percent Change</u>	<u>ADA</u>
2012-13	4,996	1.40%	4,774
2013-14	5,111	2.30%	4,889
2014-15	5,239	2.50%	5,012
2015-16	5,249	0.19%	5,002
2016-17	5,198	(0.97%)	4,925
2017-18	5,057	(2.71%)	4,776
2018-19	5,117	1.19%	4,852
2019-20	5,205	1.72%	5,005
2020-21	5,020	(3.54%)	4,720
2021-22	5,077	1.12%	4,702

**2. ECONOMIC CONDITION AND OUTLOOK:** The District serves an affluent area in northern New Jersey comprised of the Town of Morristown and the Township of Morris. Located in southeastern Morris County within easy access to New York City and Pennsylvania, Morristown and Morris Township experience different enrollment drivers for the district. Higher wealth statistics are centered in the Township which is the larger of the two municipalities in terms of population, per capita income and geographic area. Numerous developments are being constructed and scheduled to be built in the near future in both municipalities. The District's enrollment growth over the last 10 years has been a cumulative 1.6%.

The estimated population in the Township has increased from 22,420 in 2012 to 23,237 in 2021, or a cumulative increase of 3.6% over ten years. The Town's population has increased from 18,500 in 2012 to 20,276 in 2021 or a cumulative increase of 9.6% over ten years.

The tax levy saw a shift of 1.1062 percentage points for the 2021-22 school year due to a decrease in Morristown's equalized value and an increase for Morris Township. The total tax base of the District was allocated 65.8562% to the Township and 34.1438% to the Town. As one of the largest employers in the area, the Morris School District significantly impacts the economy of its larger community and service area.

The District has continually invested and maintained its aging infrastructure by conducting capital projects with a cost between three and four million per year utilizing capital reserve funds. We have replaced roofs, windows, HVAC units, and new flooring, just to name a few.

**3. MAJOR INITIATIVES:** Educational program initiatives of the Morris School District during the year included:



## Curriculum Programs

Program	Project
ESL Programs (Gr. K- 12)	<ul style="list-style-type: none"> <li>➤ Ongoing PD for “Ellevation”-online data and EL student instructional planning platform.</li> <li>➤ iStation Data Platform pilot program.</li> <li>➤ Provided Professional Development in Sheltered English Instruction for General Ed, ESL staff and administration.</li> <li>➤ Completed initial review of ACCESS 2.0, created student goals as a result.</li> <li>➤ WIDA Standard resources and related PD provided for all staff working with students who are ELLs.</li> <li>➤ ELL/Bilingual Program Specialist supported building principals and teachers to ensure EL programs were implemented with fidelity.</li> <li>➤ ELL/Bilingual Program Specialist facilitated weekly PLC for elementary ESL teachers.</li> <li>➤ Researched and recommended online platform for EL data/learning plan creation.</li> <li>➤ Newcomers Cohort meets weekly to create and monitor goals for newly arrived students who are ELLs.</li> </ul>
Bilingual Program (Gr. K-12)	<ul style="list-style-type: none"> <li>➤ Continued improvement of a full time bilingual program in grades K-12.</li> <li>➤ Increased Bilingual Teacher staffing to accommodate student program needs.</li> <li>➤ Added Title III SLIFE Intervention Teacher to support basic skills in Spanish for highest need students in grades 3-5.</li> <li>➤ Continue rolling out Year 2 of Teaching for a Biliteracy framework for bilingual curriculum and instruction.</li> <li>➤ Updated implementation of multiple measures system for exiting students and monitoring system as required by State.</li> <li>➤ Ongoing PD for “Ellevation”-online data and EL student instructional planning platform.</li> <li>➤ Added ELL/Bilingual Program Specialist to facilitate weekly PLCs across all grade levels to support Teaching for Biliteracy rollout and support all programming needs.</li> <li>➤ Professional development on best practices in Bilingual instruction related to WIDA standards provided for teachers grades K-12.</li> <li>➤ Purchased resources (all content areas) for Bilingual classrooms.</li> <li>➤ Continued use of Renaissance STAR assessment to assess reading and math in both Spanish and English for students in bilingual homerooms in grades 6-12.</li> <li>➤ Researched and recommended online platform for EL data/learning plan creation: iStation Data Platform pilot program in K-5 bilingual classes.</li> <li>➤ Implemented Latino Family Literacy Project for grades PreK-12.</li> <li>➤ Staffed Bilingual Outreach position for all levels K-12.</li> <li>➤ Added Students with Limited or Interrupted Education (SLIFE) Intervention Teacher at MHS specifically for students who are ELLs and grade levels behind.</li> </ul>

<p>K-5 Language Arts</p>	<ul style="list-style-type: none"> <li>➤ Provided PD for teachers in utilizing data to plan targeted learning opportunities for all students.</li> <li>➤ Refined MSD-Tiered System of Supports.</li> <li>➤ Implementation of K-3 Soday Phonics Program.</li> <li>➤ Provide professional development with new Soday Phonics program.</li> <li>➤ Staffed Intervention teachers positions for all I schools K-8.</li> <li>➤ Trained teachers in use of Benchmark Assessment System as a data point for learning plans.</li> <li>➤ Implemented iReady online diagnostic to provide teachers and parents with specific data related to core standards in ELA.</li> <li>➤ revised/adjusted so that all assessments align with standards.</li> <li>➤ Implemented NJ State Testing.</li> <li>➤ Provided after school programs to support struggling learners grades 1-5.</li> </ul>
<p>6-12 English Language Arts</p>	<ul style="list-style-type: none"> <li>➤ Provided updated instructional resources for teachers to support standards based teaching of ELA grades 6-12.</li> <li>➤ Purchased diverse classroom library books to enhance student selection across ELA courses.</li> <li>➤ Refined ELA curriculum in collaboration with students from the Equity and Inclusion team.</li> <li>➤ Provided small group reading instruction PD grades 6-8 via our Jennifer Serravallo Consultant.</li> <li>➤ Writing Instruction PD for grades 9-12 via Drew Writing Project.</li> <li>➤ Utilized PLC time to calibrate scoring of common benchmark assessments and craft instructional plans to respond to tiered groups based on the scores.</li> <li>➤ Utilized online diagnostic (iReady and Pioneer) to determine student needs in reading comprehension.</li> <li>➤ Provided Intervention services for general education students (based on diagnostic data) grades 6-8.</li> <li>➤ Implemented NJGPA, NJSLA, and Gradation Portfolio Assessments.</li> <li>➤ Provided PD on Blended Learning to help teachers maximize face-to-face teaching time with students.</li> <li>➤ CommonLit Formatives: Reading Benchmark Assessments-grades 7-11.</li> <li>➤ PSAT for all 11th grade students; analysis of results in PLCs.</li> <li>➤ Provided online AP preparation through Albert i.o.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> <li>➤ Summer 2021 revision of middle school curriculum and PD to support implementation during PLC meeting time.</li> <li>➤ FMS Reading Specialist offers reading instruction PD to ELA teachers.</li> <li>➤ Provided Homework Tutorials for all students and After School academic support for identified students.</li> <li>➤ Provided Summer School for students transitioning from grade 8 to grade 9.</li> </ul>
<p>K-12 Mathematics</p>	<ul style="list-style-type: none"> <li>➤ Implemented iReady online diagnostic to provide teachers and parents with specific data related to core standards in Math grades K-8.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Provide Professional Development for teachers/administrators with iReady Data Analysis and Instructional Grouping.</li> <li>➤ Provided Intervention services for general education students (based multiple measures data) grades 6-8.</li> <li>➤ Implemented Aleks online diagnostic to provide teachers and parents with specific data related to core standards in Math for Algebra I, Geometry, and Algebra II.</li> <li>➤ Implementation of K-5 Ready Classroom Mathematics Program.</li> <li>➤ Provide professional development for teachers/administrators with the new Ready Classroom Mathematics program.</li> <li>➤ Assessment Handbook Mathematics adjusted to reflect Common Benchmark Assessments K-5.</li> <li>➤ Refined protocol and action plans after reviewing common benchmark assessment data for grades 6-12.</li> <li>➤ Utilized new version of Everyday Math—Common Core edition.</li> <li>➤ Created a plan and implemented Reflex Math - Fluency in grade 3 and as needed in intervention ESL BIL.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> <li>➤ Utilize PLC time for Unit Assessment and Reassessment Plans.</li> </ul>
<p style="text-align: center;">K-12 Science</p>	<ul style="list-style-type: none"> <li>➤ STEM Academy cohort expansion at Morristown High School.</li> <li>➤ Provided PD for teachers and teaching resources in all areas of NGSS.</li> <li>➤ Implements Science Rubric at 6-8.</li> <li>➤ Provided PD for teachers on NGSS/Math Integration and Engineering for K-5.</li> <li>➤ Provided direction on ELA companion standards.</li> <li>➤ Continued implementation of Defined STEM platform</li> <li>➤ Provided professional development on STEM resources for hands-on coding and engineering.</li> <li>➤ Expanded Project Lead the Way courses across MSD.</li> <li>➤ 9th grade AP Physics I course.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> <li>➤ Introduced educational technology applications to provide more dynamic instruction.</li> </ul>
<p style="text-align: center;">Social Studies (K-12)</p>	<ul style="list-style-type: none"> <li>➤ Implemented and expanded use of “Defined Learning” online problem based learning curriculum that aligns with SS/History standards.</li> <li>➤ Utilized DBQ project, online platform for integration of ELA companion standards for reading/writing.</li> <li>➤ Implemented summer curriculum writing outlining model DBQ questions for 6-8 curriculum.</li> <li>➤ Made updates to SS/History Curriculum to align with NJSLS and integrate SEL competencies and CRT strategies throughout the curriculum.</li> <li>➤ Revised and updated Holocaust units.</li> <li>➤ Provided professional development opportunity around teaching the Holocaust through Media Literacy.</li> <li>➤ PD for K-12 on Amistad Commission and use of Amistad lesson integration through online accounts and PLC meetings.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Purchased resources for all levels to expand culturally responsive text and point of view.</li> <li>➤ Provided online AP preparation through Albert i.o.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> <li>➤ Added technology and resources to ensure teachers could meet the demands of online/virtual, in person and hybrid learning.</li> <li>➤ Purchased updated text and online resources for social studies classrooms.</li> </ul>
Gifted Education (K-12)	<ul style="list-style-type: none"> <li>➤ Aligned program components, communication and reporting process to align with new state legislation requirements for G&amp;T.</li> <li>➤ Refined Quest identification process to include a creative measure tool along with non-verbal cognitive and academic information.</li> <li>➤ Reallocated G&amp;T teacher time so that each grade level K-8 has grade level enrichment periods and pull-out G&amp;T class.</li> <li>➤ Introduces “Defined Learning for G&amp;T independent and small group studies.</li> <li>➤ Purchased resources for G&amp;T and Homeroom teachers to support enrichment activities.</li> <li>➤ Refine the process for designing and facilitating Enrichment Clusters grades 3-5.</li> <li>➤ Provided PD on G&amp;T practices and strategies for G&amp;T and General Education teachers.</li> <li>➤ Introduced Defined STEM platform to teachers, offered professional development.</li> </ul>
Summer Academy Programs	<ul style="list-style-type: none"> <li>➤ Summer Academy Program targeted for BSI and ESL students provided for grades 1-8 and Special Education PreK-12.</li> <li>➤ Summer Transition Program provided for rising 9th graders identified as struggling learners.</li> <li>➤ Utilized blended practices to integrated online supports in reading and math for all summer program students.</li> <li>➤ Implemented attendance incentives for personal/social development groups for summer program students.</li> <li>➤ Provided parent information, progress reports and visitations for summer program families.</li> <li>➤ Tracked performance data over 6-week program.</li> <li>➤ Provided “report cards” to parents and home schools to overview student growth and needs.</li> <li>➤ Provided student reflection narratives to administration in charge of 9th grade.</li> </ul>
K-12 Media & Library	<ul style="list-style-type: none"> <li>➤ Defined Learning training opportunity for all librarians during summer for STEM and Gifted and Talented.</li> <li>➤ Digital Citizenship Training for all librarians.</li> <li>➤ Neptune Navigate Training for all librarians.</li> <li>➤ Google Certification Training for all librarians.</li> <li>➤ Merlyn training provided to pilot specialists</li> <li>➤ Increased titles in all Media Centers around CRT, SEL topics.</li> <li>➤ Curriculum updated to include Neptune Navigate.</li> </ul>
K-12 Computer Education	<ul style="list-style-type: none"> <li>➤ Continue one-to-one initiative at elementary.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Continue one-to-one initiative at middle school and high school.</li> <li>➤ Technology infusion at K-5 continued (additional Chromebooks purchased).</li> <li>➤ PD for teachers provided to increase the level of technology integration and implementation of Canvas (grades 6-8) and Google Classroom/Promethean Boards (grades 3-5).</li> <li>➤ Parent sessions held to increase parent interaction and responsibility around one-to-one and increased technology access for students as well as parent portals for both Canvas and PowerSchool.</li> <li>➤ Curation of 40 digital content providers for grades Prek -12.</li> <li>➤ Continuation of Computer science course at FMS (Gateway Computer Science for Innovators and Makers).</li> <li>➤ Continuation of Computer Science Course at MHS (Computer Science Essentials).</li> <li>➤ Trained staff members on PLTW Computer Science.</li> <li>➤ All 6th graders complete mandatory elective- Navigating Digital Systems.</li> <li>➤ Neptune Navigate Digital Citizenship infusion in grades 1, 3, 6, and 9; districtwide initiative.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> <li>➤ Focus in 6-12 on content design regarding modules and best practices in Canvas.</li> </ul>
World Language (K-12)	<ul style="list-style-type: none"> <li>➤ Palabras en Mi Mundo adopted to support 3-5 WL practice.</li> <li>➤ Little Pim and language centers implemented at K-2 to support WL practice.</li> <li>➤ Revisions started on level 3 world language curriculum in all languages 9-12 completed.</li> <li>➤ Curriculum review and PLC planning for world language grades 6-8.</li> <li>➤ Proposed revisions to K-5 World Language Curriculum approved.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> </ul>
K-12 Health and Physical Education	<ul style="list-style-type: none"> <li>➤ Implemented BOE approved K-12 Health Curriculum.</li> <li>➤ Implemented BOE approved K-5 anti-bullying Curriculum.</li> <li>➤ Implemented BOE approved K-12 PE Curriculum.</li> <li>➤ PD provided for PE teachers K-12 on WIDA standards, Bilingual language development, inclusive practice and adaptive PE.</li> <li>➤ Provided SEI training for K-12 PE/Health teachers.</li> <li>➤ Provided opportunity for out of district PD for PE teachers to articulate with surrounding districts.</li> <li>➤ Participated in SNAP program (Special Needs Athletic Programs) in K-5 schools.</li> <li>➤ Hosted ALL IN Inclusive sports events.</li> <li>➤ Participated in Special Olympics.</li> <li>➤ Provided Grading and Assessment PD for teachers at all levels.</li> </ul>

#### **4. AWARDS:**

The Morris School District community takes great pride in its schools and believes a quality education is the inherent right of all children and the foundation of a strong community. In our classrooms and on our playgrounds, children of diverse races, religions, and economic backgrounds come together to learn with and from each other.

The District provides a supportive and challenging educational environment for a total student population of 5,100 in grades Pre-K through 12. Our teachers and administrators continually earn awards and recognition for their innovations and impact on public education. We are a member of the League of Innovative Schools--the only District in Morris County with this distinguished membership, one of ten in NJ overall.

Our preschool, Lafayette Learning Center, offers a full-day academic, social, and emotional readiness program for 3- and 4-year-olds. All teachers are fully certified, most with dual certification in both general and special education. Busing is provided, and a full-time nurse is on premises. We have a large gym with rock climbing wall, fenced-in playground with tricycle track, and an adjacent urban farm--a 1-acre agricultural teaching garden offering rich, hands-on learning experiences for all preschool and elementary students and the community at large. The District received a grant from the NJ Department of Education (\$7.7 million for 2021-22, the largest in Morris County) to offer free preschool to almost 700 children. Leading a collaborative consortium of area preschool partners (including Head Start, YMCA, and Neighborhood House) we are able to deliver highest quality preschool education throughout our community.

Our seven elementary schools comprise three K-2 schools, three 3-5 schools, and one multiage magnet school serving grades K-5. We offer full-day kindergarten, with before- and aftercare arranged through our Community School. Each elementary school has a dedicated science specialist, and the curriculum includes instruction in integrated STEM as well as in developmentally appropriate technology education in all grades. All students are provided a district-issued Chromebook to enable continuity of instruction and accessibility to select, approved digital platforms aligned with the curriculum. Our special area subjects also include media, physical education, art, music, and world language. Beginning in grade 4, students take instrumental music (concert band, jazz band, and orchestra). Enrichment classes and afterschool clubs expose students to new areas of interest and inquiry, such as creative writing, dance, environmental science, and yoga. Outdoor classrooms, learning laboratories/maker spaces, mindfulness rooms, and new playgrounds enhance the physical plant. Standardized assessment results (NJSLA) from 2022, show that our students are performing consistently above the state average with the exception of grade 3 ELA--our district is addressing all learning acceleration needs (ELA, Math and Subgroup Populations) through a systematic MTSS Framework and increased opportunities for family engagement across our PreK-5 schools.

Frelinghuysen Middle School serves approximately 1,100 students in grades 6-8. The school has a "house" structure to facilitate closer and more meaningful long-term relationships between students and staff. Each house is the caretaker of its students throughout their middle school years. A dedicated team of teachers offers core content instruction (Math, Language Arts, Social Studies and Science) within each house over a three-year period. The FMS curriculum also offers instruction in Italian, Spanish, and French. Each FMS student is issued a personal Chromebook to enhance and support instruction and promote personal inquiry 24/7. Currently, all FMS students have free access to an online tutoring platform to support at home learning, content/skill practice for all students. FMS has earned state and national attention for exceptional growth in student achievement, with all demographic subgroups showing significant improvement on the state standardized assessment (NJSLA) over the past several years.

At FMS, we recognize that young adolescence is a time for students to discover and develop their passions and talents. To that end, our comprehensive Music, Fine Arts, and Design/Engineering programs are foundational elements of the FMS experience, and are available to every FMS student in grades 6-8. Students are able to participate during the school day in Ensemble Band, Ensemble Orchestra, and Choir. In addition, eighth grade students can elect to participate in a semester Musical Theater class that introduces them to performance, production, and set design and/or a semester World Drumming class that introduces them to percussion instruments and rhythms from cultures around the world. Students in grades 6-8 take Fine Arts electives such as Visual Arts, Graphic Design, and Sculpture and Ceramics. In the areas of Design and Engineering, all 6th grade students are introduced to digital citizenship and effective, safe use of technology to support learning and build organization skills through our Navigating Digital Citizenship course. Beyond that, students participate in popular semester and year-long electives such as Industrial Arts, Foundations of STEM, Engineering Innovations, Integrated Robotics and Design, Computer Science for Innovators, and Computer Science Applications. Frelinghuysen Middle School runs a very active chapter of the National Society of Black Engineers (NSBE) and is currently running STEM courses in grades 7 and 8 with Project Lead the Way.

The FMS extracurricular programs are an integral part of student life at FMS, and are aligned with our vision of becoming a school community in which all students “discover their passions and talents.” We offer all students a comprehensive after-school enrichment and athletic program. All students are able to participate in enrichment experiences such as the Global Classrooms Middle School Model United Nations Program, the NJ Technology Student Association middle school competition, Wind Ensemble, Jazz Band, Chamber Orchestra, and Select Choir. Our students have not only enjoyed participating in these experiences--and do so in high numbers--but also have met with great success. Recent individual and group distinctions include: In 2021-2022, Frelinghuysen Middle School students continued to excel beyond the school in the area of music. FMS had five students make the Morris Area Honor Choir and two students be accepted into the North Jersey Regional Choir. In addition, three FMS students were selected to participate in the North Jersey Area Band, two students in the New Jersey Music Association Junior Region Band. Impressively nine sixth grade students auditioned and were accepted into the New Jersey Music Association’s Elementary Honors Band.

The school’s 60-acre campus provides several fields and courts to support our extensive athletic program, the largest in Morris County. Included among our teams are field hockey, lacrosse, baseball, girls and boys soccer, girls and boys basketball, cheerleading, softball, wrestling, and cross-country. Over the years, Frelinghuysen Middle School’s athletic teams have consistently excelled in inter-scholastic competitions, winning many county championships. This excellence continued in 2021-22, with FMS winning Morris County Championships in Girls Cross Country, Baseball, and Girls Lacrosse.

Morristown High School is a comprehensive, four-year secondary school located in Morris County, roughly 33 miles outside of New York City. MHS serves a diverse population of approximately 1900 students. The mission of the faculty and administration is to prepare its graduates for a wide variety of post-secondary experiences that require a well-developed global competency. Morristown High School is accredited by the New Jersey Department of Education and is recognized locally and nationally as a premiere education institution. MHS was ranked among the Top 125 schools in New Jersey by *Niche.com* with highest marks in Academics (A-) and Diversity (A).

As part of our commitment to preparing graduates to take their place as contributing citizens of the world, MHS participated in the *NJ State Seal of Biliteracy Program*, which grants certification of demonstrated linguistic proficiency in English as well as a second world language. Our official partnership with CIEE offers students *Global Navigator Scholarships* for life-changing study abroad experiences, with an emphasis on intercultural awareness and communication skills.

**Our Faculty** - Morristown High School has 167 full-time educators on staff, more than 75% of whom have advanced degrees, who embrace the challenges of its dynamic population. In addition to the Director of School Counseling and eleven school counselors (several of which are bilingual), there are two Student Assistance Counselors and one Academic Assistance Coordinator. The counselor to student ratio is 170:1. The faculty actively participates in progressive professional development opportunities and demonstrates commitment to life-long learning and development.

**Our Curriculum** - MHS provides a rigorous college preparatory curriculum, including 29 Advanced Placement, 3 Post-Secondary, and 40 Honors courses, complemented by over 45 extracurricular activities including a highly regarded and award-winning Performing Arts Department, Math League, and Science Team, as well as 29 varsity athletic teams. Students are not limited in the number of AP, PS, or Honors courses they can take, but must receive recommendations for placement into each academic level. MHS stands out among peer high schools for its STEM and Humanities Academies, coupled with selective, state of the art, programming in broadcasting, music, and theater. Peer Group Connection is an accredited leadership program for seniors adopted from the *Princeton Center for Learning*. Tech Ed offerings in Engineering and Design focus on the DIY or Maker movement, drawing on open-source methods and innovative technology; coursework in Computer Assisted Design (CAD), engineering, architecture, robotics, alternative energy and sustainable design.

One of the advantages of a large and thriving Athletic Department is that we can provide more students more opportunities to participate in sports. On the one hand, MHS boasts highly competitive varsity teams and championship winners, and we regularly send student-athletes to Division I schools on athletic scholarship. Thus, for students who are serious about sports at the high school as well as collegiate level, MHS Athletics is an excellent training ground. But equally important are our robust junior varsity and freshman-level programs, where students develop and hone their skills early on and derive all the benefits that engagement in athletics brings. We are also proud to offer three Unified Sports Teams, which promote social inclusion through shared training and competition that join students with and without intellectual disabilities on the same team. This ability to provide a wide range of students a wide range of athletic experiences is something that distinguishes Morristown High School. We continue to explore athletic opportunities for our students; in the 2020-21 school year, for instance, we added a Girls Flag Football team and Girls Ice Hockey Team.

Among our recent accolades: 2019, 2020, 2021 and 2022 NJ Mathematics League, #1 Math team in Morris County; 2 students qualified for 2021-22 U.S. Chemistry Olympiad National Competition; multiple students selected for 2021 North Jersey Area Band and NJSMA Region I Band; 2020 Foxy Awards, winner of Outstanding Achievement in Education and Outreach for *The Miracle Worker*; Girls Swim Team, undefeated season and 2021 Division Champions; 3 students named National Cyber Security Scholars; Golf Team, 2021 Morris County Championship; multiple awards for Speech & Debate Team, 2021; 3 2021 National Merit Finalists, 2022 Girls Lacrosse NJSIAA Group Champions.



## **5. INTERNAL ACCOUNTING CONTROLS:**

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

As a recipient of federal awards and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure likewise is subjected to periodic evaluation by district management. Since grant periods differ in their prescribed fiscal years, representations are made prior to the end of the fiscal year for those grants having fiscal years other than July 1 through June 30.

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 awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**6. BUDGETARY CONTROLS:** In addition to internal 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 the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service 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 cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as an assignment of fund balance at June 30, 2022.

**7. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and the government-wide financial statements. These funds and the government-wide financial statements are explained in "Notes to the Financial Statement", Note 1.

**8. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund for the fiscal year ended June 30, 2022 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>2022</u>	<u>2021</u>	<u>\$</u> <u>Increase</u>	<u>%</u> <u>Increase</u>
Local Sources	\$ 102,772,661	\$ 101,266,081	\$ 1,506,580	1.49%
State Sources	45,185,711	36,844,572	8,341,139	22.64%
Federal Sources	6,421,185	4,650,409	1,770,776	38.08%
Total	<u>\$ 154,379,557</u>	<u>\$ 142,761,062</u>	<u>\$ 11,618,495</u>	<u>8.14%</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022 and the amount and percentage of decreases/increases in relation to prior year expenditures.

<u>Expenditures</u>	<u>2022</u>	<u>2021</u>	<u>\$</u> <u>(Decrease)/</u> <u>Increase</u>	<u>%</u> <u>(Decrease)/</u> <u>Increase</u>
Instruction	\$ 41,912,942	\$ 42,850,128	\$ (937,186)	-2.19%
Undistributed	86,162,111	77,989,259	8,172,852	10.48%
Charter Schools	1,472,989	1,276,305	196,684	15.41%
Capital Outlay	1,716,079	2,091,032	(374,953)	-17.93%
Special Revenue	15,743,254	12,332,973	3,410,281	27.65%
Total	<u>\$ 147,007,375</u>	<u>\$ 136,539,697</u>	<u>\$ 10,467,678</u>	<u>7.67%</u>

**9. DEBT ADMINISTRATION:** The District has no outstanding bonded debt at June 30, 2022.

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

**11. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**12. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants. The firm of PKF O'Connor Davies, LLP, a professional corporation of accountants and auditors, was selected and duly appointed by the Morris School District Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Uniform Guidance and the State of New Jersey Treasury Circular Letter 15-08. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules 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.

**13. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Morris School District Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the School District and contributing its full support to the development maintenance of the financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, business services and accounting staff.

Respectfully submitted,



Dr. Anne Mucci  
Superintendent effective January 1, 2023



Anthony Lo Franco  
Business Administrator/Board Secretary

# MORRIS SCHOOL DISTRICT ORGANIZATIONAL CHART

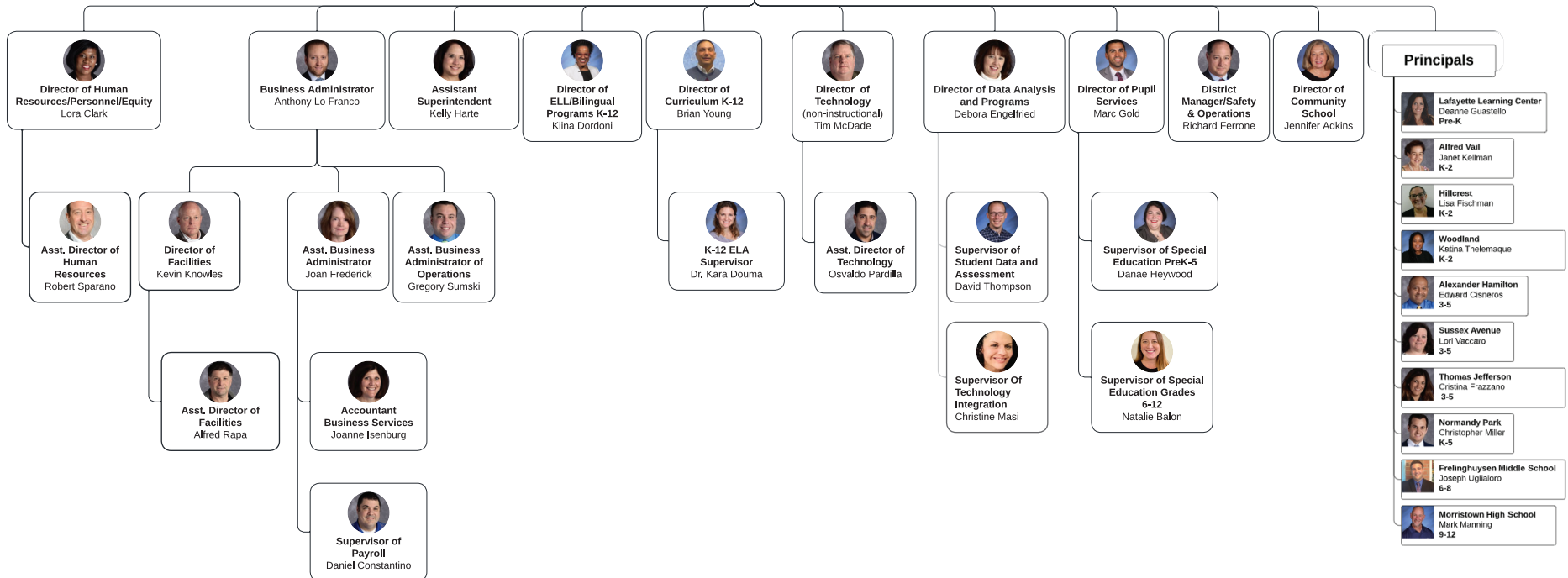
## CENTRAL OFFICE

2021-2022

BOARD OF EDUCATION



**SUPERINTENDENT**  
(Interim)  
Thomas Ficarra



MORRIS SCHOOL DISTRICT  
BOARD OF EDUCATION  
MORRIS COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2022

**PRESIDENT**

Mrs. Melissa Spiotta 2022

**VICE-PRESIDENT**

Ms. Linda K. Murphy 2024

**MEMBERS**

Mrs. Nancy Bangiola 2022

Ms. Meredith Davidson 2023

Mrs. Susan Pedalino 2022

Mrs. Kathleen (Katie) Cole 2024

Mr. Alan Smith 2023

Mrs. Elisabeth (Beth) Wall 2023

Dr. Vivian Rodriguez 2024

Ms. Lucia Galdi (Morris Plains Rep)

**OTHER OFFICIALS**

Dr. Thomas Ficarra, Interim Superintendent through December 31, 2022

Dr. Anne Mucci, Superintendent effective January 1, 2023

Anthony P. Lo Franco, CPA, Business Administrator/Board Secretary

Joan Frederick, CPA, Assistant Business Administrator/Assistant Board Secretary

Gregory Sumski, Assistant Business Administrator of Operations

James McCreedy, Esq., Board Attorney

**MORRIS SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**ARCHITECTS**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, NJ 07866

**AUDIT FIRM**

PKF O'Connor Davies, LLP  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

**ATTORNEY**

Wiley, Malehorn, Sirota & Raynes  
250 Madison Avenue  
Morristown, NJ 07960

Porzio, Bromberg & Newman, PC  
100 Southgate Parkway  
Morristown, NJ 07960

Cleary, Giacobbe, Alfieri, Jacobs, LLC  
955 State Route 34  
Suite 200  
Matawan, NJ 07747

Schenck, Price, Smith & King, LLP  
220 Park Ave  
PO Box 991  
Florham Park, NJ 07932

**OFFICIAL DEPOSITORIES**

Provident Bank  
PO Box 617  
Newark, NJ 07101

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC  
One Riverfront Plaza, Fourth Floor  
Newark, NJ 07102

## **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

Honorable President and Members  
of the Board of Education  
Morris School District  
Morristown, 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 and each major fund of the Morris School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, 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 and each major fund of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United State 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards and requirements 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.

#### **Change in Accounting Principle**

We draw attention to Note 1M in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "*Leases*". Our opinion is not modified with respect to this matter.



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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, 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 management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 GAAS. In our opinion, the combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Annual Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2023 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 7, 2023



Andrew G. Hodulik, CPA  
Public School Accountant, PSA # 841

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MORRIS SCHOOL DISTRICT**  
**Morristown, New Jersey**  
**Morris County**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Year ended June 30, 2022**

This section of the District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. It should be read in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments* issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is presented in the MD&A.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

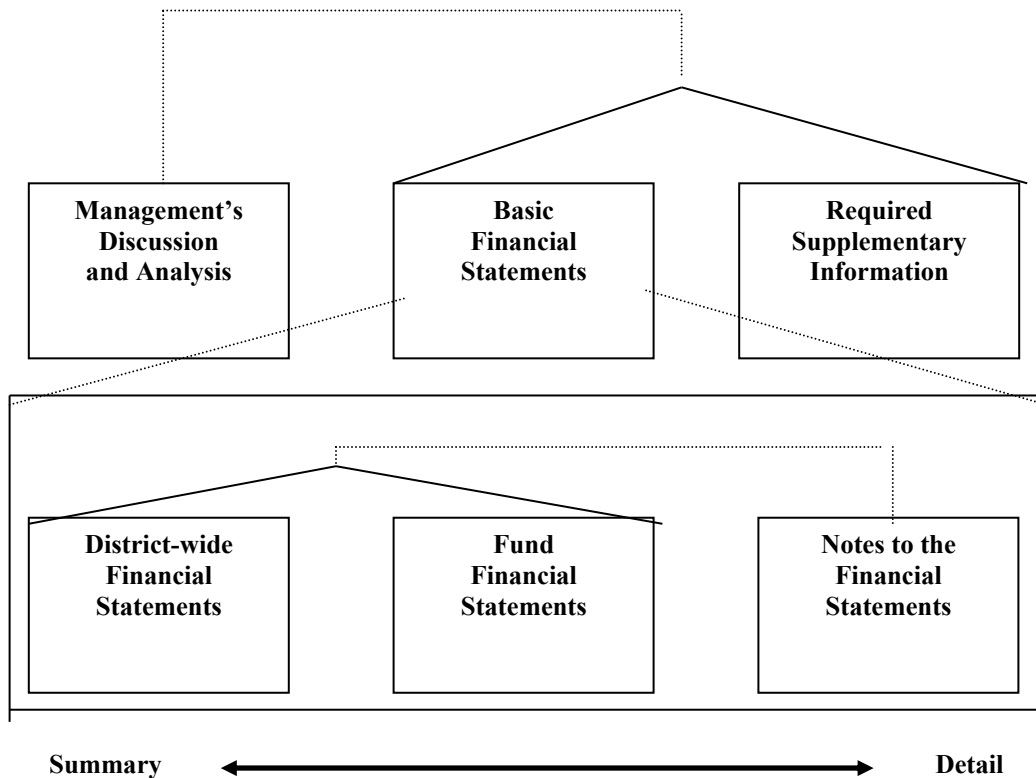
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 operated like businesses, such as food services.

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 School District Annual Financial Report***



**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2021-2022 fiscal year include the following:

Governmental funds reported a total fund balance of \$47,067,264, which is a 12.7% increase over last year's total governmental fund balance. The general fund balance was reported at \$38,697,511 of which \$6,704,215 was appropriated toward the 2022-2023 budget. The unassigned general fund balance is reported at \$8,876,946. Total spending for all governmental funds was \$149,341,064. Total revenues were \$154,379,557 resulting in an excess of revenues over expenditures of \$5,038,493 for the year. Revenues increased approximately \$11.6 million over last year and included \$51.6 million in state and federal aid and \$97.2 million in local taxes. The significant increase in revenue was driven by the following conditions. There was an increase in on-behalf TPAF pension revenue and corresponding expenditures of approximately \$5,000,000 driven by required increased employer and employee contributions during the year ended June 30, 2022. Additionally, the District received approximately \$1,900,000 for maintenance of equity aid to recoup prior year state aid shortfalls. Lastly, the tax levy increased approximately \$1,900,000, which was in-line with the State's 2% levy cap and was required to maintain the operational and academic plans for the District.

The District held approximately \$12.0 million in its capital reserve account as of June 30, 2022 and approximately \$4.6 million in its maintenance reserve account.

As a result of the District privatizing the food service program and an increase in the reimbursements of Free and Reduced meals and the Federal Food Distribution program, the District maintained a positive change in net position in the food service enterprise fund.

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 businesses: food services and community school.
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and expenses changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenditures, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, deferred inflows/outflows of resources 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 or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 revenues 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 as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues 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 and deferred outflows of resources and liabilities and deferred inflows of resources - 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 that the School District's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the of the schools to assess the overall health of the district.

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 community school programs and food services are included here.

## **Fund Financial Statements**

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

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



The District has two types 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 differences) 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.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The School District's Governmental Activities net position was \$69,483,369 at June 30, 2022. Of this amount, \$18,975,649 was a deficit in unrestricted net position. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Exhibit 1) and change in net position (Figure A-4) of the School District's governmental activities.

**Figure A - 3**  
**Net Position**  
**June 30,**

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>	% Increase (Decrease)
Current and other assets	\$ 53,196,720	\$ 45,623,540	16.6%
Capital assets, net	<u>56,354,335</u>	<u>54,821,770</u>	2.8%
Total assets	<u>109,551,055</u>	<u>100,445,310</u>	9.1%
Deferred outflows of resources	<u>2,860,386</u>	<u>4,543,879</u>	-37.0%
Current and other liabilities	9,308,401	6,472,238	43.8%
Net pension liabilities	17,090,384	23,722,093	-28.0%
Long-term liabilities	<u>5,112,447</u>	<u>6,318,242</u>	-19.1%
Total liabilities	<u>31,511,232</u>	<u>36,512,573</u>	-13.7%
Deferred inflows of resources	<u>11,416,840</u>	<u>10,958,160</u>	4.2%
Net position			
Net investment in capital assets	53,787,682	51,476,541	4.5%
Restricted:			
Capital reserve account	11,954,628	15,452,444	-22.6%
Maintenance reserve account	4,601,918	4,599,716	0.0%
Excess surplus - designated for subsequent years expenditures	3,361,726	4,716,664	-28.7%
Reserve for excess surplus	4,293,273	3,361,726	27.7%
Capital projects	8,096,667	2,925,285	176.8%
Unemployment reserve	2,090,038	2,086,678	0.2%
Student activities	184,251	157,145	17.2%
Scholarships	88,835	93,995	-5.5%
Unrestricted	<u>(18,975,649)</u>	<u>(27,351,738)</u>	30.6%
Total net position	<u>\$ 69,483,369</u>	<u>\$ 57,518,456</u>	20.8%

The increase in current and other assets from the prior year was primarily attributable to an increase in accounts receivables in the current year from the prior year. This has resulted from a new grant awarded to the District of approximately \$1.9 million for maintenance of equity state aid. Also, there was an increase in expenditures for educational stabilization fund in the current year from the prior year, which increased the special revenue fund accounts receivable balance. Current and other liabilities increased from the prior year as a direct result of an increase in various payables and unearned revenue attributable to timing differences of deliverables. The decrease in long-term liabilities is directly related to the financed leases payable payments in amount of \$907,155.

Significant changes to the deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB Statement No. 68 net pension liability calculation. The change in 2022 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2020 and rolled forward to 2021. The net pension liability associated with the District's governmental activities at June 30, 2022 amounted to \$17,090,384, which was a decrease of approximately \$6,632,000 and resulted from changes in the net pension calculation.

The largest portion of the District's governmental activities net position is its net investment in capital assets, \$53,787,682 (e.g., land, construction-in-progress, buildings and improvements, and furniture and equipment), less accumulated depreciation and any related debt (financed leases payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted portion of the net position in the amount of \$34,671,336 is comprised of amounts restricted for Capital Projects in the amount of \$8,096,667, amounts restricted for Maintenance Reserve in the amount of \$4,601,918, amounts restricted for Capital Reserve in the amount of \$11,954,628, amounts restricted for Unemployment Compensation in the amount of \$2,090,038, amounts restricted for Scholarships in the amount of \$88,835, amounts restricted for Student Activities in the amount of \$184,251 and excess surplus in the amount of \$7,654,999 that is restricted to be utilized in the District's 2023 and 2024 fiscal year budgets.

The remaining deficit balance, (\$18,975,649) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability.

The key elements of the District's changes in net position for the years ended June 30, 2022 and 2021 are as follows:

**Figure A - 4**  
**Change in Net Position**  
**Year Ended June 30,**

	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u> <u>Increase</u>	<u>%</u> <u>Changes</u>
Revenues:				
Program revenue				
State grants & entitlements	\$ 48,880,848	\$ 55,236,862	\$ (6,356,014)	-11.5%
General revenue				
Local tax levy	97,216,010	95,309,814	1,906,196	2.0%
Federal and state aid	167,255	182,060	(14,805)	-8.1%
Miscellaneous revenues (Incl. special items & transfers)	5,316,030	5,205,863	110,167	2.1%
Total general revenues	<u>102,699,295</u>	<u>100,697,737</u>	<u>2,001,558</u>	2.0%
Total revenues	<u>151,580,143</u>	<u>155,934,599</u>	<u>(4,354,456)</u>	-2.8%
Function/program expense:				
Instruction				
Regular programs	37,641,978	37,313,269	328,709	0.9%
Special programs	8,774,782	7,367,452	1,407,330	19.1%
Other Instructional programs	4,504,721	4,589,432	(84,711)	-1.8%
Support services				
Tuition	4,772,210	5,050,199	(277,989)	-5.5%
Student services	21,479,462	20,869,737	609,725	2.9%
Instructional staff support				
School administration	4,274,361	3,918,595	355,766	9.1%
General administration and business services				
Plant services	4,115,906	3,760,790	355,116	9.4%
Plant services	10,009,081	8,690,286	1,318,795	15.2%
Student transportation	8,691,087	6,531,871	2,159,216	33.1%
Unallocated benefits	33,853,198	48,299,957	(14,446,759)	-29.9%
Charter School	1,472,989	1,276,305	196,684	15.4%
Interest on long-term debt	25,455	47,115	(21,660)	-46.0%
Total expenses	<u>139,615,230</u>	<u>147,715,008</u>	<u>(8,099,778)</u>	-5.5%
Change in Net Position	11,964,913	8,219,591	3,745,322	45.6%
Net Position - Beginning	<u>57,518,456</u>	<u>49,298,865</u>		
Net Position - Ending	<u>\$ 69,483,369</u>	<u>\$ 57,518,456</u>		

Increases of approximately \$1.4 million in instruction special programs and approximately \$2.2 million in student transportation were directly related to the return of students for in-person learning. Additionally, plant services increased by approximately \$1.3 million mainly due to an increase in cleaning, maintenance, and custodial services as students return for in-person learning. Unallocated benefits decreased by approximately \$14.4 million for the year ended June 30, 2022. This was directly related to decrease in the TPAF pension allocation. Changes to the discount rate, and actuarial methods and assumptions attributed to this decrease from the prior year.

## Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year was \$139,615,230. These costs were financed by \$97,216,010 in local property school taxes, \$49,048,103 in federal and state aid and \$5,316,030 in miscellaneous revenues including interest, tuition, general entitlements and transfers.

In Figure A-5, below, we have presented the cost of each of the School District's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

**Figure A-5**  
**Governmental Activities – Total Cost of Services**

	<u>2022</u>	<u>2021</u>
Regular programs instruction	\$ 37,641,978	\$ 37,313,269
Unallocated benefits	33,853,198	48,299,957
Student service	21,479,462	20,869,737
Plant services	10,009,081	8,690,286
Transportation	8,691,087	6,531,871
Special programs instruction	8,774,782	7,367,452
Tuition	4,772,210	5,050,199
All others	14,393,432	13,592,237
	<u>\$ 139,615,230</u>	<u>\$ 147,715,008</u>

## Financial Analysis of the District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources provided to it, and also gives more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of \$47,067,264, which is an increase of \$5,295,651 from last year's fund balance amount. The increase largely was due to increases in local tax levy and federal and state aid.

## General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the District's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus.

Actual revenues reflect a positive variance of approximately \$30.5 million. This is due primarily to the State reimbursement in the amount of \$24.1 million for TPAF pension and post retirement medical and social security contributions. This is always a non-budgeted item that the State requires be included in the final audit.

Actual expenditures reflect a negative variance of approximately \$16.0 million. This is due to the State requirement to include TPAF and social security contributions totaling \$24.1 million in the audit. Absent the TPAF adjustment the variance is a positive \$8.1 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2022, the school district had \$96,916,354 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, construction in progress, vehicles, furniture and equipment. This amount represents a net increase (including additions and deletions) of \$3,330,605 or 3.6% percent, from last year.

**Figure A-6**  
**Capital Assets at Year-End**

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>
Land	\$ 3,331,700	\$ 3,331,700
Construction in Progress	2,333,689	352,985
Building and Improvements	75,652,848	75,032,766
Furniture, Equip. & Vehicles	<u>15,598,117</u>	<u>14,868,298</u>
	<u>\$ 96,916,354</u>	<u>\$ 93,585,749</u>

Construction in progress increased in the current year compared to the prior year due to construction on new projects approved by the District in the prior year started. Also, additional projects were approved and started by the District during the fiscal year.

## Long-Term Debt

At the end of this year, the School District had \$2,566,653 in financed purchases leases outstanding versus \$3,345,229 in financed purchases leases last year – a decrease of 30.3%. The long-term debt consisted of:

**Figure A-7**  
**Outstanding Debt at Year-End**

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>
Financed purchases leases	\$2,566,653	\$3,345,229

The School District's general obligation bond rating continues to be AA. The state limits the amount of general obligation debt that cities can issue to 3% of the average state equalized assessed value of the taxable property within the School District's corporate limits. The School District's outstanding general obligation debt of \$2,566,653 is significantly below the \$261,300,795 statutorily imposed limit.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

### **FACTORS AFFECTING THE DISTRICT'S FUTURE**

- A significant element is the continued increase and demographic makeup of our student population throughout the district. Overall enrollment has increased 1.6% over the last 10 years.
- The District's Architect completed an evaluation of all buildings to determine needed repairs due to the age of our buildings. This information will be valuable as we prioritize annual capital projects.
- Another particularly significant element is the restriction of the District's budget increase to 2% of its statutory tax levy. This cap along with increasing expenses continues to exert pressure on the District's budget.
- Employment contracts have been renewed as of July 1, 2022, for a four year period ending June 30, 2026.
- The District has been utilizing capital reserve funds for building renovations. The June 30, 2022 balance was \$11.9 million. This reserve will serve the District well in planning and executing necessary capital projects for the District in the future.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Anthony LoFranco, Business Administrator/Board Secretary, at Morris School District Board of Education, 31 Hazel St., Morristown, New Jersey 07960.



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**SECTION - A**

MORRIS SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 44,589,232	\$ 1,765,063	\$ 46,354,295
Receivables, net	8,607,488	226,930	8,834,418
Inventory		35,565	35,565
Capital assets, net	56,354,335	226,284	56,580,619
<b>Total Assets</b>	<b>109,551,055</b>	<b>2,253,842</b>	<b>111,804,897</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferrals	2,860,386		2,860,386
<b>LIABILITIES</b>			
Accounts payable	4,557,487	176,706	4,734,193
Accrued salaries	642,137	21,435	663,572
Accrued interest payable	38,227		38,227
Payroll deductions and withholdings payable	636,097		636,097
Unemployment compensation claims payable	215,651		215,651
Unearned Revenue	1,965,387	146,533	2,111,920
Noncurrent liabilities:			
Due within one year	1,253,415		1,253,415
Due beyond one year	5,112,447	18,698	5,131,145
Net Pension Liability	17,090,384		17,090,384
<b>Total Liabilities</b>	<b>31,511,232</b>	<b>363,372</b>	<b>31,874,604</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferrals	11,416,840		11,416,840
<b>NET POSITION</b>			
Net investment in capital assets	53,787,682	226,284	54,013,966
Restricted for:			
Capital projects	8,096,667		8,096,667
Capital reserve account	11,954,628		11,954,628
Maintenance reserve account	4,601,918		4,601,918
Excess surplus - designated for subsequent years expenditures	3,361,726		3,361,726
Reserve for excess surplus	4,293,273		4,293,273
Unemployment reserve	2,090,038		2,090,038
Student activities	184,251		184,251
Scholarships	88,835		88,835
Unrestricted(Deficit)	(18,975,649)	1,664,186	(17,311,463)
<b>Total Net Position</b>	<b>\$ 69,483,369</b>	<b>\$ 1,890,470</b>	<b>\$ 71,373,839</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

MORRIS SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
<b>Instruction:</b>						
Regular	\$ 37,641,978			\$ (37,641,978)		\$ (37,641,978)
Special education	8,774,782		\$ 4,542,764	(4,232,018)		(4,232,018)
Other special instruction	2,919,552			(2,919,552)		(2,919,552)
Other instruction	1,585,169			(1,585,169)		(1,585,169)
<b>Support services:</b>						
Tuition	4,772,210		2,176,670	(2,595,540)		(2,595,540)
Student & instruction related services	21,479,462	\$ 385,118	7,154,691	(13,939,653)		(13,939,653)
School administrative services	4,274,361			(4,274,361)		(4,274,361)
General and business administrative services	4,115,906			(4,115,906)		(4,115,906)
Plant operations and maintenance	10,009,081		308,754	(9,700,327)		(9,700,327)
Pupil transportation	8,691,087			(8,691,087)		(8,691,087)
Unallocated benefits	33,853,198			(33,853,198)		(33,853,198)
Charter schools	1,472,989			(1,472,989)		(1,472,989)
Interest on long-term debt	25,455			(25,455)		(25,455)
Total governmental activities	<u>139,615,230</u>	<u>385,118</u>	<u>14,182,879</u>	<u>(125,047,233)</u>	<u>-</u>	<u>(125,047,233)</u>
<b>Business-type activities:</b>						
Food service	2,252,256	67,079	2,919,432		\$ 734,255	734,255
Community school	861,725	1,317,070			455,345	455,345
Total business-type activities	<u>3,113,981</u>	<u>1,384,149</u>	<u>2,919,432</u>	<u>-</u>	<u>1,189,600</u>	<u>1,189,600</u>
Total primary government	<u>\$ 142,729,211</u>	<u>\$ 1,769,267</u>	<u>\$ 17,102,311</u>	<u>\$ (125,047,233)</u>	<u>\$ 1,189,600</u>	<u>\$ (123,857,633)</u>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes				\$ 97,216,010		\$ 97,216,010
Federal and state aid not restricted				34,873,564		34,873,564
Tuition received				4,443,752		4,443,752
Miscellaneous earnings				475,460	\$ 890	476,350
Other restricted miscellaneous revenues				3,360		3,360
Total General revenues				<u>137,012,146</u>	<u>890</u>	<u>137,013,036</u>
Change in net position				11,964,913	1,190,490	13,155,403
Net position—beginning				57,518,456	699,980	58,218,436
Net position—ending				<u>\$ 69,483,369</u>	<u>\$ 1,890,470</u>	<u>\$ 71,373,839</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**  
**SECTION - B**

## **GOVERNMENTAL FUNDS**

MORRIS SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

**Exhibit B-1**  
**Page 1 of 2**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 34,762,727	\$ 1,729,838	\$ 8,096,667	\$ 44,589,232
Accounts Receivable:				
Due from Federal Government	42,797	1,422,771		1,465,568
Due from State Government	5,956,816	7,042		5,963,858
Other Accounts Receivable	1,065,855	112,207		1,178,062
<b>Total Assets</b>	<b>\$ 41,828,195</b>	<b>\$ 3,271,858</b>	<b>\$ 8,096,667</b>	<b>\$ 53,196,720</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 1,724,265	\$ 509,853		\$ 2,234,118
Accrued Salaries	544,479	97,658		642,137
Due to State Government		342,823		342,823
Due to Federal Government		93,243		93,243
Payroll Deductions and Withholdings Payable	636,097			636,097
Unemployment Compensation Claims Payable	215,651			215,651
Unearned Revenue	10,192	1,955,195		1,965,387
<b>Total Liabilities</b>	<b>3,130,684</b>	<b>2,998,772</b>		<b>6,129,456</b>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
Capital Reserve Account	11,954,628			11,954,628
Maintenance Reserve Account	4,601,918			4,601,918
Excess Surplus - Designated for Subsequent Years Expenditures	3,361,726			3,361,726
Reserve for Excess Surplus	4,293,273			4,293,273
Capital Projects			\$ 8,096,667	8,096,667
Unemployment Reserve	2,090,038			2,090,038
Student Activities		184,251		184,251
Scholarships		88,835		88,835
<b>Assigned Fund Balance:</b>				
Year-end Encumbrances	176,493			176,493
Designated for Subsequent Year's Expenditures	3,342,489			3,342,489
Unassigned Fund Balance	8,876,946			8,876,946
<b>Total Fund Balances</b>	<b>38,697,511</b>	<b>273,086</b>	<b>8,096,667</b>	<b>47,067,264</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 41,828,195</b>	<b>\$ 3,271,858</b>	<b>\$ 8,096,667</b>	<b>\$ 53,196,720</b>

MORRIS SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

**Exhibit B-1**  
**Page 2 of 2**

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:		\$ 47,067,264
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$96,916,354, and the accumulated depreciation is \$40,562,019.		56,354,335
Long term liabilities, including financed purchases payable and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(6,365,862)
Short-term liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.		(38,227)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. Carrying amounts are as follows:		
Deferred Outflows of Resources:		
Difference between expected and actual experience	\$ 269,537	
Change in Pension Assumptions	89,007	
Change in Pension Proportion	614,539	
Pension Payment Subsequent to Measurement Date	1,887,303	
Accounts Payable for Pension Expense	(1,887,303)	
Net Pension Liability	(17,090,384)	
Deferred Inflows of Resources:		
Difference between expected and actual experience	(122,347)	
Change in Pension Assumptions	(6,084,288)	
Difference in Pension Earnings	(4,502,056)	
Change in Pension Proportion	(708,149)	(27,534,141)
Net position of governmental activities		<u>\$ 69,483,369</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



MORRIS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Local tax levy	\$ 97,216,010			\$ 97,216,010
Tuition charges	4,443,752			4,443,752
Miscellaneous	475,460			475,460
Other restricted miscellaneous revenues	3,360			3,360
Local sources		\$ 634,079		634,079
State sources	37,505,723	7,679,988		45,185,711
Federal sources	167,255	6,253,930		6,421,185
Total revenues	<u>139,811,560</u>	<u>14,567,997</u>	<u>-</u>	<u>154,379,557</u>
Expenditures:				
Current:				
Regular instruction	28,633,439	6,719,434		35,352,873
Special education instruction	8,774,782			8,774,782
Other special instruction	2,919,552			2,919,552
Other instruction	1,585,169			1,585,169
Support services and undistributed costs:				
Tuition	4,772,210			4,772,210
Student & instruction related services	12,764,396	8,715,066		21,479,462
School administrative services	4,274,361			4,274,361
Other administrative services	3,821,809			3,821,809
Plant operations and maintenance	10,149,657			10,149,657
Pupil transportation	9,381,228			9,381,228
Unallocated Benefits	40,998,450			40,998,450
Charter schools	1,472,989			1,472,989
Capital outlay	1,716,079	308,754	\$ 2,333,689	4,358,522
Total expenditures	<u>131,264,121</u>	<u>15,743,254</u>	<u>2,333,689</u>	<u>149,341,064</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>8,547,439</u>	<u>(1,175,257)</u>	<u>(2,333,689)</u>	<u>5,038,493</u>
Other financing (uses) sources:				
Financed purchases payable	128,579			128,579
Lease purchase agreement	128,579			128,579
Transfers in	165,929	1,197,203	7,671,000	9,034,132
Transfers out	(8,868,203)		(165,929)	(9,034,132)
Total other financing (uses) sources	<u>(8,445,116)</u>	<u>1,197,203</u>	<u>7,505,071</u>	<u>257,158</u>
Net change in fund balances	102,323	21,946	5,171,382	5,295,651
Fund balance—July 1	38,595,188	251,140	2,925,285	41,771,613
Fund balance—June 30	<u>\$ 38,697,511</u>	<u>\$ 273,086</u>	<u>\$ 8,096,667</u>	<u>\$ 47,067,264</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MORRIS SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (from B-2)		\$ 5,295,651
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	\$ (2,673,610)
	Capital outlays	<u>4,206,175</u>
		1,532,565
Repayment of financed purchases payables (long-term debt) 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.		
		907,155
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
	Financed purchases payable	(128,579)
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. The accrued interest is an addition in the reconciliation.		
		12,283
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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		54,091
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense were below the expenditure reported in the funds is a deduction.		
		<u>4,291,747</u>
Change in net position of governmental activities (A-2)		<u>\$ 11,964,913</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **PROPRIETARY FUNDS**

MORRIS SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Business Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Community School	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 951,276	\$ 813,787	\$ 1,765,063
Receivables from other governments:			
State	3,543		3,543
Federal	203,954		203,954
Accounts receivable	19,283	150	19,433
Inventories	35,565		35,565
Total current assets	<u>1,213,621</u>	<u>813,937</u>	<u>2,027,558</u>
Noncurrent assets:			
Furniture, machinery & equipment	794,555	21,675	816,230
Less accumulated depreciation	<u>(579,447)</u>	<u>(10,499)</u>	<u>(589,946)</u>
Total noncurrent assets	<u>215,108</u>	<u>11,176</u>	<u>226,284</u>
Total assets	<u>\$ 1,428,729</u>	<u>\$ 825,113</u>	<u>\$ 2,253,842</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 174,549	\$ 2,157	\$ 176,706
Accrued salaries		21,435	21,435
Unearned revenue	33,733	112,800	146,533
Total current liabilities	<u>208,282</u>	<u>136,392</u>	<u>344,674</u>
Noncurrent Liabilities:			
Compensated absences		18,698	18,698
Total noncurrent liabilities	<u>-</u>	<u>18,698</u>	<u>18,698</u>
Total liabilities	<u>208,282</u>	<u>155,090</u>	<u>363,372</u>
<b>NET POSITION</b>			
Investment in capital assets	215,108	11,176	226,284
Unrestricted	1,005,339	658,847	1,664,186
Total net position	<u>\$ 1,220,447</u>	<u>\$ 670,023</u>	<u>\$ 1,890,470</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MORRIS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Fund		Total Enterprise Fund
	Major Funds		
	Food Service	Community School	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 20,427		\$ 20,427
Daily sales - non-reimbursable programs	46,652		46,652
Program Fees		\$ 1,317,070	1,317,070
Total operating revenues	<u>67,079</u>	<u>1,317,070</u>	<u>1,384,149</u>
Operating expenses:			
Cost of sales - program	1,023,542		1,023,542
Cost of sales - nonprogram	16,439		16,439
Salaries	61,624	623,730	685,354
Employee benefits	19,264	83,719	102,983
Rent		75,000	75,000
Purchased professional services	14,220	32,982	47,202
Purchased property services	23,574		23,574
Other purchased services	986,503	1,703	988,206
Supplies and materials	12,298	10,087	22,385
Other expenses	77,935	31,362	109,297
Depreciation	16,857	3,142	19,999
Total Operating Expenses	<u>2,252,256</u>	<u>861,725</u>	<u>3,113,981</u>
Operating (loss) income	<u>(2,185,177)</u>	<u>455,345</u>	<u>(1,729,832)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	47,199		47,199
Federal sources:			
National school lunch program	2,008,711		2,008,711
National snack program	532,982		532,982
School breakfast program	30,973		30,973
Food distribution program	227,904		227,904
Emergency operational cost program - schools	65,465		65,465
P-EBT administrative cost reimbursement	6,198		6,198
Interest and investment revenue	96	794	890
Total nonoperating revenues	<u>2,919,528</u>	<u>794</u>	<u>2,920,322</u>
Change in net position	734,351	456,139	1,190,490
Total net position—beginning	486,096	213,884	699,980
Total net position—ending	<u>\$ 1,220,447</u>	<u>\$ 670,023</u>	<u>\$ 1,890,470</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MORRIS SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022

	Business Type Activities - Enterprise Fund		
	Major Funds		
	Food Service Fund	Community School	Totals
Cash Flows From Operating Activities			
Receipts from customers	\$ 70,442	\$ 1,333,419	\$ 1,403,861
Payments to suppliers	(1,876,813)	(173,611)	(2,050,424)
Payments to employees	(61,624)	(602,295)	(663,919)
Payments for employee benefits	(19,264)	(81,545)	(100,809)
Net cash (used in) provided by operating activities	<u>(1,887,259)</u>	<u>475,968</u>	<u>(1,411,291)</u>
Cash Flows From Noncapital Finance Activities			
Federal and State Sources	<u>2,587,643</u>	<u>-</u>	<u>2,587,643</u>
Net cash provided by non-capital financing activities	<u>2,587,643</u>	<u>-</u>	<u>2,587,643</u>
Cash Flows From Capital and Related Financing Activities			
Purchase capital assets	<u>(21,785)</u>	<u>-</u>	<u>(21,785)</u>
Net cash (used in) capital and related financing activities	<u>(21,785)</u>	<u>-</u>	<u>(21,785)</u>
Cash Flows From Investing Activities			
Interest and dividends	<u>96</u>	<u>794</u>	<u>890</u>
Net cash provided by investing activities	<u>96</u>	<u>794</u>	<u>890</u>
Net increase in cash and cash equivalents	678,695	476,762	1,155,457
Balances—beginning of year	<u>272,581</u>	<u>337,025</u>	<u>609,606</u>
Balances—end of year	<u>\$ 951,276</u>	<u>\$ 813,787</u>	<u>\$ 1,765,063</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:			
Operating (loss) income	\$ (2,185,177)	\$ 455,345	\$ (1,729,832)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities			
Depreciation	16,857	3,142	19,999
Decrease in accounts receivable - net	3,363	6,839	10,202
(Increase) in inventory	(10,895)		(10,895)
Increase in compensated absences		2,174	2,174
Increase (decrease) in accounts payable	62,806	(22,477)	40,329
Increase in accrued salaries		21,435	21,435
(Decrease) increase in unearned revenue	(2,117)	9,510	7,393
Food distribution program	<u>227,904</u>	<u>-</u>	<u>227,904</u>
Total adjustments	<u>297,918</u>	<u>20,623</u>	<u>318,541</u>
Net cash (used in) provided by operating activities	<u>\$ (1,887,259)</u>	<u>\$ 475,968</u>	<u>\$ (1,411,291)</u>

*Noncash noncapital related financing activities:*

The District received \$227,904 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2022.

The accompanying Notes to Financial Statements are an integral part of this statement.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education ("Board") of Morris School District ("District") report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

**B. Reporting Entity**

The Morris School District is a Combined Type II district located in the County of Morris, State of New Jersey, comprising the Town of Morristown and the Township of Morris. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the District is to educate students in grades K-12. The Morris School District had an approximate enrollment at June 30, 2022 of 5,077 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Since the District's unemployment, payroll, and payroll agency funds do not meet the criteria defined by the Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll and payroll agency funds which are used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Since the District's student activity and scholarship funds do not meet the criteria defined by the Government Accounting Standards Board Statement No. 84, the student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities and the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions are reported in the special revenue fund as governmental activities.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from capital reserve, state grants, and 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. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.



**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Presentation - Fund Financial Statements (Cont'd.)**

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

The District reports the following proprietary funds:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the Community School Fund.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and lease obligations incurred to acquire general capital assets are reported as "other financing sources".

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control**

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The District did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial statements. With the District's implementation of GASB No. 84, federal, state, and local grants remain on the budgetary basis and student activities and scholarships recognize revenue upon cash received and expenditures incurred when paid.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for well capitalized institutions to a maximum of 120% collateral for critically undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

**H. Tuition Receivable/Payable**

Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. Adjustments were made to the preliminary rates originally established for the 2022-2023 school year based upon the certification of 2020-2021 rates.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**I. Inventories and Prepaid Expenses**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items in both the government-wide and fund financial statements.

**J. 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.

**K. Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Donated capital assets are valued at their acquisition value on the date of acquisition. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

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

	<u>Years</u>
Machinery and Equipment	15-20
Buildings	50-100
Building improvements	20
Vehicles	5-10

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**L. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with provisions of GASB No. 16, "Accounting for Compensated Absences".

Liabilities for compensated absences have been recorded in the District's Government-wide Governmental Fund and the District's Business-Type Activities.

**M. Leases**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, "Leases". The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District recognizes lease liabilities with an initial, individual value of \$50,000 or more. The District maintains full ownership of the underlying assets under obligations. The District did not have any new or prior year leases that would require recognition of a right-to-use asset ("lease asset") and a corresponding liability for the year ended June 30, 2022. The District is in compliance with the requirements of GASB Statement No. 87.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

**N. 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 New Jersey Public Employees' Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position may report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**P. Unearned Revenue/Advances from Grantors**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

**Q. Net Position Flow Assumption (Government-Wide and Proprietary Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

**R. Fund Balance Flow Assumption (Governmental Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

**S. Fund Balance Policies**

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the District for specific purposes that do not the criteria to be classified as committed. The District also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the District are generally not required to remove an assignment, whereas an action of the District is essential to the modification or elimination of an unexpended committed fund balance.

**T. Recently Issued Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management of the District have reviewed the GASB No. 87 and have determined that it did not have an impact on the District.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**T. Recently Issued Accounting Pronouncements (cont'd)**

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

**U. District-Wide Financial Statement Classifications**

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Capital Assets – In the statement of net position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as net investment in capital assets, as a component of net position for the governmental activities and business-type activities.

**V. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.



**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**W. Accrued Salaries and Wages**

The District has accrued at June 30, 2022 \$642,137 and \$21,435 for governmental activities and business-type activities, respectively, for part-time employee salaries and stipends for services rendered during the last two weeks of June 2022 that were not paid until the subsequent fiscal year.

**X. Management Estimates**

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

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

At June 30, 2022, the book value of the District's cash, cash equivalents and investments was \$46,354,295.

The Morris School District had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 250,000
Insured – NJGUDPA (N.J.S.A.17:941)	47,571,053
Uninsured	<u>745,305</u>
Total Deposits	<u>\$48,566,358</u>

**Custodial Credit Risk – Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$745,305 of the District's bank balance of \$48,566,358 was considered exposed to custodial risk. (See Note 1-G relating to statutory mitigation of custodial risk in the event of a bank failure).

**Concentration of Credit Risk** – This is the risk associated with the amount of investments that the District has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the District does not have an investment policy regarding Credit Risk except to the extent outlined under the District's investment policy.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of June 30, 2022, the District held no investments.

New Jersey Cash Management Fund – All investments in the fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for the reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2022, the District had no funds on deposit with the New Jersey Cash Management Fund.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 3. CAPITAL ASSETS**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance – total governmental funds is made to reflect the carrying value of the District’s capital assets at year-end in the government-wide financial statements, which consisted of:

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 3,331,700				\$ 3,331,700
Construction in Progress	352,985	\$ 2,333,689		\$ (352,985)	2,333,689
Total Capital Assets Not Being Depreciated	<u>3,684,685</u>	<u>2,333,689</u>	<u>-</u>	<u>(352,985)</u>	<u>5,665,389</u>
Building and Building Improvements	75,032,766	428,766		191,316	75,652,848
Machinery, Equipment, Furniture & Vehicles	14,868,298	1,443,720	\$ (875,570)	161,669	15,598,117
Totals at Historical Cost	<u>89,901,064</u>	<u>1,872,486</u>	<u>(875,570)</u>	<u>352,985</u>	<u>91,250,965</u>
Less Accumulated Depreciation For:					
Building and Building Improvements	(29,432,624)	(1,389,967)			(30,822,591)
Equipment, Furniture, and Vehicles	(9,331,355)	(1,283,643)	875,570		(9,739,428)
Total Accumulated Depreciation	<u>(38,763,979)</u>	<u>(2,673,610)</u>	<u>875,570</u>	<u>-</u>	<u>(40,562,019)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>51,137,085</u>	<u>(801,124)</u>	<u>-</u>	<u>352,985</u>	<u>50,688,946</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,821,770</u>	<u>\$ 1,532,565</u>	<u>\$ (875,570)</u>	<u>\$ -</u>	<u>\$ 56,354,335</u>
Business-type Activities					
Equipment	\$ 802,813	\$ 21,785	\$ (8,368)		\$ 816,230
Less Accumulated Depreciation for:					
Equipment	(578,315)	(19,999)	8,368		(589,946)
Business-type Activities Capital Assets, Net	<u>\$ 224,498</u>	<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,284</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,379,513
General and business administrative services	294,097
Total depreciation expense	<u>\$ 2,673,610</u>

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 4. LONG TERM LIABILITIES**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One item of that reconciliation explains that long-term liabilities, including bonds and judgments payable, are not due and payable in the current period and therefore are not reported liabilities in the governmental funds. A deduction to fund balance – total governmental funds is made to reflect the carrying value of the District’s long-term liabilities at year-end in the governmental activities of the government-wide financial statements.

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Other Liabilities:					
Financed Purchases Payable	\$ 3,345,229	\$ 128,579	\$ 907,155	\$ 2,566,653	\$ 1,253,415
Compensated Absences Payable	3,853,300		54,091	3,799,209	
Total Other Liabilities	<u>7,198,529</u>	<u>128,579</u>	<u>961,246</u>	<u>6,365,862</u>	<u>1,253,415</u>
Subtotal	7,198,529	128,579	961,246	6,365,862	1,253,415
Net Pension Liability (PERS)	<u>23,722,093</u>		<u>6,631,709</u>	<u>17,090,384</u>	
Total Liabilities	<u>\$ 30,920,622</u>	<u>\$ 128,579</u>	<u>\$ 7,592,955</u>	<u>\$ 23,456,246</u>	<u>\$ 1,253,415</u>
Business-type activities					
Enterprise fund:					
Compensated Absences Payable	\$ 16,524	\$ 3,150	\$ 976	\$ 18,698	
Total Liabilities	<u>\$ 16,524</u>	<u>\$ 3,150</u>	<u>\$ 976</u>	<u>\$ 18,698</u>	<u>\$ -</u>

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 4. LONG-TERM LIABILITIES (CONT'D)**

**A. Bonds Payable** -- Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2022, the District had no bonds outstanding.

**B. Bonds Authorized But Not Issued** -- As of June 30, 2022, the District had no bonds authorized but not issued.

**C. Financed Purchases Payable** --The District has entered into financed purchase agreements totaling \$2,566,653. The equipment and assets purchased by the District through the financed purchase agreements with the lessors belong to the District outright and immediately. The following is a schedule of the remaining future minimum lease payments as of June 30, 2022.

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,253,415	\$ 45,576	\$ 1,298,991
2024	440,363	20,561	460,924
2025	430,183	11,731	441,914
2026	442,692	2,644	445,336
Total	<u>\$ 2,566,653</u>	<u>\$ 80,512</u>	<u>\$ 2,647,165</u>

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS**

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The Public Employees' Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	184,775	182,492
Inactive plan members entitles to but not yet receiving benefits	877	942
Active plan members	246,776	249,045
 Total	 432,428	 432,479
 Contributing Employers	 1,683	 1,691
Contributing Nonemployers	1	1

*Significant Legislation* - Chapter 19, P.L. 2009, effective March 17, 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 an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

*Payrolls and Covered Wages-* For the year ended June 30, 2022 and 2021, the District's total payroll for all employees was \$70,190,301 and \$66,143,653, respectively. Total PERS covered payroll was \$11,377,092 and \$10,804,652, respectively. Covered wages refers to eligible compensation paid by the District to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by New Jersey State Statutes and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The District's cash contributions to the Plan for the years ended June 30, 2022 and 2021 were \$1,689,514 and \$1,591,353, respectively, equal to the required contributions. The District's Contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

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 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

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.



**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2022, the District reported a liability of \$17,090,384 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to that date. 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 entities, actuarially determined. At June 30, 2021, the District's proportion was 0.1442652714%, which was a decrease of 0.0012031354% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension benefits of \$2,589,619. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 269,537	\$ 122,347
Change in assumptions	89,007	6,084,288
Net difference between projected and actual investment earnings on pension plan investments		4,502,056
Change in proportion	614,539	708,149
District contributions subsequent to the measurement date	<u>1,887,303</u>	
Total	<u>\$ 2,860,386</u>	<u>\$ 11,416,840</u>

The \$1,887,303 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2023	\$ (4,202,772)
2024	(2,848,056)
2025	(1,883,825)
2026	(1,504,464)
2027	<u>(4,640)</u>
	<u>\$ (10,443,757)</u>

**MORRIS SCHOOL DISTRICT  
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**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.00-6.00%
Through 2026	Based on years of service
Thereafter	3.00-7.00%
	Based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 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 Pub-2010 General Below-Median Income Employee 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 a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 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 to determine the total pension liability.

**MORRIS SCHOOL DISTRICT  
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**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – the following presents the collective net pension liability of PERS participating employers, as well as the District's attributed share of that liability, as of June 30, 2021, calculated using the discount rates as disclosed above as well as what the collective 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:

	At 1% decrease <u>(6.00%)</u>	At current discount rate <u>(7.00%)</u>	At 1% increase <u>(8.00%)</u>
State	\$ 24,824,632,407	\$ 21,629,497,485	\$ 18,926,092,782
Local	16,304,502,364	11,972,782,878	8,296,704,949
	<u>\$ 41,129,134,771</u>	<u>\$ 33,602,280,363</u>	<u>\$ 27,222,797,731</u>
PERS Plan Total			
District's proportionate share of the net pension liability (Local)	<u>\$ 23,273,637</u>	<u>\$ 17,090,384</u>	<u>\$ 11,843,017</u>

*Components of Net Pension Liability* – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2021 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,950,516,944	\$ 40,359,568,055	\$ 69,310,084,999
Plan Fiduciary Net Position	7,321,019,459	28,386,785,177	35,707,804,636
	<u>\$ 21,629,497,485</u>	<u>\$ 11,972,782,878</u>	<u>\$ 33,602,280,363</u>
Net PERS Pension Liability			

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION**

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	107,890	106,388
Inactive plan members entitles to but not yet receiving benefits	407	432
Active plan members	<u>156,402</u>	<u>156,066</u>
 Total	 <u>264,699</u>	 <u>262,886</u>
 Contributing Employers	 4	 23
Contributing Nonemployers	1	1

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability.

*Significant Legislation* – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

*Covered Payroll* - For the year ended June 30, 2022 and 2021 the District's total payroll for all employees was \$70,190,301 and \$66,143,653, respectively. Total TPAF covered payroll was \$46,772,168 and \$45,586,010, respectively. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (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 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6):

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/22	\$16,752,441	Unknown	\$0
06/30/21	11,863,865	Unknown	0
06/30/20	8,901,016	Unknown	0

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

At June 30, 2021, the TPAF reported a net pension liability of \$48,075,188,642 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's net pension liability for the Non-State Employer Member Group that is attributable to the District was \$192,546,165 or 0.4005104725%. State non-employer contributions allocated to the District were \$11,737,011 and \$9,033,896 for 2022 and 2021, respectively.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	1.55-4.45%
Through 2026	Based on years of service
Thereafter	2.75-5.65%
	Based on years of service
Investment rate of return	7.00%

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

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

*Return on Investments* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) was 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.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.



**MORRIS SCHOOL DISTRICT  
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**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**B. TEACHERS PENSION AND ANNUITY FUND – SPECIAL FUNDING SITUATION (CONT'D)**

*Sensitivity of Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
TPAF	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186
District's proportionate share of the net pension liability	\$ 227,814,275	\$ 192,546,165	\$ 162,923,168

*Components of Net Pension Liability* – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2021 is as follows:

Total pension liability	\$ 74,699,133,697
Plan fiduciary net position	<u>26,533,142,515</u>
Net pension liability	<u>\$ 48,165,991,182</u>
Plan fiduciary net position as a percentage of the total pension liability	35.52%

*Additional Information* – Collective balances at June 30, 2021 were as follows:

Collective Deferred Outflows of Resources	\$ 6,373,530,834
Collective Deferred Inflows of Resources	27,363,797,906
State's Total Non-employer Net Pension Liability	48,075,188,642
District's Proportion	0.4005104725%

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 5. PENSION PLANS (CONT'D)**

**C. DEFINED CONTRIBUTION RETIREMENT PLAN**

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2021, the membership in the DCRP, based on the information within the Division's database, was 59,988.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2022 and 2021 the District's total payroll for all employees was \$70,190,301 and \$66,143,653, respectively. Total DCRP covered payroll was \$2,515,280 and \$2,172,408, respectively. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan. District and employee contributions to the DCRP for the year ended June 30, 2022 were \$75,458 and \$138,340, respectively and for the year ended June 30, 2021 were \$65,173 and \$119,568, respectively.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan:**

*General Information about the OPEB Plan:*

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$3,914,048, \$3,717,951, and \$3,302,114, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.html](http://state.nj.us/treasury/pensions/financial-reports.html).

The following members were covered by the benefit terms:

<u>Local Education</u>	June 30, <u>2020</u>	June 30, <u>2019</u>
Active Plan Members	213,901	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>	<u>-</u>
Total Plan Members	<u><u>364,328</u></u>	<u><u>366,108</u></u>

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. The State of New Jersey's Total Non-employer OPEB Liability for the SHBLEREP was \$60,007,650,970 and \$67,809,962,608 at June 30, 2021 and 2020, respectively. The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Morris Township School District was \$230,580,034 and \$254,550,691 at June 30, 2021 and 2020, respectively. These allocated liabilities represent 0.38% of the State's Total Non-employer OPEB Liability for each of the years reported.

However, the Morris School District's proportionate share percentage as determined in accordance with the provisions of paragraphs 193 and 203 to 205 of GASB Statement No. 75 is zero percent.

Accordingly, the District did not recognize any portion of the collective net OPEB liability on the statement of net position. Based upon the preceding, the OPEB liability information that follows is reported at the State's level and does not reflect expenses and liabilities of the District that are required to be funded through annual District budgets.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

*Actuarial Assumptions and Other Inputs:*

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 that was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55-4.45%	2.00-6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75-5.65%	3.00-7.00%
	Based on Years of Service	Based on Years of Service

*Mortality Rates*

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

*Healthcare Trend Assumptions:*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO, the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after eleven years. For HMO, the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

*Discount Rate:*

The discount rates for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:*

Changes to the State's Total Non-employer OPEB Liability during the fiscal year ended June 30, 2021 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance - June 30, 2020:	\$ 67,809,962,608	\$ 254,550,691
Changes During the Current Year:		
Service Cost	3,217,184,264	12,011,587
Interest on the Total OPEB Liability	1,556,661,679	5,981,489
Changes of Benefit Terms	(63,870,842)	(245,424)
Difference between expected and actual experiences	(11,385,071,658)	(37,386,973)
Changes in assumption	59,202,105	227,485
Gross benefit payments	(1,226,213,382)	(4,711,738)
Employee Contributions	<u>39,796,196</u>	<u>152,917</u>
Net Changes	(7,802,311,638)	(23,970,657)
Non-employer OPEB Liability Balance - June 30, 2021:	<u>\$ 60,007,650,970</u>	<u>\$ 230,580,034</u>

*Changes in Assumptions-* Reflects a change in the discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021, and a decrease in the assumed health care cost trend and excise tax assumptions.

*Sensitivity of the State's Total Non-employer OPEB Liability to Changes in the Discount Rate:*

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(1.16%)</u>	At Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138
District's proportionate share of the OPEB liability	\$ 276,198,683	\$ 230,580,034	\$ 194,658,086

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 6. POST-RETIREMENT BENEFITS (CONT'D)**

*Sensitivity of the State's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:*

The following presents the total non-employer OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total non-employer OPEB liability 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782
District's proportionate share of the OPEB liability	\$ 186,655,287	\$ 230,580,034	\$ 289,567,724

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

For the year ended June 30, 2022, in the Statement of Activities, the School District recognized OPEB expense of \$13,336,379. This amount was determined by the State of New Jersey as the District's allocated special funding share of the State's \$3,527,672,060. Total OPEB Non-employer Expense for the year ended June 30, 2021. These expense amounts represent calculations in accordance with GASB Statement No. 75 for the defined benefit OPEB Plan that is not operated through a trust that meets the criteria of paragraph 4 of the Statement and in which there is a special funding situation. As the State of New Jersey is the only entity with a legal responsibility to fund SHBLEREP OPEB obligations, the District's recognized OPEB expense is offset by program revenues and operating contributions in an equal amount in the statement of activities. Due to this special funding situation, there is no recognition of the allocation of the proportionate shares of deferred outflows of resources and deferred inflows of resources in the District's financial statements.

*Additional Information:*

Collective balances of the SHBLEREP at June 30, 2021 were as follows:

Deferred Outflows of Resources	\$ 21,546,947,255
Deferred Inflows of Resources	26,769,148,209
State's Total Non-employer OPEB Liability	60,007,650,970
 District's Proportion	 0.384251058%

*Special Funding Situation:*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

**MORRIS SCHOOL DISTRICT**  
**COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 7. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contracts.

Vacation Leave - Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered, and
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The above criteria were utilized by the Board in the determination of the reported liability for compensated absences relating to vacation leave.

Sick Leave - A liability should be accrued for sick leave and other compensated absences with similar characteristics using one of the following termination approaches:

- a. A liability should be accrued as the benefits are earned by employees if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement (the Termination Payment Method), or
- b. A liability should be accrued based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments (the Vesting Method).

Under either of the above methods, payment "caps" or reduced pay rates would be factored into the liability calculation.

The amounts presented in the general purpose financial statements as compensated absences payable reflect accruals utilizing the Vesting Method and include amounts for each employee eligible for retirement currently and those who will become eligible within the next five years. Employees who separate from service prior to attaining eligibility for retirement are not entitled to termination payments. Accrued vacations are negligible and were not included in calculations of the total value of compensated absences payable.



**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 7. COMPENSATED ABSENCES (CONT'D)**

In the Government-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. As of June 30, 2022, a liability existed for compensated absences in the governmental fund in the amount of \$3,799,209.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the Community School in the amount of \$18,698.

**NOTE 8. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits 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:

Great West Insurance Company  
Fidelity Investments  
Valic  
Washington National  
Financial Resources Lincoln Investments  
Lincoln Life

**NOTE 9. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Morris School District Board of Education by inclusion of \$1.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submissions of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual 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. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 9. CAPITAL RESERVE ACCOUNT (CONT'D)**

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 15,452,444
Board Resolution	4,000,000
Transferred from Capital Projects Fund	165,929
Interest Earnings	<u>7,255</u>
Total Deposits	<u>4,173,184</u>
Withdrawal	
Transferred to Capital Projects Fund	<u>7,671,000</u>
Ending balance, June 30, 2022	<u>\$ 11,954,628</u>

The June 30, 2022 LRF balance of local support costs of uncompleted projects exceeds the amount set aside in capital reserve. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

**NOTE 10. TRANSFERS**

During the year ending June 30, 2022, the District transferred \$7,671,000 to the Capital Projects Fund. There were \$120,000 of AH Field Improvements, \$1,340,000 of the MHS Turf Light and Scoreboard, \$5,600,000 of the WD Renovations, and \$611,000 of FMS Modular. There were refunds of unspent amounts for \$65,994 of MHS Turf and Track, \$29,144 of MHS Room 102 Redesign, \$53,528 of AH Pitched Roof Project, and \$17,263 of LLC Parking Expansion. The District transferred \$1,197,203 to the Special Revenue Fund, which represents the preschool inclusion children charged to the Special Revenue Fund.

**NOTE 11. RISK MANAGEMENT**

**Property and Liability Insurance** - 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. During the school year ended June 30, 2022, the District continued to transfer all insurable risks through the purchase of commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage during each of the past three fiscal years. During the year ended June 30, 2022, there were no significant reductions in coverages from those provided in the previous year.

**NOTE 12. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

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

Since July 1, 2020, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the 2022 and 2021 fiscal years. Unemployment claims for these fiscal years are estimated to be approximately \$131,132 and \$291,372, respectively, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to either fiscal year 2022 and 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund balances remaining on the balance sheet at June 30, 2022.

**NOTE 14. INVENTORY**

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food	\$	18,097
Supplies		<u>17,468</u>
	\$	<u>35,565</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund (B-1)** - Of the \$38,697,511 General Fund balance at June 30, 2022, \$7,654,999 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, \$11,954,628 has been restricted in the Capital Reserve Account; \$4,601,918 is restricted for the Maintenance Reserve Account; \$2,090,038 is restricted for Unemployment Reserve Account; \$3,342,489 has been assigned and included as anticipated revenue for the year ending June 30, 2023; \$8,876,946 is unassigned and \$176,493 has been assigned as Reserve for Encumbrances.

**Special Revenue Fund (B-1)** – Of the \$273,086 Special Revenue Fund balance at June 30, 2022, \$184,251 is restricted for student activities and \$88,835 is restricted for scholarships.

**Capital Projects Fund (B-1)** - The fund balance at June 30, 2022 is \$8,096,667. The entire amount of \$8,096,667 is restricted for future capital projects.

**NOTE 16. DEFICIT FUND BALANCES**

The District did not have any deficit fund balances at June 30, 2022 that would have been 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 state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

**NOTE 17. FUND BALANCE RESERVED FOR TUITION ADJUSTMENTS**

The Morris School District is a "receiving district" for students domiciled in other school districts. Tentative rates for tuition per pupil for these students are established pursuant to regulations promulgated by the New Jersey Department of Education at the time the annual budget is prepared. Upon receipt of audited expenditure data from the District, the Department of Education certifies a final tuition rate per pupil. Adjustments required to bill amounts due or refund amounts owing to sending districts are made in the second year next succeeding the year that tuition was originally billed. These adjustments are made through the then current year's tuition revenue account.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$7,654,999. Of this amount, \$3,361,726 has been appropriated in the 2022-23 budget and the remaining \$4,293,273 is required to be appropriated in the 2023-24 budget.

**NOTE 19. OTHER RESERVE ACCOUNTS**

Pursuant to enabling legislation and rulemaking, the District is permitted to establish legally restricted Reserve funds for Maintenance. The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 4,599,716
Interest Earnings	<u>2,202</u>
Ending balance, June 30, 2022	<u><u>\$ 4,601,918</u></u>

**NOTE 20. TAX ABATEMENTS**

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

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

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2021 User Friendly Budget for Morris Township recognized revenue of \$10,000 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amounted to \$518,893, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$518,893 abatement would have been allocated to the District. The 2021 User Friendly Budget for the Town of Morristown recognized revenue of \$1,258,708 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amounted to \$2,330,101, based upon the assessed valuations of the long-term tax exemptions properties.

**MORRIS SCHOOL DISTRICT  
COUNTY OF MORRIS, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 21. PENDING LITIGATION AND CONTINGENT LIABILITIES**

As at the date of this report, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the Morris School District.

**NOTE 22. COMMITMENTS**

The District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$176,493 and in the Capital Projects Fund as restricted for capital projects in the amount of \$357,535.

**NOTE 23. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 7, 2023, the date the financial statements were available for issuance. No such events or transactions were noted requiring disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES**  
**SECTION - C**

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2022

Exhibit - C-1  
 Page 1 of 14

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 97,216,010		\$ 97,216,010	\$ 97,216,010	
Tuition from Other LEAs within the State	4,277,221		4,277,221	4,443,752	\$ 166,531
Maintenance Reserve Interest	350		350	2,202	1,852
Capital Reserve Interest	10,000		10,000	7,255	(2,745)
Miscellaneous	120,500		120,500	466,003	345,503
Other Restricted Miscellaneous Revenues				3,360	3,360
<b>Total - Local Sources</b>	<b>101,624,081</b>	<b>-</b>	<b>101,624,081</b>	<b>102,138,582</b>	<b>514,501</b>
State Sources:					
School Choice Aid	387,919		387,919	387,919	
Categorical Special Education Aid	4,229,932		4,229,932	4,229,932	
Categorical Security Aid	994,301		994,301	994,301	
Adjustment Aid	218,451		218,451	218,451	
Categorical Transportation Aid	1,736,086		1,736,086	1,736,086	
E Rate Reimbursement	127,225		127,225	218,645	91,420
Extraordinary Aid				3,811,768	3,811,768
Nonpublic School Transportation Aid				93,995	93,995
Homeless Tuition Reimbursement				25,809	25,809
Maintenance of Equity State Aid				1,860,004	1,860,004
On-Behalf TPAF Pension					
Contributions - Not Budgeted				16,752,441	16,752,441
On-Behalf Post Retirement Medical					
Contributions - Not Budgeted				3,914,048	3,914,048
On-Behalf Long-Term Disability Insurance					
Contributions - Not Budgeted				7,072	7,072
On-Behalf TPAF Soc. Sec.					
Contributions - Not Budgeted				3,407,635	3,407,635
<b>Total - State Sources</b>	<b>7,693,914</b>	<b>-</b>	<b>7,693,914</b>	<b>37,658,106</b>	<b>29,964,192</b>
Federal Sources:					
Medical Reimbursements	122,700		122,700	167,255	44,555
<b>Total - Federal Sources</b>	<b>122,700</b>	<b>-</b>	<b>122,700</b>	<b>167,255</b>	<b>44,555</b>
<b>Total Revenues</b>	<b>109,440,695</b>	<b>-</b>	<b>109,440,695</b>	<b>139,963,943</b>	<b>30,523,248</b>



MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

Exhibit - C-1  
 Page 2 of 14

	<u>ORIGINAL</u>	<u>BUDGET</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>TRANSFERS</u>	<u>BUDGET</u>		<u>FINAL TO ACTUAL</u>
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	\$ 1,459,031	\$ (25,975)	\$ 1,433,056	\$ 1,308,051	\$ 125,005
Grades 1- 5	10,127,564	(317,337)	9,810,227	9,315,008	495,219
Grades 6- 8	6,771,410	(610,199)	6,161,211	6,019,813	141,398
Grades 9-12	9,947,206	(571,190)	9,376,016	9,146,613	229,403
Home Instruction - Regular Programs					
Salaries of Teachers	110,000		110,000	82,923	27,077
Other Salaries for Instruction	10,200		10,200	100	10,100
Purchased Professional/Educational Services	75,000	137,000	212,000	174,315	37,685
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	267,237	162,293	429,530	327,225	102,305
Purchased Professional/Educational Services	169,520	28,525	198,045	193,066	4,979
Purchased Technical Services	99,775	(12,600)	87,175	81,076	6,099
Other Purchased Services	1,109,818	(17,999)	1,091,819	894,783	197,036
General Supplies	1,324,516	63,005	1,387,521	988,141	399,380
Textbooks	108,400	8,093	116,493	95,730	20,763
Other Objects	12,350	(40)	12,310	6,595	5,715
	31,592,027	(1,156,424)	30,435,603	28,633,439	1,802,164
Total Instruction - Regular Programs					

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers		\$ 78,322	\$ 78,322	\$ 78,322	
Other Salaries for Instruction		45,763	45,763	45,763	
General Supplies		1,723	1,723	1,599	\$ 124
<b>Total Learning and/or Language Disabilities</b>	-	125,808	125,808	125,684	124
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,204,345	819,598	5,023,943	5,023,082	861
Other Salaries for Instruction	500		500		500
General Supplies	18,048	(594)	17,454	7,324	10,130
<b>Total Resource Room/Resource Center</b>	4,222,893	819,004	5,041,897	5,030,406	11,491
Multiple Disabilities					
Salaries of Teachers	739,121	400,056	1,139,177	1,139,177	
Other Salaries for Instruction	2,021,982	(212,144)	1,809,838	1,808,721	1,117
Purchased Professional Educational Services	36,000		36,000	36,000	
Other Purchased Services	800		800	529	271
General Supplies	30,000	20,000	50,000	6,694	43,306
<b>Total Multiple Disabilities</b>	2,827,903	207,912	3,035,815	2,991,121	44,694
Preschool Disabilities-Full Time					
Salaries of Teachers	158,974	87,277	246,251	236,071	10,180
Other Salaries for Instruction	280,524	101,067	381,591	379,984	1,607
Purchased Professional Educational Services	1,400		1,400	850	550
Purchased Technical Services	254	433	687	687	
Other Purchased Services	6,300		6,300	1,193	5,107
General Supplies	21,550	262	21,812	8,110	13,702
Other Objects	3,850		3,850	676	3,174
<b>Total Preschool Disabilities FT</b>	472,852	189,039	661,891	627,571	34,320
<b>Total Special Education</b>	7,523,648	1,341,763	8,865,411	8,774,782	90,629

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
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YEAR ENDED JUNE 30, 2022

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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Basic Skills/Remedial					
Salaries of Teachers	\$ 460,309	\$ (125,353)	\$ 334,956	\$ 319,564	\$ 15,392
General Supplies	1,650	(200)	1,450	354	1,096
Total Basic Skills/Remedial	<u>461,959</u>	<u>(125,553)</u>	<u>336,406</u>	<u>319,918</u>	<u>16,488</u>
Bilingual Education					
Salaries of Teachers	3,328,592	(589,001)	2,739,591	2,541,535	198,056
Other Purchased Services	4,850		4,850	839	4,011
General Supplies	80,763	(12,612)	68,151	56,971	11,180
Other Objects	7,050	(4,481)	2,569	289	2,280
Total Bilingual Education	<u>3,421,255</u>	<u>(606,094)</u>	<u>2,815,161</u>	<u>2,599,634</u>	<u>215,527</u>
School-Sponsored Cocurricular/Extra Activities					
Salaries	285,000		285,000	269,977	15,023
Purchased Services	10,627	3,282	13,909	12,236	1,673
Supplies and Materials	16,700	928	17,628	16,092	1,536
Other Objects	8,500	(3,550)	4,950	4,609	341
Total School-Sponsored Cocurricular/Extra Activities	<u>320,827</u>	<u>660</u>	<u>321,487</u>	<u>302,914</u>	<u>18,573</u>
School-Sponsored Athletics					
Salaries	937,758	(1,359)	936,399	903,549	32,850
Unused Vacation Payment to Terminated/Retired Staff		1,359	1,359	1,358	1
Purchased Services	151,079	39,892	190,971	179,877	11,094
Supplies and Materials	114,500	(4,438)	110,062	107,366	2,696
Other Objects	89,900	(15,100)	74,800	73,086	1,714
Total School-Sponsored Athletics	<u>1,293,237</u>	<u>20,354</u>	<u>1,313,591</u>	<u>1,265,236</u>	<u>48,355</u>
Before/After School Programs					
Salaries of Teachers	57,506	(2,025)	55,481	17,019	38,462
Total Before/After School Programs	<u>57,506</u>	<u>(2,025)</u>	<u>55,481</u>	<u>17,019</u>	<u>38,462</u>
Total Instruction	<u>44,670,459</u>	<u>(527,319)</u>	<u>44,143,140</u>	<u>41,912,942</u>	<u>2,230,198</u>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
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YEAR ENDED JUNE 30, 2022

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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within the State-Regular		\$ 19,202	\$ 19,202	\$ 4,747	\$ 14,455
Tuition to Other LEA's Within the State-Special	\$ 795,439	40,500	835,939	749,196	86,743
Tuition to County Vocational School Regular	410,456	(15,000)	395,456	332,877	62,579
Tuition to County Vocational School - Special	9,752	15,000	24,752	24,380	372
Tuition to CSSD & Reg Day Schools	50,600	7,500	58,100	57,655	445
Tuition to Private School Disabled	4,370,910	(392,594)	3,978,316	3,146,927	831,389
Other LEAs-Special - Out of State	410,500		410,500	298,438	112,062
Tuition - Other	159,610	30	159,640	157,990	1,650
<b>Total Undistributed Expenditures - Instruction</b>	<b>6,207,267</b>	<b>(325,362)</b>	<b>5,881,905</b>	<b>4,772,210</b>	<b>1,109,695</b>
Attendance and Social Work					
Salaries	64,896	28,421	93,317	84,950	8,367
<b>Total Attendance and Social Work</b>	<b>64,896</b>	<b>28,421</b>	<b>93,317</b>	<b>84,950</b>	<b>8,367</b>
Health Services					
Salaries	1,045,345	33,947	1,079,292	1,068,722	10,570
Purchased Professional/Technical Services	203,441	32,713	236,154	147,137	89,017
Other Purchased Services	1,450		1,450		1,450
Supplies and Materials	38,000	4,325	42,325	34,123	8,202
<b>Total Health Services</b>	<b>1,288,236</b>	<b>70,985</b>	<b>1,359,221</b>	<b>1,249,982</b>	<b>109,239</b>
Speech, OT, PT and Related Services					
Salaries	1,207,067	(26,933)	1,180,134	1,173,478	6,656
Purchased Professional - Educational Services	1,575,628	(7,900)	1,567,728	1,342,189	225,539
Supplies and Materials	87,042	8,014	95,056	75,729	19,327
<b>Total Speech, OT, PT and Related Services - Related Services</b>	<b>2,869,737</b>	<b>(26,819)</b>	<b>2,842,918</b>	<b>2,591,396</b>	<b>251,522</b>

MORRIS SCHOOL DISTRICT  
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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Other Support Services Student-Extra Services					
Salaries	\$ 1,022,576	\$ (170,452)	\$ 852,124	\$ 845,141	\$ 6,983
Total Other Support Services Student - Extra Services	<u>1,022,576</u>	<u>(170,452)</u>	<u>852,124</u>	<u>845,141</u>	<u>6,983</u>
Guidance					
Salaries of Other Professional Staff	1,968,270	228,954	2,197,224	2,179,094	18,130
Salaries of Secretarial and Clerical Assistants	204,346	(11,153)	193,193	192,934	259
Purchased Professional - Educational Services	269,229	787	270,016	269,900	116
Other Purchased Professional and Technical Services	16,545	4,760	21,305	12,900	8,405
Other Purchased Services	1,950	(168)	1,782	47	1,735
Supplies and Materials	17,800	700	18,500	16,215	2,285
Other Objects	350		350	300	50
Total Guidance	<u>2,478,490</u>	<u>223,880</u>	<u>2,702,370</u>	<u>2,671,390</u>	<u>30,980</u>
Undistributed Expenditures -					
Child Study Teams					
Salaries of Other Professional Staff	2,680,607	(210,057)	2,470,550	2,202,737	267,813
Salaries of Secretarial and Clerical Assistants	290,537	(3,637)	286,900	286,391	509
Other Purchased Professional and Technical Services	176,422	63,489	239,911	210,034	29,877
Other Purchased Services	13,952		13,952	3,073	10,879
Supplies & Materials	52,000	13,647	65,647	43,224	22,423
Other Objects	3,000	325	3,325	3,153	172
Total Child Study Teams	<u>3,216,518</u>	<u>(136,233)</u>	<u>3,080,285</u>	<u>2,748,612</u>	<u>331,673</u>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 407,173	\$ (33,207)	\$ 373,966	\$ 303,553	\$ 70,413
Salaries of Secretarial & Clerical Staff	60,210		60,210	59,710	500
Purchased Professional - Educational Services	3,180	1,029	4,209	2,307	1,902
Other Purchased Professional and Technical Services	145,592	18,687	164,279	151,467	12,812
Other Purchased Services	15,924	(780)	15,144	1,791	13,353
Supplies and Materials	17,998	(4,990)	13,008	10,422	2,586
Other Objects	5,000		5,000	1,463	3,537
	<u>655,077</u>	<u>(19,261)</u>	<u>635,816</u>	<u>530,713</u>	<u>105,103</u>
Total Improvement of Instruction Services					
Undistributed Expenditures:					
Educational Media Services/School Library					
Salaries	1,140,014	(40,573)	1,099,441	1,093,781	5,660
Salaries of Technology Coordinators	712,368	(40,459)	671,909	662,302	9,607
Unused Vacation Payment to Terminated/Retired Staff		48,803	48,803	48,803	
Purchased Professional/Technical Services	60,914	(120)	60,794	35,646	25,148
Other Purchased Services	3,034	(941)	2,093		2,093
Supplies and Materials	47,423	(258)	47,165	36,275	10,890
Other Objects	2,000	254	2,254	2,254	
	<u>1,965,753</u>	<u>(33,294)</u>	<u>1,932,459</u>	<u>1,879,061</u>	<u>53,398</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Salaries of Other Professional Staff	55,000	1,000	56,000	56,000	
Salaries of Secretarial & Clerical Staff	19,596		19,596	19,595	1
Purchased Professional/Educational Services	72,130	24,562	96,692	87,556	9,136
Supplies and Materials	5,600		5,600		5,600
	<u>152,326</u>	<u>25,562</u>	<u>177,888</u>	<u>163,151</u>	<u>14,737</u>
Total Instructional Staff Training Services					

MORRIS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Undistributed Expenditures:					
Support Services General Administration					
Salaries	\$ 328,239	\$ (21,011)	\$ 307,228	\$ 301,242	\$ 5,986
Unused Vacation Payment to Terminated/Retired Staff		33,511	33,511	33,511	
Legal Services	280,000		280,000	199,260	80,740
Audit Fees	44,300	3,145	47,445	47,445	
Other Purchased Professional Services	99,200	(7,575)	91,625	40,272	51,353
Purchased Technical Services	25,000	(6,000)	19,000	16,235	2,765
Communications/Telephone	773,000	53,239	826,239	672,411	153,828
BOE Other Purchased Services	3,500		3,500		3,500
Miscellaneous Purchased Services	144,001	42,360	186,361	181,077	5,284
General Supplies	20,000	(2,000)	18,000	16,575	1,425
BOE In-House Training/Meeting Supplies	11,500		11,500	4,357	7,143
Miscellaneous Expenditures	9,000	4,557	13,557	13,554	3
BOE Membership Dues & Fees	32,000		32,000	27,535	4,465
<b>Total Support Services General Administration</b>	<b>1,769,740</b>	<b>100,226</b>	<b>1,869,966</b>	<b>1,553,474</b>	<b>316,492</b>
Support Services School Administration					
Salaries of Principals/ Assistant Principals	3,200,123	27,810	3,227,933	3,162,527	65,406
Salaries of Other Professional Staff	256,757	190	256,947	248,449	8,498
Salaries of Secretarial and Clerical Assistants	872,806	(2,845)	869,961	803,933	66,028
Unused Vacation Payment to Terminated/Retired Staff		9,436	9,436	9,435	1
Purchased Professional Technical Services	12,312	7,518	19,830	15,321	4,509
Other Purchased Services	48,922	(8,557)	40,365	5,996	34,369
Supplies and Materials	45,750	(17,779)	27,971	21,421	6,550
Other Objects	12,207	(614)	11,593	7,279	4,314
<b>Total Support Services School Administration</b>	<b>4,448,877</b>	<b>15,159</b>	<b>4,464,036</b>	<b>4,274,361</b>	<b>189,675</b>
Central Services					
Salaries	1,227,316	165,694	1,393,010	1,377,675	15,335
Unused Vacation Payment to Terminated/Retired Staff		8,402	8,402	8,402	
Purchased Professional Services	39,500	11,400	50,900	26,469	24,431
Purchased Technical Services	41,855	3,858	45,713	42,032	3,681
Miscellaneous Purchased Services	310,244	(16,265)	293,979	234,879	59,100
Supplies and Materials	20,900	12,860	33,760	22,580	11,180
Miscellaneous Expenditures	21,200		21,200	11,108	10,092
<b>Total Central Services</b>	<b>1,661,015</b>	<b>185,949</b>	<b>1,846,964</b>	<b>1,723,145</b>	<b>123,819</b>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Undistributed Expenditures:					
Administrative Information Technology					
Salaries	\$ 255,382	\$ 1,101	\$ 256,483	\$ 256,382	\$ 101
Purchased Professional Services	18,450	(690)	17,760	9,407	8,353
Purchased Technical Services	283,218	(30,000)	253,218	237,897	15,321
Other Purchased Services	13,800	(11,500)	2,300		2,300
Supplies and Materials	17,000	28,377	45,377	38,558	6,819
Other Objects	2,700	690	3,390	2,946	444
<b>Total Administrative Information Technology</b>	<b>590,550</b>	<b>(12,022)</b>	<b>578,528</b>	<b>545,190</b>	<b>33,338</b>
Required Maintenance For School Facilities					
Salaries	645,743	(58,030)	587,713	553,488	34,225
Unused Vacation Payment to Terminated/Retired Staff		1,590	1,590	1,590	
Cleaning, Repair & Maintenance Services	1,686,790	114,745	1,801,535	1,481,772	319,763
General Supplies	301,949	(38,646)	263,303	213,177	50,126
Other Objects	12,030		12,030	6,771	5,259
<b>Total Required Maintenance For School Facilities</b>	<b>2,646,512</b>	<b>19,659</b>	<b>2,666,171</b>	<b>2,256,798</b>	<b>409,373</b>
Custodial Services					
Salaries	2,666,797	223,720	2,890,517	2,881,646	8,871
Salaries of Non-Instructional Aides	87,549	(12,000)	75,549	71,270	4,279
Unused Vacation Payment to Terminated/Retired Staff		8,310	8,310	8,219	91
Purchased Professional and Technical Services	285,028	70,180	355,208	322,928	32,280
Cleaning, Repair & Maintenance Services	221,817	50,174	271,991	259,709	12,282
Rental of Land & Buildings Other Than Lease Purchase Agreements	150,000	(150,000)			
Other Purchased Property Services	243,000	(98)	242,902	186,666	56,236
Insurance	543,278	(36,940)	506,338	502,652	3,686
Miscellaneous Purchased Services	4,000		4,000		4,000
General Supplies	265,450	(9,898)	255,552	175,800	79,752
Energy (Natural Gas)	500,000	110,000	610,000	528,724	81,276
Energy (Electricity)	925,000	(110,000)	815,000	777,451	37,549
Energy (Gasoline)	30,000	5,000	35,000	33,328	1,672
Other Objects	30,150		30,150	20,184	9,966
<b>Total Custodial Services</b>	<b>5,952,069</b>	<b>148,448</b>	<b>6,100,517</b>	<b>5,768,577</b>	<b>331,940</b>



MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Care and Upkeep of Grounds					
Salaries	\$ 575,678	\$ (26,181)	\$ 549,497	\$ 528,607	\$ 20,890
Cleaning, Repair & Maintenance Services	72,600	1,980	74,580	55,947	18,633
General Supplies	67,800	2,218	70,018	46,379	23,639
Total Care and Upkeep of Grounds	<u>716,078</u>	<u>(21,983)</u>	<u>694,095</u>	<u>630,933</u>	<u>63,162</u>
Security					
Salaries	773,601	32,111	805,712	790,771	14,941
Purchased Professional and Technical Services	567,092	9,100	576,192	510,397	65,795
Cleaning, Repair & Maintenance Services	142,000	(2,705)	139,295	130,991	8,304
Travel	1,488	1,488	1,488	1,373	115
General Supplies	74,500	(2,413)	72,087	59,742	12,345
Other Objects		75	75	75	
Total Security	<u>1,557,193</u>	<u>37,656</u>	<u>1,594,849</u>	<u>1,493,349</u>	<u>101,500</u>
Total Maintenance & Custodial Services	<u>10,871,852</u>	<u>183,780</u>	<u>11,055,632</u>	<u>10,149,657</u>	<u>905,975</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home & School) - Regular	2,216,765	(1,872)	2,214,893	2,199,033	15,860
Salaries for Pupil Transportation (Between Home & School) - Special	978,065	478,878	1,456,943	1,456,943	
Salaries for Pupil Transportation (Other than Between Home & School)	281,520	233,210	514,730	514,730	
Unused Vacation Payment to Terminated/Retired Staff		4,395	4,395	4,394	1
Management Fee-ESC Transportation Program	88,314	24,764	113,078	111,811	1,267
Other Purchased Professional/Technical Services	33,578	21,617	55,195	37,078	18,117
Cleaning, Repair, and Maintenance Services	81,846	(24,889)	56,957	44,681	12,276
Rental Payments - School Buses		16,380	16,380	16,380	
Lease Purchase Payments - School Buses	735,774	(10,443)	725,331	725,331	
Contracted Services - Aid in Lieu of Payments	400,000	(162,307)	237,693	237,693	
Contracted Services (Between Home & School) - Vendors	720,495	(300,904)	419,591	397,152	22,439
Contracted Services (Other than Between Home & School)-Vendors	86,000	(64,273)	21,727	19,725	2,002
Contracted Services (Special Education Students) - Vendors	84,721	(55,542)	29,179	29,178	1
Contracted Services (Regular Students) ESCs	310,671	107,533	418,204	401,410	16,794
Contracted Services (Special Education Students) ESCs	1,987,184	469,733	2,456,917	2,360,777	96,140
Miscellaneous Purchased Services - Transportation	37,895	(5,290)	32,605	30,859	1,746
General Supplies	354,000	243,059	597,059	592,526	4,533
Miscellaneous Expenditures	96,300	105,269	201,569	201,527	42
Total Student Transportation Services	<u>8,493,128</u>	<u>1,079,318</u>	<u>9,572,446</u>	<u>9,381,228</u>	<u>191,218</u>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

Exhibit - C-1  
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	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Unallocated Benefits - Employee Benefits					
Group Insurance	\$ 60,000	\$ (701)	\$ 59,299	\$ 52,759	\$ 6,540
Social Security Contributions	1,543,347		1,543,347	1,537,774	5,573
Other Retirement Contributions - PERS	2,019,400	(12,478)	2,006,922	1,700,135	306,787
Unemployment Compensation	100,000	(72,350)	27,650		27,650
Workmen's Compensation	543,463	87,893	631,356	618,726	12,630
Health Benefits	14,484,602	(752,816)	13,731,786	12,198,362	1,533,424
Tuition Reimbursements	223,000	1,419	224,419	198,362	26,057
Other Employee Benefits	494,650	701	495,351	463,901	31,450
Unused Sick Payments to Terminated/Retired Staff	201,000		201,000	147,235	53,765
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unallocated Benefits	19,669,462	(748,332)	18,921,130	16,917,254	2,003,876
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
On-Behalf TPAF Pension					
Contributions - Not Budgeted				16,752,441	(16,752,441)
On-Behalf Post Retirement Medical					
Contributions - Not Budgeted				3,914,048	(3,914,048)
On-Behalf Long-Term Disability Insurance					
Contributions - Not Budgeted				7,072	(7,072)
On-Behalf TPAF Social Security					
Contributions - Not Budgeted				3,407,635	(3,407,635)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Interest Deposit to Maintenance Reserve	350		350		350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures	67,425,850	441,505	67,867,355	86,162,111	(18,294,756)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures - Current Expense	112,096,309	(85,814)	112,010,495	128,075,053	(16,064,558)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

**Exhibit - C-1**  
**Page 12 of 14**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Equipment:					
Regular Programs - Instruction					
Grades 1-5	\$ 460,600	\$ 26,308	\$ 486,908	\$ 483,280	\$ 3,628
Grades 6-8	5,604	2,599	8,203	2,599	5,604
Grades 9-12	7,929	36,776	44,705	42,729	1,976
Preschool Disabilities - Full-Time		13,515	13,515	13,515	
School-Sponsored and Other Instructional Program		5,400	5,400	5,400	
Support Service - Child Study Team		11,037	11,037	11,037	
School Admin		9,832	9,832	9,832	
Administration Information Technology	231,500	(135,513)	95,987	95,987	
Required Maintenance for School Facilities	206,336	(42,431)	163,905	129,048	34,857
Custodial Services	25,250		25,250	5,079	20,171
Care and Upkeep of Grounds	18,300		18,300		18,300
Security	84,000	5,441	89,441	89,441	
Student Transportation - Non-Instructional Equipment	65,000	(23,685)	41,315	41,315	
School Buses - Regular		341,673	341,673	341,671	2
<b>Total Equipment</b>	<b>1,104,519</b>	<b>250,952</b>	<b>1,355,471</b>	<b>1,270,933</b>	<b>84,538</b>
Facilities Acquisitions & Construction Services					
Buildings Other than Lease Purchase Agreements		405,000	405,000	278,829	126,171
Assessment for Debt Service on SDA Funding	37,738		37,738	37,738	
<b>Total Facilities Acquisitions &amp; Construction Services</b>	<b>37,738</b>	<b>405,000</b>	<b>442,738</b>	<b>316,567</b>	<b>126,171</b>
Assets Acquired Under Financed Purchases Payable (non-budgeted)					
Copiers				128,579	(128,579)
<b>Total Assets Acquired Under Financed Purchases Payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,579</b>	<b>(128,579)</b>
Interest Deposit to Capital Reserve	10,000		10,000		10,000
<b>Total Capital Outlay</b>	<b>1,152,257</b>	<b>655,952</b>	<b>1,808,209</b>	<b>1,716,079</b>	<b>92,130</b>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

**Exhibit - C-1**  
**Page 13 of 14**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Transfer of Funds to Charter School	\$ 1,379,697	\$ 111,362	\$ 1,491,059	\$ 1,472,989	\$ 18,070
Total Expenditures	<u>114,628,263</u>	<u>681,500</u>	<u>115,309,763</u>	<u>131,264,121</u>	<u>(15,954,358)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(5,187,568)</u>	<u>(681,500)</u>	<u>(5,869,068)</u>	<u>8,699,822</u>	<u>14,568,890</u>
Other Financing (Uses) Sources					
Capital Reserve Transfer to Capital Projects	(3,330,000)	(4,341,000)	(7,671,000)	(7,671,000)	
Capital Reserve Transfer from Capital Projects				165,929	165,929
Financed Purchases Payable Non-Budgeted				128,579	128,579
Lease Purchase Agreement		128,579	128,579	128,579	
Operating Transfers Out - Special Revenue Fund	<u>(1,197,203)</u>		<u>(1,197,203)</u>	<u>(1,197,203)</u>	
Total Other Financing (Uses) Sources	<u>(4,527,203)</u>	<u>(4,212,421)</u>	<u>(8,739,624)</u>	<u>(8,445,116)</u>	<u>294,508</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Uses	<u>(9,714,771)</u>	<u>(4,893,921)</u>	<u>(14,608,692)</u>	<u>254,706</u>	<u>14,863,398</u>
Fund Balances, July 1	<u>39,961,891</u>		<u>39,961,891</u>	<u>39,961,891</u>	
Fund Balances, June 30	<u>\$ 30,247,120</u>	<u>\$ (4,893,921)</u>	<u>\$ 25,353,199</u>	<u>\$ 40,216,597</u>	<u>\$ 14,863,398</u>

MORRIS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGETARY BASIS  
 GENERAL FUND  
YEAR ENDED JUNE 30, 2022

**Exhibit - C-1**  
**Page 14 of 14**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<u>Recapitulation of (Deficiency) Excess of Revenues Under/Over Expenditures:</u>					
Budgeted Fund Balance	\$ (5,731,271)	\$ (653,497)	\$ (6,384,768)	\$ 8,312,701	\$ 14,697,469
Budgeted Transfer to Capital Reserve	(3,330,000)	(4,341,000)	(7,671,000)	(7,671,000)	
Budgeted Transfer to Maintenance Reserve	(653,500)	653,500			
Transfer from Capital Project Fund				165,929	165,929
Adjustment for prior year encumbrances		(552,924)	(552,924)	(552,924)	
<b>Total</b>	<u>\$ (9,714,771)</u>	<u>\$ (4,893,921)</u>	<u>\$ (14,608,692)</u>	<u>\$ 254,706</u>	<u>\$ 14,863,398</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 3,361,726	
Reserve for Excess Surplus				4,293,273	
Maintenance Reserve				4,601,918	
Capital Reserve				11,954,628	
Unemployment Compensation				2,090,038	
Assigned Fund Balance:					
Year-end Encumbrances				176,493	
Designated for Subsequent Year's Expenditures				3,342,489	
Unassigned Fund Balance				<u>10,396,032</u>	
Budgetary Fund Balance				40,216,597	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not recognized on GAAP basis				<u>(1,519,086)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 38,697,511</u>	

Morris School District  
Budgetary Comparison Schedule  
Special Revenue Fund - Budgetary Basis  
Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Other sources	\$ 453,100	\$ 195,494	\$ 648,594	\$ 634,079	\$ 14,515
State sources	8,767,456	1,178,996	9,946,452	7,679,988	2,266,464
Federal sources	2,454,098	8,196,334	10,650,432	6,253,930	4,396,502
Total Revenues	<u>11,674,654</u>	<u>9,570,824</u>	<u>21,245,478</u>	<u>14,567,997</u>	<u>6,677,481</u>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	3,655,726	788,267	4,443,993	2,812,417	1,631,576
Salaries of Other Professional Staff	31,862	141,326	173,188	172,154	1,034
Other Salaries for Instruc.	517,400		517,400	427,469	89,931
Purchased Professional - Educational Services	732,375	(46,280)	686,095	391,307	294,788
Other Purchased Services	131,500	2,345,701	2,477,201	2,176,670	300,531
General Supplies	134,995	823,739	958,734	619,063	339,671
Textbooks	100,187	21,654	121,841	120,354	1,487
Total instruction	<u>5,304,045</u>	<u>4,074,407</u>	<u>9,378,452</u>	<u>6,719,434</u>	<u>2,659,018</u>
Support Services					
Salaries of Teachers		309,048	309,048	67,231	241,817
Salaries of Supervisors of Instruction	118,565	3,963	122,528	88,209	34,319
Salaries of Program Directors	126,762		126,762	126,761	1
Salaries of Other Professional Staff	538,828	357,879	896,707	464,468	432,239
Salaries of Secretarial and Clerical Assistants	106,280	3,735	110,015	103,364	6,651
Salaries of Community Parent Involvement Specialists	83,202		83,202	56,958	26,244
Salaries of Master Teachers	159,084		159,084	159,084	
Unused Vacation Payment to Terminated		1,997	1,997	1,997	
Personal Services - Employee Benefits	815,258	1,421,789	2,237,047	1,150,617	1,086,430
Purchased Education Services - Contracted Pre-K	4,397,968	359,682	4,757,650	4,027,996	729,654
Purchased Education Services - Head Start	490,829	26,382	517,211	516,974	237
Purchased Professional - Educational Services	308,488	857,492	1,165,980	910,142	255,838
Purchased Technical Services		88,196	88,196	88,196	
Travel		37,195	37,195	2,011	35,184
Supplies & Materials	6,000	1,725,894	1,731,894	579,546	1,152,348
Student Activities	294,100		294,100	358,012	(63,912) Note 1
Scholarships	16,000		16,000	13,500	2,500 Note 1
Total support services	<u>7,461,364</u>	<u>5,193,252</u>	<u>12,654,616</u>	<u>8,715,066</u>	<u>3,939,550</u>

Morris School District  
Budgetary Comparison Schedule  
Special Revenue Fund - Budgetary Basis  
Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Facilities acquisition and construction services:					
Instructional Equipment	\$ 106,448	\$ 303,165	\$ 409,613	\$ 308,754	\$ 100,859
Total facilities acquisition and construction services	<u>106,448</u>	<u>303,165</u>	<u>409,613</u>	<u>308,754</u>	<u>100,859</u>
Total Expenditures	12,871,857	9,570,824	22,442,681	15,743,254	6,699,427
Other financing sources					
Transfers in	1,197,203		1,197,203	1,197,203	
Total other financing sources	<u>1,197,203</u>	<u>-</u>	<u>1,197,203</u>	<u>1,197,203</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	21,946	<u>\$ (21,946)</u>
Fund Balance, July 1				251,140	
Fund Balance, June 30				<u>\$ 273,086</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 184,251	
Scholarships				<u>88,835</u>	
Total Fund Balance				<u>\$ 273,086</u>	

Note 1 - Not required to budget for these funds.

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION**



MORRIS SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
YEAR ENDED JUNE 30, 2022

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 (C-series)	(C-1)	\$ 139,963,943	(C-2)	\$ 14,567,997
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(1,519,086)		
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		<u>1,366,703</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	(B-2)	<u>\$ 139,811,560</u>	(B-2)	<u>\$ 14,567,997</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule Includes( rounding differences)	(C-1)	\$ 131,135,542	(C-2)	\$ 15,743,254
Differences - budget to GAAP				
The district budgets for claims and compensated absences, only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. Net				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 131,135,542</u>	(B-2)	<u>\$ 15,743,254</u>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

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

**SECTION - L**

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION

	<u>Last Ten Fiscal Years*</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
District's Proportionate Share of the Net Pension Liability	0.163223%	0.156220%	0.151854%	0.150884%	0.146604%	0.140246%	0.141784%	0.144333%	0.142744%	
District's Proportionate Share of the Net Pension Liability	\$ 31,195,109	\$ 29,248,653	\$ 34,088,177	\$ 44,687,450	\$ 34,127,005	\$ 27,613,727	\$ 25,725,108	\$ 23,722,093	\$ 17,090,384	
District's Covered-Employee Payroll	\$ 9,844,505	\$ 10,045,414	\$ 10,250,422	\$ 9,879,763	\$ 9,994,439	\$ 10,039,977	\$ 10,155,364	\$ 10,445,967	\$ 10,804,652	
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	316.88%	291.16%	332.55%	452.31%	341.46%	275.04%	253.32%	227.09%	158.18%	
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (Local Share)	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	

\*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Local Group)  
REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	\$ 1,229,850	\$ 1,287,855	\$ 1,305,537	\$ 1,347,305	\$ 1,378,853	\$ 1,401,308	\$ 1,394,605	\$ 1,591,353	\$ 1,689,514
Contribution in Relation to Contractually Required Contribution	<u>(1,229,850)</u>	<u>(1,287,855)</u>	<u>(1,305,537)</u>	<u>(1,347,305)</u>	<u>(1,378,853)</u>	<u>(1,401,308)</u>	<u>(1,394,605)</u>	<u>(1,591,353)</u>	<u>(1,689,514)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 10,045,414	\$ 10,250,422	\$ 9,879,763	\$ 9,994,439	\$ 10,039,977	\$ 10,155,364	\$ 10,445,967	\$ 10,804,652	\$ 11,377,092
Contributions as a percentage of Covered Employee Payroll	12.24%	12.56%	13.21%	13.48%	13.73%	13.80%	13.35%	14.73%	14.85%

\*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT  
 TEACHERS PENSION AND ANNUITY FUND ( Non-State Employer Group)  
REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.408649%	0.399083%	0.393263%	0.379691%	0.384072%	0.392361%	0.396233%	0.398667%	0.400510%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$206,528,007	\$213,296,708	\$248,558,926	\$298,689,277	\$258,955,494	\$249,611,378	\$243,171,994	\$262,517,122	\$192,546,165
District's Covered-Employee Payroll	\$37,471,580	\$38,236,306	\$39,593,507	\$40,870,999	\$42,605,004	\$43,656,955	\$44,653,674	\$45,586,010	\$46,772,168
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	551.16%	557.84%	627.78%	730.81%	607.81%	571.76%	544.57%	575.87%	411.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

\*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Note: Percentages shown are Plan-wide, and include NPL and PFPN data that include employees of the State of New Jersey.

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR POST-EMPLOYMENT BENEFITS  
OTHER THAN PENSION  
SECTION - M**

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 AND CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES' PLAN  
REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years\*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's Proportion of the Net OPEB Liability	0.3751982%	0.3751536%	0.3788959%	0.3761813%	0.3753883%	0.3842511%
District's Proportionate Share of the Net OPEB Liability	\$ 216,983,826	\$ 201,231,802	\$ 174,712,060	\$ 156,976,983	\$ 254,550,691	\$ 230,580,034
District's Covered Employee Payroll	\$ 50,750,762	\$ 52,599,443	\$ 53,696,932	\$ 54,809,038	\$ 56,031,977	\$ 58,149,260
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Employee Payroll	427.55%	382.57%	325.37%	286.41%	454.30%	396.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance		\$ 216,983,826	\$ 201,231,802	\$ 174,712,060	\$ 156,976,983	\$ 254,550,691
Increased by:						
Service cost		8,614,150	7,137,933	6,289,779	6,658,031	12,011,587
Interest cost		6,366,019	7,379,613	6,915,152	5,652,671	5,981,489
Changes of benefit terms						(245,424)
Differences between expected and actual experiences					43,062,541	(37,386,973)
Changes of assumptions				2,340,540	46,497,664	227,485
Member Contributions		171,628	161,463	142,840	134,319	152,917
		<u>15,151,797</u>	<u>14,679,009</u>	<u>15,688,311</u>	<u>102,005,226</u>	<u>(19,258,919)</u>
Decreased by:						
Differences between expected and actual experiences			16,477,930	28,604,663		
Changes of assumptions		26,242,865	20,049,083			
Gross benefit payments		4,660,956	4,671,738	4,818,725	4,431,518	4,711,738
		<u>30,903,821</u>	<u>41,198,751</u>	<u>33,423,388</u>	<u>4,431,518</u>	<u>4,711,738</u>
Ending Balance		<u>\$ 201,231,802</u>	<u>\$ 174,712,060</u>	<u>\$ 156,976,983</u>	<u>\$ 254,550,691</u>	<u>\$ 230,580,034</u>

\*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.



## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**  
**SECTION - E**

MORRIS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
 YEAR ENDED JUNE 30, 2022

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I Part D	IDEA Basic Regular	IDEA Preschool	IDEA Basic ARP Program	IDEA Preschool ARP Program	Homeless Children and Youth II ARP Program	Totals
<b>REVENUES:</b>									
State Sources	\$ 7,679,988								\$ 7,679,988
Federal Sources	3,416,836	\$ 665,260	\$ 65,485	\$ 1,654,055	\$ 54,518	\$ 347,122	\$ 31,231	\$ 19,423	6,253,930
Local Sources	634,079								634,079
<b>Total Revenues</b>	<b>11,730,903</b>	<b>665,260</b>	<b>65,485</b>	<b>1,654,055</b>	<b>54,518</b>	<b>347,122</b>	<b>31,231</b>	<b>19,423</b>	<b>14,567,997</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	\$ 2,330,329	\$ 437,114	\$ 44,974						\$ 2,812,417
Salaries of Other Professional Staff	172,154								172,154
Other Salaries for Instruction	427,469								427,469
Purchased Professional - Educational Services	391,307								391,307
Other Purchased Services (Including Tuition)	189,857			\$ 1,553,942	\$ 54,518	\$ 347,122	\$ 31,231		2,176,670
General Supplies	606,419	12,644							619,063
Textbooks	120,354								120,354
<b>Total Instruction</b>	<b>4,237,889</b>	<b>449,758</b>	<b>44,974</b>	<b>1,553,942</b>	<b>54,518</b>	<b>347,122</b>	<b>31,231</b>		<b>6,719,434</b>
Support Services:									
Salaries of Teachers	67,231								67,231
Salaries of Supervisors of Instruction	88,209								88,209
Salaries of Program Directors	126,761								126,761
Salaries of Other Professional Staff	391,660								391,660
Salaries of Secretarial & Clerical Assistants	103,364								103,364
Other Salaries	72,808								72,808
Salaries of Community Parent Involvement Specialists	56,958								56,958
Salaries of Master Teachers	159,084								159,084
Unused Vacation Payment to Terminated/Retired Staff	1,997								1,997
Personal Services - Employee Benefits	915,604	214,502	20,511						1,150,617
Purchased Education Services - Contracted Pre-K	4,027,996								4,027,996
Purchased Education Services - Head Start	509,524								509,524
Purchased Professional - Educational Services	816,479	1,000		100,113					917,592
Other Purchased Professional Services	68,773							\$ 19,423	88,196
Travel	2,011								2,011
Supplies and Materials	579,546								579,546
Student Activities	358,012								358,012
Scholarships	13,500								13,500
<b>Total Support Services</b>	<b>8,359,517</b>	<b>215,502</b>	<b>20,511</b>	<b>100,113</b>				<b>19,423</b>	<b>8,715,066</b>
Facilities Acquisitions & Construction Services:									
Instructional Equipment	308,754								308,754
<b>Total Facilities Acquisitions &amp; Construction Services</b>	<b>308,754</b>								<b>308,754</b>
<b>Total Expenditures</b>	<b>12,906,160</b>	<b>665,260</b>	<b>65,485</b>	<b>1,654,055</b>	<b>54,518</b>	<b>347,122</b>	<b>31,231</b>	<b>19,423</b>	<b>15,743,254</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,175,257)								(1,175,257)
Other financing sources									
Transfers in	1,197,203								1,197,203
<b>Total other financing sources</b>	<b>1,197,203</b>								<b>1,197,203</b>
Fund Balance, July 1	251,140								251,140
Fund Balance, June 30	\$ 273,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,086

MORRIS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
 YEAR ENDED JUNE 30, 2022

	Total Brought Forward (Ex. E-1b)	Title II	Title III	Title IV	Elementary and	Elementary and	Coronavirus	Coronavirus	Coronavirus	CARES Act Education Stabilization Fund	Elementary and	Additional or	Total Carried Forward
					Secondary School Emergency Relief ARP Program	Secondary School Evidence-Based Comprehensive Beyond the School Day Activities Grant-ARP Program	Response and Relief Supplemental Appropriation Act (CRRSA) Learning Acceleration Grant Program	Response and Relief Supplemental Appropriation Act (CRRSA) Mental Health Grant-ARP Program	Response and Relief Supplemental Appropriation Act (CRRSA) Mental Health Grant		Secondary School Emergency Relief (ESSER) Grant Program	Compensatory Special Education and Related Services (ACSERS)	
<b>REVENUES:</b>													
State Sources	\$ 7,679,988												\$ 7,679,988
Federal Sources		\$ 79,079	\$ 331,319	\$ 31,713	\$ 1,413,431	\$ 33,045	\$ 1,467	\$ 31,906	\$ 6,000	\$ 250	\$ 56,997	\$ 1,193,731	\$ 3,416,836
Local Sources	634,079											237,898	634,079
<b>Total Revenues</b>	<b>8,314,067</b>	<b>79,079</b>	<b>331,319</b>	<b>31,713</b>	<b>1,413,431</b>							<b>1,193,731</b>	<b>11,730,903</b>
<b>EXPENDITURES:</b>													
<b>Instruction:</b>													
Salaries of Teachers	\$ 1,113,090		\$ 19,298		\$ 1,109,872	\$ 28,774		\$ 29,639			\$ 21,133	\$ 8,523	\$ 2,330,329
Salaries of Other Professional Staff			172,154										172,154
Other Salaries for Instruction	427,469												427,469
Purchased Professional - Educational Services	297,330				87,768						6,209		391,307
Other Purchased Services (Including Tuition)	50,432											\$ 139,425	189,857
General Supplies	245,047		11,021		122,274	2,070	1,467			18,222	206,318		606,419
Textbooks	120,354												120,354
<b>Total Instruction</b>	<b>2,253,722</b>		<b>202,473</b>		<b>1,319,914</b>	<b>30,844</b>	<b>1,467</b>	<b>29,639</b>		<b>39,355</b>	<b>221,050</b>	<b>139,425</b>	<b>4,237,889</b>
<b>Support Services:</b>													
Salaries of Teachers	\$ 27,991	\$ 18,099	\$ 13,141	\$ 8,000									67,231
Salaries of Supervisors of Instruction	88,209												88,209
Salaries of Program Directors	126,761												126,761
Salaries of Other Professional Staff	267,099	7,841	6,000							14,835	95,885		391,660
Salaries of Secretarial & Clerical Assistants	103,364												103,364
Other Salaries	72,808												72,808
Salaries of Community Parent Involvement Specialists	56,958												56,958
Salaries of Master Teachers	159,084												159,084
Unused Vacation Payment to Terminated/Retired Staff	1,997												1,997
Personal Services - Employee Benefits	678,534	2,142	94,908	1,464	85,517	2,201		2,267		2,752	45,819		915,604
Purchased Education Services - Contracted Pre-K	4,027,996												4,027,996
Purchased Education Services - Head Start	509,524												509,524
Purchased Professional - Educational Services	505,453	39,101	7,998	8,025					\$ 6,000	250	219,952	29,700	816,479
Other Purchased Professional Services												68,773	68,773
Travel	109	1,542		360									2,011
Supplies and Materials	55,660	8,303		2,723							55	512,805	579,546
Student Activities	358,012												358,012
Scholarships	13,500												13,500
<b>Total Support Services</b>	<b>7,025,068</b>	<b>79,079</b>	<b>128,846</b>	<b>31,713</b>	<b>93,517</b>	<b>2,201</b>		<b>2,267</b>	<b>6,000</b>	<b>250</b>	<b>17,642</b>	<b>874,461</b>	<b>8,359,517</b>
<b>Facilities Acquisitions &amp; Construction Services:</b>													
Instructional Equipment	210,534											98,220	308,754
<b>Total Facilities Acquisitions &amp; Construction Services</b>	<b>210,534</b>											<b>98,220</b>	<b>308,754</b>
<b>Total Expenditures</b>	<b>9,489,324</b>	<b>79,079</b>	<b>331,319</b>	<b>31,713</b>	<b>1,413,431</b>	<b>33,045</b>	<b>1,467</b>	<b>31,906</b>	<b>6,000</b>	<b>250</b>	<b>56,997</b>	<b>1,193,731</b>	<b>12,906,160</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,175,257)												(1,175,257)
<b>Other financing sources</b>													
Transfers in	1,197,203												1,197,203
<b>Total other financing sources</b>	<b>1,197,203</b>												<b>1,197,203</b>
<b>Fund Balance, July 1</b>	<b>251,140</b>												<b>251,140</b>
<b>Fund Balance, June 30</b>	<b>\$ 273,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 273,086</b>

MORRIS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
 YEAR ENDED JUNE 30, 2022

	Total Brought Forward (Ex. E-1c)	N.J. Auxillary Services Ch. 192			N.J. Nonpublic Handicapped Services Ch. 193			Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Security	Total Carried Forward
		Home Instruction	ESL	Compensatory Education	Supplemental Instruction	Examination & Classification	Corrective Speech					
<b>REVENUES:</b>												
State Sources	\$ 6,697,406	\$ 7,042	\$ 2,741	\$ 65,931	\$ 63,106	\$ 106,930	\$ 31,992	\$ 293,150	\$ 100,081	\$ 120,354	\$ 191,255	\$ 7,679,988
Federal Sources												
Local Sources	634,079											634,079
<b>Total Revenues</b>	<b>7,331,485</b>	<b>7,042</b>	<b>2,741</b>	<b>65,931</b>	<b>63,106</b>	<b>106,930</b>	<b>31,992</b>	<b>293,150</b>	<b>100,081</b>	<b>120,354</b>	<b>191,255</b>	<b>8,314,067</b>
<b>EXPENDITURES:</b>												
Instruction:												
Salaries of Teachers	\$ 1,113,090											\$ 1,113,090
Other Salaries for Instruction	427,469											427,469
Purchsd Professional - Educational Services	64,081	\$ 7,042	\$ 2,741		\$ 63,106						\$ 160,360	297,330
Other Purchased Services (Including Tuition)	50,432											50,432
General Supplies	138,298								\$ 87,010		19,739	245,047
Textbooks										\$ 120,354		120,354
<b>Total Instruction</b>	<b>1,793,370</b>	<b>7,042</b>	<b>2,741</b>		<b>63,106</b>				<b>87,010</b>	<b>120,354</b>	<b>180,099</b>	<b>2,253,722</b>
Support Services:												
Salaries of Teachers												
Salaries of Supervisors of Instruction	88,209											88,209
Salaries of Program Directors	126,761											126,761
Salaries of Other Professional Staff	267,099											267,099
Salaries of Secretarial & Clerical Assistants	103,364											103,364
Other Salaries	72,808											72,808
Salaries of Community Parent Involvement Specialists	56,958											56,958
Salaries of Master Teachers	159,084											159,084
Unused Vacation Payment to Terminated/Retired Staff	1,997											1,997
Personal Services - Employee Benefits	678,534											678,534
Purchased Education Services - Contracted Pre-K	4,027,996											4,027,996
Purchased Education Services - Head Start	509,524											509,524
Purchased Professional - Educational Services	7,450			\$ 65,931	\$ 106,930	\$ 31,992	\$ 293,150					505,453
Travel	109											109
Supplies and Materials	55,660											55,660
Student Activities	358,012											358,012
Scholarships	13,500											13,500
<b>Total Support Services</b>	<b>6,527,065</b>			<b>65,931</b>	<b>106,930</b>	<b>31,992</b>	<b>293,150</b>					<b>7,025,068</b>
Facilities Acquisitions & Construction Services:												
Instructional Equipment	186,307								13,071		11,156	210,534
<b>Total Facilities Acquisitions &amp; Construction Services</b>	<b>186,307</b>										<b>11,156</b>	<b>210,534</b>
<b>Total Expenditures</b>	<b>8,506,742</b>	<b>7,042</b>	<b>2,741</b>	<b>65,931</b>	<b>63,106</b>	<b>106,930</b>	<b>31,992</b>	<b>293,150</b>	<b>100,081</b>	<b>120,354</b>	<b>191,255</b>	<b>9,489,324</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,175,257)											(1,175,257)
Other financing sources												
Transfers in	1,197,203											1,197,203
<b>Total other financing sources</b>	<b>1,197,203</b>											<b>1,197,203</b>
Fund Balance, July 1	251,140											251,140
<b>Fund Balance, June 30</b>	<b>\$ 273,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 273,086</b>

MORRIS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
 YEAR ENDED JUNE 30, 2022

	Rosina Santora Foundation	NJSBAIG Safety Grant	HSA Clubs	Preschool Education	SDA Emergent Needs Grant	Morris Education Foundation	Miscellaneous Grants	Scholarship Fund	Student Activity Fund	Total Carried Forward
<b>REVENUES:</b>										
State Sources				\$ 6,571,235	\$ 126,171					\$ 6,697,406
Federal Sources										
Local Sources	\$ 975	\$ 53,720	\$ 18,844			\$ 165,294	\$ 1,788	\$ 8,340	\$ 385,118	634,079
<b>Total Revenues</b>	<b>975</b>	<b>53,720</b>	<b>18,844</b>	<b>6,571,235</b>		<b>165,294</b>	<b>1,788</b>	<b>8,340</b>	<b>385,118</b>	<b>7,331,485</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers		\$ 17,420		\$ 1,090,295		\$ 5,375				\$ 1,113,090
Other Salaries for Instruction				427,469						427,469
Purchased Professional - Educational Services				7,460		56,386	\$ 235			64,081
Other Purchased Services (Including Tuition)				27,396		23,036				50,432
General Supplies				56,248		80,497	1,553			138,298
<b>Total Instruction</b>			<b>17,420</b>	<b>1,608,868</b>		<b>165,294</b>	<b>1,788</b>			<b>1,793,370</b>
Support Services:										
Salaries of Teachers										
Salaries of Supervisors of Instruction				88,209						88,209
Salaries of Program Directors				126,761						126,761
Salaries of Other Professional Staff				267,099						267,099
Salaries of Secretarial & Clerical Assistants				103,364						103,364
Other Salaries				72,808						72,808
Salaries of Community Parent Involvement Specialists				56,958						56,958
Salaries of Master Teachers				159,084						159,084
Unused Vacation Payment to Terminated/Retired Staff				1,997						1,997
Personal Services - Employee Benefits			1,424	677,110						678,534
Purchased Education Services - Contracted Pre-K				4,027,996						4,027,996
Purchased Education Services - Head Start				509,524						509,524
Purchased Professional - Educational Services				7,450						7,450
Travel				109						109
Supplies and Materials	\$ 975	\$ 53,720		965						55,660
Student Activities								\$ 358,012		358,012
Scholarships								13,500		13,500
<b>Total Support Services</b>	<b>975</b>	<b>53,720</b>	<b>1,424</b>	<b>6,099,434</b>				<b>13,500</b>	<b>358,012</b>	<b>6,527,065</b>
Facilities Acquisitions & Construction Services:										
Instructional Equipment				60,136	126,171					186,307
<b>Total Facilities Acquisitions &amp; Construction Services</b>				<b>60,136</b>						<b>186,307</b>
<b>Total Expenditures</b>	<b>975</b>	<b>53,720</b>	<b>18,844</b>	<b>7,768,438</b>	<b>126,171</b>	<b>165,294</b>	<b>1,788</b>	<b>13,500</b>	<b>358,012</b>	<b>8,506,742</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures				(1,197,203)				(5,160)	27,106	(1,175,257)
				(1,197,203)						(1,175,257)
Other financing sources										
Transfers in				1,197,203						1,197,203
<b>Total other financing sources</b>				<b>1,197,203</b>						<b>1,197,203</b>
Fund Balance, July 1								93,995	157,145	251,140
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,835	\$ 184,251	\$ 273,086

MORRIS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 PRESCHOOL EDUCATION AID  
 SCHEDULE OF EXPENDITURES  
 BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>EXPENDITURES</u>			
Instruction:			
Salaries of Teachers	\$ 1,291,598	\$ 1,090,295	\$ 201,303
Other Salaries for Instruc.	517,400	427,469	89,931
Purchased Prof. Educational Services	11,655	7,460	4,195
Tuition to Other LEAs in State Regular	258,160	27,396	230,764
General Supplies	<u>62,658</u>	<u>56,248</u>	<u>6,410</u>
Total Instruction	<u>2,141,471</u>	<u>1,608,868</u>	<u>532,603</u>
Support Services:			
Salaries of Supervisors of Instruction	122,528	88,209	34,319
Salaries of Program Directors	126,761	126,761	
Salaries of Other Professional Staff	350,228	267,099	83,129
Salaries of Secr. and Clerical Assistants	110,015	103,364	6,651
Other Salaries	275,080	72,808	202,272
Salaries of Community Parent Involvement Spec.	83,202	56,958	26,244
Salaries of Master Teachers	159,084	159,084	
Unused Vacation Payment to Terminated/Retired Staff	1,997	1,997	
Personnel Services - Employee Benefits	902,865	677,110	225,755
Purch. Prof. - Educ. Services - Contracted Pre-K	4,757,650	4,027,996	729,654
Purch. Prof. - Educ. Services - Head Start	509,524	509,524	
Purch. Prof. - Educ. Services	7,687	7,450	237
Travel	109	109	
General Supplies	<u>5,526</u>	<u>965</u>	<u>4,561</u>
Total Support Services	<u>7,412,256</u>	<u>6,099,434</u>	<u>1,312,822</u>
Facilities Acquis. & Const. Serv.:			
Instructional Equipment	<u>138,351</u>	<u>60,136</u>	<u>78,215</u>
Total Facil. Acquis. & Const. Serv.	<u>138,351</u>	<u>60,136</u>	<u>78,215</u>
Total Expenditures	<u>\$ 9,692,078</u>	<u>\$ 7,768,438</u>	<u>\$ 1,923,640</u>
Total Revised 2021-2022 Preschool Education Aid Allocation			\$ 7,743,160
Actual Preschool Aid Carryover (June 30, 2021)			751,715
Budgeted Transfer From General Fund			<u>1,197,203</u>
Total Preschool Education Funds Available 2021-2022 Budget			9,692,078
Less: 2021-2022 Budgeted Preschool Education Aid (Incl. Prior Year Budgeted Carryover)			<u>9,692,078</u>
Available & Unbudgeted Preschool Education Funds as of June 30, 2022			-
Add: June 30, 2022 Unexpended Preschool Education Aid			<u>1,923,640</u>
2021-2022 Actual Carryover - Preschool Education Aid			<u>\$ 1,923,640</u>
2021-2022 Preschool Ed Aid Carryover Budgeted in 2022-2023			<u>\$ 1,923,640</u>

**CAPITAL PROJECT FUND**  
**SECTION - F**



MORRIS SCHOOL DISTRICT  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

<u>PROJECT TITLE / ISSUE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>			<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TRANSFERS OUT</u>	
<u>FY 2020</u>					
Electrical Upgrades	\$ 600,000				\$ 600,000
<u>FY 2021</u>					
MHS Turf and Track	1,249,000	\$ 91,373	\$ 1,091,633	\$ 65,994	
Life Skills - MHS Room 102	310,200	21,865	259,191	29,144	
Security Vestibules	644,000	54,781			589,219
AH Partial Roof	312,070	51,569	206,973	53,528	
LLC Parking Expansion	163,000	133,397	12,340	17,263	
<u>FY 2022</u>					
AH Field Improvements	120,000				120,000
MHS Turf Light and Scoreboard	1,340,000		56,353		1,283,647
WD Renovations	5,600,000		114,412		5,485,588
FMS Modular	611,000		592,787		18,213
Totals	<u>\$ 10,949,270</u>	<u>\$ 352,985</u>	<u>\$ 2,333,689</u>	<u>\$ 165,929</u>	<u>\$ 8,096,667</u>

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGE IN FUND BALANCE - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022

Revenues and other financing sources	
Transfer from capital reserve	\$ 7,671,000
Total revenues and other financing sources	<u>7,671,000</u>
Expenditures and other financing uses	
Purchased professional and technical services	260,995
Construction services	2,072,694
Transfer to capital reserve	165,929
Total expenditures and other financing uses	<u>2,499,618</u>
Excess of revenues and other financing sources over expenditures and other financing uses	5,171,382
Fund balance - beginning	2,925,285
Fund balance - ending	<u>\$ 8,096,667</u>

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 ELECTRICAL UPGRADES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>		<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
State Sources - SCC Grant					
Bond proceeds and transfers					
Contribution from private source					
Transfer from capital reserve	\$ 600,000		\$ 600,000		\$ 600,000
Transfer from capital outlay					
Total revenues and other financing sources	600,000	-	600,000		\$ 600,000
Expenditures and Other Financing Uses					
Purchased professional and technical services					
Land and Improvements					
Construction services					
Equipment purchases					
Transfer to capital reserve					
Total expenditures and other financing uses	-	-	-		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 600,000	\$ -	\$ 600,000		
Additional project information:					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	\$ 600,000				
Additional Authorized Cost	-				
Revised Authorized Cost	\$ 600,000				
Percentage Increase over Original Authorized Cost	N/A				
Percentage completion	0%				
Original target completion date	Aug-22				
Revised target completions date	Dec-22				

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 MHS TURF AND TRACK  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from (to) capital reserve	\$ 1,249,000	\$ (65,994)	\$ 1,183,006	\$ 1,183,006
Transfer from capital outlay				
Total revenues and other financing sources	<u>1,249,000</u>	<u>(65,994)</u>	<u>1,183,006</u>	<u>\$ 1,183,006</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	91,373	22,633	114,006	
Land and Improvements				
Construction services		1,069,000	1,069,000	
Equipment purchases				
Total expenditures and other financing uses	<u>91,373</u>	<u>1,091,633</u>	<u>1,183,006</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 1,157,627</u>	<u>\$ (1,157,627)</u>	<u>\$ -</u>	
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,249,000			
Additional Authorized Cost	(65,994)			
Revised Authorized Cost	\$ 1,183,006			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	Aug-21			
Revised target completions date	Dec-21			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 MHS ROOM 102 REDESIGN  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from (to) capital reserve	\$ 310,200	\$ (29,144)	\$ 281,056	\$ 281,056
Transfer from capital outlay				
Total revenues and other financing sources	310,200	(29,144)	281,056	\$ 281,056
 <b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	21,865	3,759	25,624	
Land and Improvements				
Construction services		255,432	255,432	
Equipment purchases				
Total expenditures and other financing uses	21,865	259,191	281,056	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 288,335	\$ (288,335)	\$ -	
 <b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 310,200			
Additional Authorized Cost	(29,144)			
Revised Authorized Cost	\$ 281,056			
 <b>Percentage Increase over Original</b>				
Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	Aug-21			
Revised target completions date	Dec-21			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 SECURITY VESTIBULES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve	\$ 644,000		\$ 644,000	\$ 644,000
Transfer from capital outlay				
Total revenues and other financing sources	644,000	-	644,000	\$ 644,000
 Expenditures and Other Financing Uses				
Purchased professional and technical services	54,781		54,781	
Land and Improvements				
Construction services			-	
Equipment purchases				
Transfer to capital reserve			-	
Total expenditures and other financing uses	54,781	-	54,781	
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 589,219	\$ -	\$ 589,219	
 Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 644,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 644,000			
 Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	9%			
Original target completion date	Aug-21			
Revised target completions date	Dec-23			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 AH - PITCHED ROOF PROJECT  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from (to) capital reserve	\$ 312,070	\$ (53,528)	\$ 258,542	\$ 258,542
Transfer from capital outlay				
Total revenues and other financing sources	312,070	(53,528)	258,542	\$ 258,542
Expenditures and Other Financing Uses				
Purchased professional and technical services	39,025	9,295	48,320	
Land and Improvements				
Construction services	12,544	197,678	210,222	
Equipment purchases				
Total expenditures and other financing uses	51,569	206,973	258,542	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 260,501	\$ (260,501)	\$ -	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 312,070			
Additional Authorized Cost	(53,528)			
Revised Authorized Cost	\$ 258,542			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	Aug-21			
Revised target completions date	Dec-21			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 LLC PARKING EXPANSION  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from (to) capital reserve	\$ 163,000	\$ (17,263)	\$ 145,737	\$ 145,737
Transfer from capital outlay				
Total revenues and other financing sources	163,000	(17,263)	145,737	\$ 145,737
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	25,489	12,340	37,829	
Land and Improvements				
Construction services	107,908		107,908	
Equipment purchases				
Total expenditures and other financing uses	133,397	12,340	145,737	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 29,603	\$ (29,603)	\$ -	
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 163,000			
Additional Authorized Cost	(17,263)			
Revised Authorized Cost	\$ 145,737			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	Aug-21			
Revised target completions date	Dec-21			



MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 AH FIELD IMPROVEMENTS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve		\$ 120,000	\$ 120,000	\$ 120,000
Transfer from capital outlay				
Total revenues and other financing sources	-	120,000	120,000	\$ 120,000
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	
Land and Improvements				
Construction services			-	
Equipment purchases				
Transfer to capital reserve			-	
Total expenditures and other financing uses	-	-	-	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 120,000	\$ 120,000	
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 120,000			
<b>Percentage Increase over Original</b>				
Authorized Cost	N/A			
Percentage completion	0%			
Original target completion date	Aug-22			
Revised target completions date	Dec-23			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 MHS TURF LIGHT AND SCOREBOARD  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve		\$ 1,340,000	\$ 1,340,000	\$ 1,340,000
Transfer from capital outlay				
Total revenues and other financing sources	-	1,340,000	1,340,000	\$ 1,340,000
 Expenditures and Other Financing Uses				
Purchased professional and technical services		56,353	56,353	
Land and Improvements				
Construction services			-	
Equipment purchases				
Transfer to capital reserve			-	
Total expenditures and other financing uses	-	56,353	56,353	
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,283,647	\$ 1,283,647	

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,340,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 1,340,000
 Percentage Increase over Original Authorized Cost	 N/A
Percentage completion	4%
Original target completion date	Aug-22
Revised target completions date	Dec-23

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 WD RENOVATIONS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve		\$ 5,600,000	\$ 5,600,000	\$ 5,600,000
Transfer from capital outlay				
Total revenues and other financing sources	-	5,600,000	5,600,000	\$ 5,600,000
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		114,412	114,412	
Land and Improvements				
Construction services			-	
Equipment purchases				
Transfer to capital reserve			-	
Total expenditures and other financing uses	-	114,412	114,412	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 5,485,588	\$ 5,485,588	
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 5,600,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 5,600,000			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	2%			
Original target completion date	Aug-22			
Revised target completions date	Dec-23			

MORRIS SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 FMS MODULAR  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond proceeds and transfers				
Contribution from private source				
Transfer from capital reserve		\$ 611,000	\$ 611,000	\$ 611,000
Transfer from capital outlay				
Total revenues and other financing sources	<u>-</u>	<u>611,000</u>	<u>611,000</u>	<u>\$ 611,000</u>
 Expenditures and Other Financing Uses				
Purchased professional and technical services		42,203	42,203	
Land and Improvements				
Construction services		550,584	550,584	
Equipment purchases				
Total expenditures and other financing uses	<u>-</u>	<u>592,787</u>	<u>592,787</u>	
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 18,213</u>	<u>\$ 18,213</u>	
 Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 611,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 611,000			
 Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	97%			
Original target completion date	Aug-22			
Revised target completions date	Dec-22			

**LONG-TERM DEBT**  
**SECTION - I**

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF FINANCED PURCHASES PAYABLE  
 LONG-TERM DEBT  
JUNE 30, 2022

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE	ADDITIONS	RETIRED	BALANCE
			PRINCIPAL	INTEREST		JUNE 30, 2021			JUNE 30, 2022
Various Equipment	09/01/16	5 Years	\$ 78,815	\$ 8,767	4.230%	\$ 2,060		\$ 2,060	
Copy Machine	05/01/17	5 Years	15,814	1,759	4.230%	2,635		2,635	
Buses	04/01/17	6 Years	2,769,991	164,916	1.890%	1,213,103		397,569	\$ 815,534
Copy Machines	09/17/17	5 Years	124,887	11,845	3.150%	29,542		24,978	4,564
Copy Machines	09/01/18	5 Years	69,077	7,687	4.230%	29,933		13,815	16,118
Copy Machines	10/01/18	5 Years	40,713	5,973	5.520%	20,536		8,143	12,393
Buses	08/01/18	6 Years	108,000	10,394	3.220%	62,266		15,194	47,072
Computers	08/01/18	4 Years	200,000	9,659	3.025%	50,876		50,876	
Dump Trucks & Copiers	07/15/19	5 Years	320,000	16,725	2.614%	191,915		62,328	129,587
Buses	07/15/19	6 Years	610,000	46,881	2.687%	434,292		83,107	351,185
Various Equipment	09/18/20	5 Years	142,000	10,907	1.000%	105,705		25,312	80,393
Buses	09/18/20	6 Years	1,395,000	30,825	1.000%	1,202,366		194,271	1,008,095
Copy Machines	08/20/21	4 Years	128,579	5,754	2.238%		\$ 128,579	26,867	101,712
Total						\$ 3,345,229	\$ 128,579	\$ 907,155	\$ 2,566,653

**STATISTICAL SECTION (UNAUDITED)**  
**SECTION - J**

**Statistical Section**  
**Unaudited**

**Contents**

**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.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**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.

**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.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report (ACFR) for the relevant year.*



Morris School District  
 Net Position by Component,  
 Last Ten Fiscal Years  
 Unaudited  
*(accrual basis of accounting)*

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities								(Restated)		
Net Investment in capital assets	\$ 29,494,829	\$ 32,902,621	\$ 34,762,605	\$ 43,696,718	\$ 44,935,291	\$ 49,610,975	\$ 51,308,245	\$ 52,065,708	\$ 51,476,541	\$ 53,787,682
Restricted	16,211,969	26,706,016	30,024,003	23,910,031	23,357,422	22,058,286	21,658,087	26,448,842	33,393,653	34,671,336
Unrestricted	5,646,252	(32,520,686)	(32,984,938)	(31,840,835)	(31,684,701)	(32,720,614)	(29,763,515)	(29,215,685)	(27,351,738)	(18,975,649)
Total governmental activities net position/net assets	<u>\$ 51,353,050</u>	<u>\$ 27,087,951</u>	<u>\$ 31,801,670</u>	<u>\$ 35,765,914</u>	<u>\$ 36,608,012</u>	<u>\$ 38,948,647</u>	<u>\$ 43,202,817</u>	<u>\$ 49,298,865</u>	<u>\$ 57,518,456</u>	<u>\$ 69,483,369</u>
Business-type activities										
Investment in capital assets	\$ 95,899	\$ 107,935	\$ 74,299	\$ 95,157	\$ 117,324	\$ 173,851	\$ 207,799	\$ 225,659	\$ 224,498	\$ 226,284
Unrestricted	925,849	388,386	492,135	416,454	468,154	515,885	673,376	511,244	475,482	1,664,186
Total business-type activities net position/net assets	<u>\$ 1,021,748</u>	<u>\$ 496,321</u>	<u>\$ 566,434</u>	<u>\$ 511,611</u>	<u>\$ 585,478</u>	<u>\$ 689,736</u>	<u>\$ 881,175</u>	<u>\$ 736,903</u>	<u>\$ 699,980</u>	<u>\$ 1,890,470</u>
Government-wide										
Investment in capital assets	\$ 29,590,728	\$ 33,010,556	\$ 34,836,904	\$ 43,791,875	\$ 45,052,615	\$ 49,784,826	\$ 51,516,044	\$ 52,291,367	\$ 51,701,039	\$ 54,013,966
Restricted	16,211,969	26,706,016	30,024,003	23,910,031	23,357,422	22,058,286	21,658,087	26,448,842	33,393,653	34,671,336
Unrestricted	6,572,101	(32,132,300)	(32,492,803)	(31,424,381)	(31,216,547)	(32,204,729)	(29,090,139)	(28,704,441)	(26,876,256)	(17,311,463)
Total district net position/net assets	<u>\$ 52,374,798</u>	<u>\$ 27,584,272</u>	<u>\$ 32,368,104</u>	<u>\$ 36,277,525</u>	<u>\$ 37,193,490</u>	<u>\$ 39,638,383</u>	<u>\$ 44,083,992</u>	<u>\$ 50,035,768</u>	<u>\$ 58,218,436</u>	<u>\$ 71,373,839</u>

Source: ACFR Schedule A-1

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years  
 Reflects Implementation of GASB 75 for 2018 and subsequent years  
 Reflects Implementation of GASB 84 for 2021, which required the restatement of beginning net position.

Morris School District  
Changes in Net Position, Last Ten Fiscal Years  
Unaudited  
(accrual basis of accounting)

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 28,339,724	\$ 28,269,563	\$ 28,387,065	\$ 29,237,127	\$ 31,710,468	\$ 32,297,670	\$ 35,374,952	\$ 34,895,344	\$ 37,313,269	\$ 37,641,978
Special education	7,403,544	7,534,259	7,781,595	8,153,686	6,421,612	6,566,012	6,389,428	6,670,823	7,367,452	8,774,782
Other special education	1,665,510	1,508,020	1,496,083	1,894,853	1,953,758	2,166,629	2,338,259	3,165,913	3,236,607	2,919,552
Other instruction	1,233,558	1,282,881	1,371,203	1,391,027	1,470,913	1,508,941	1,571,308	1,458,586	1,352,825	1,585,169
Support Services:										
Tuition	5,240,128	5,718,344	5,628,722	5,846,949	5,681,478	5,926,763	5,753,469	5,370,532	5,050,199	4,772,210
Student & instruction related services	14,126,628	13,713,695	14,330,155	14,443,418	15,362,877	15,545,329	14,497,741	16,597,308	20,869,737	21,479,462
School administrative services	3,025,750	2,770,823	2,832,511	3,016,712	3,096,687	3,891,005	3,980,819	3,916,523	3,918,595	4,274,361
General administrative services	3,176,661	3,251,357	3,384,791	3,312,990	3,299,714	3,307,097	3,415,943	3,381,422	3,487,420	4,115,906
Plant operations and maintenance	6,688,214	7,393,248	7,784,633	7,443,979	7,703,340	8,040,375	9,165,015	9,492,529	8,679,155	10,009,081
Pupil transportation	5,842,404	6,019,131	6,041,059	6,249,298	6,961,605	6,242,152	6,761,122	6,945,237	6,531,871	8,691,087
Unallocated Benefits	22,097,857	20,952,645	21,966,032	25,046,260	47,304,559	51,278,533	43,295,649	37,997,650	48,299,957	33,853,198
Charter Schools										1,472,989
Interest on long-term debt	233,418	196,352	157,708	120,563	93,492	87,115	83,483	116,509	58,246	25,455
Unallocated depreciation	172,922	159,496	162,785	192,659	176,085	218,870	242,380	231,182	273,370	
Total governmental activities expenses	99,246,318	98,769,814	101,324,342	106,349,521	131,236,588	137,076,491	132,869,568	130,239,558	146,438,703	139,615,230
Business-type activities:										
Food service	2,040,754	2,184,170	1,950,021	1,614,906	1,576,399	1,490,552	1,590,977	1,392,989	1,148,437	2,252,256
Community School	1,523,104	2,249,326	1,651,378	1,807,674	1,714,323	1,655,544	1,576,364	1,448,496	682,827	861,725
Total business-type activities expense	3,563,858	4,433,496	3,601,399	3,422,580	3,290,722	3,146,096	3,167,341	2,841,485	1,831,264	3,113,981
Total district expenses	\$ 102,810,176	\$ 103,203,310	\$ 104,925,741	\$ 109,772,101	\$ 134,527,310	\$ 140,222,587	\$ 136,036,909	\$ 133,081,043	\$ 148,269,967	\$ 142,729,211
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Student & instruction related services										\$ 385,118
Operating grants and contributions	\$ 8,748,281	\$ 18,324,772	\$ 18,867,263	\$ 20,675,124	\$ 41,334,669	\$ 45,981,670	\$ 41,768,056	\$ 36,765,669	\$ 55,236,862	14,182,879
Total governmental activities program revenues	8,748,281	18,324,772	18,867,263	20,675,124	41,334,669	45,981,670	41,768,056	36,765,669	55,236,862	14,567,997
Business-type activities:										
Charges for services:										
Food service	744,119	742,271	660,566	579,333	607,973	564,963	612,948	441,591	33,915	67,079
Community School	1,658,694	1,721,927	1,719,989	1,651,902	1,720,765	1,713,327	1,709,648	1,263,558	465,252	1,317,070
Operating grants and contributions	985,958	1,074,132	1,153,151	1,134,834	1,034,351	970,369	1,034,317	990,358	1,294,409	2,919,432
Total business type activities program revenues	3,388,771	3,538,330	3,533,706	3,366,069	3,363,089	3,248,659	3,356,913	2,695,507	1,793,576	4,303,581
Total district program revenues	\$ 12,137,052	\$ 21,863,102	\$ 22,400,969	\$ 24,041,193	\$ 44,697,758	\$ 49,230,329	\$ 45,124,969	\$ 39,461,176	\$ 57,030,438	\$ 18,871,578
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (90,498,037)	\$ (80,445,042)	\$ (82,457,079)	\$ (85,674,397)	\$ (89,901,919)	\$ (91,094,821)	\$ (91,101,512)	\$ (93,473,889)	\$ (91,201,841)	\$ (125,047,233)
Business-type activities	(175,087)	(895,166)	(67,693)	(56,511)	72,367	102,563	189,572	(145,978)	(37,688)	1,189,600
Total district-wide net expense	\$ (90,673,124)	\$ (81,340,208)	\$ (82,524,772)	\$ (85,730,908)	\$ (89,829,552)	\$ (90,992,258)	\$ (90,911,940)	\$ (93,619,867)	\$ (91,239,529)	\$ (123,857,633)

Morris School District  
Changes in Net Position, Last Ten Fiscal Years  
Unaudited  
*(accrual basis of accounting)*

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position/Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 80,807,655	\$ 82,423,847	\$ 83,248,085	\$ 85,246,039	\$ 86,834,961	\$ 88,571,660	\$ 91,073,093	\$ 92,894,555	\$ 95,309,814	\$ 97,216,010
Taxes levied for debt service	871,393	863,548	685,270	664,905	576,274	551,007	529,509			
Unrestricted grants and contributions	10,769,607	153,828	296,780	609,684	279,622	222,276	122,683	150,727	182,060	34,873,564
Restricted grants and contributions						829,475	2,656			
Payments in lieu of taxes (tuition)	4,666,255	4,362,470	3,962,529	4,029,709	4,148,439	4,261,293	4,432,790	4,674,766	4,814,832	4,443,752
Investment earnings	450,036	824,673	212,423	400,698	228,126	332,871	546,962	825,377	428,407	478,820
Miscellaneous income	66,814									
Disposal of assets							(9,233)	(3,087)	(37,376)	
Transfers	(1,125,732)	(1,196,555)	(1,234,289)	(1,312,394)	(1,323,405)	(1,333,126)	(1,342,778)	(1,324,919)	(1,276,305)	
Total governmental activities	<u>96,506,028</u>	<u>87,431,811</u>	<u>87,170,798</u>	<u>89,638,641</u>	<u>90,744,017</u>	<u>93,435,456</u>	<u>95,355,682</u>	<u>97,217,419</u>	<u>99,421,432</u>	<u>137,012,146</u>
Business-type activities:										
Investment earnings	1,971	2,440	1,743	1,688	1,500	1,695	1,867	1,706	765	890
Miscellaneous earnings										
Transfers	309,952	367,299	136,063							
Total business-type activities	<u>311,923</u>	<u>369,739</u>	<u>137,806</u>	<u>1,688</u>	<u>1,500</u>	<u>1,695</u>	<u>1,867</u>	<u>1,706</u>	<u>765</u>	<u>890</u>
Total district-wide	<u>\$ 96,817,951</u>	<u>\$ 87,801,550</u>	<u>\$ 87,308,604</u>	<u>\$ 89,640,329</u>	<u>\$ 90,745,517</u>	<u>\$ 93,437,151</u>	<u>\$ 95,357,549</u>	<u>\$ 97,219,125</u>	<u>\$ 99,422,197</u>	<u>\$ 137,013,036</u>
<b>Change in Net Position/Net Assets</b>										
Governmental activities	\$ 6,007,991	\$ 6,986,769	\$ 4,713,719	\$ 3,964,244	\$ 842,098	\$ 2,340,635	\$ 4,254,170	\$ 3,743,530	\$ 8,219,591	\$ 11,964,913
Business-type activities	136,836	(525,427)	70,113	(54,823)	73,867	104,258	191,439	(144,272)	(36,923)	1,190,490
Total district	<u>\$ 6,144,827</u>	<u>\$ 6,461,342</u>	<u>\$ 4,783,832</u>	<u>\$ 3,909,421</u>	<u>\$ 915,965</u>	<u>\$ 2,444,893</u>	<u>\$ 4,445,609</u>	<u>\$ 3,599,258</u>	<u>\$ 8,182,668</u>	<u>\$ 13,155,403</u>

Source: ACFR Schedule A-2

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years  
Reflects Implementation of GASB 75 for 2018 and subsequent years

Morris School District  
 Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 Unaudited  
*(modified accrual basis of accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								(Restated)		
General Fund										
Restricted	\$ 16,211,969	\$ 23,506,957	\$ 19,674,349	\$ 21,691,324	\$ 22,330,679	\$ 21,539,525	\$ 20,982,749	\$ 24,497,038	\$ 26,887,228	\$ 26,301,583
Assigned	5,743,904	1,426,731	1,927,287	3,290,983	6,082,562	4,294,986	4,607,208	5,544,608	4,897,531	3,518,982
Unassigned	1,311,052	1,311,515	210,331	484,887	365,078	1,516,141	3,584,943	2,407,440	6,810,429	8,876,946
Total general fund	<u>\$ 23,266,925</u>	<u>\$ 26,245,203</u>	<u>\$ 21,811,967</u>	<u>\$ 25,467,194</u>	<u>\$ 28,778,319</u>	<u>\$ 27,350,652</u>	<u>\$ 29,174,900</u>	<u>\$ 32,449,086</u>	<u>\$ 38,595,188</u>	<u>\$ 38,697,511</u>
All Other Governmental Funds										
Restricted	\$ 2,695,033	\$ 3,199,059	\$ 10,349,654	\$ 2,218,707	\$ 971,344	\$ 518,761	\$ 675,338	\$ 1,941,808	\$ 3,176,425	\$ 8,369,753
Committed										
Unassigned, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund	1	1	1	1						
Total all other governmental funds	<u>\$ 2,695,034</u>	<u>\$ 3,199,060</u>	<u>\$ 10,349,655</u>	<u>\$ 2,218,708</u>	<u>\$ 971,344</u>	<u>\$ 518,761</u>	<u>\$ 675,338</u>	<u>\$ 1,941,808</u>	<u>\$ 3,176,425</u>	<u>\$ 8,369,753</u>

Source: ACFR Schedule B-1

Note: Reflects Implementation of GASB 84 for 2021, which required the establishment of new restricted fund balances for scholarship and student activity accounts.

Morris School District  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 81,679,048	\$ 83,287,395	\$ 83,933,355	\$ 85,910,944	\$ 87,411,235	\$ 89,122,667	\$ 91,602,602	\$ 92,894,555	\$ 95,309,814	\$ 97,216,010
Tuition charges	4,666,255	4,362,470	3,962,529	4,029,709	4,148,439	4,261,293	4,432,790	4,674,766	4,814,832	4,443,752
Miscellaneous	268,313	824,673	212,423	400,698	228,126	332,871	546,961	825,377	265,768	478,820
Local sources	181,723	111,633	216,109	216,142	229,319	264,250	279,602	328,885	338,390	634,079
State sources	16,719,016	15,852,446	16,887,795	18,479,127	20,561,821	23,554,058	28,056,633	28,307,681	37,381,849	45,185,711
Federal sources	2,798,872	2,514,521	2,591,004	2,589,539	2,716,579	2,816,277	2,649,571	2,498,380	4,650,409	6,421,185
Total revenue	106,313,227	106,953,138	107,803,215	111,626,159	115,295,519	120,351,416	127,568,159	129,529,644	142,761,062	154,379,557
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	27,080,647	27,012,226	27,021,640	27,569,631	30,129,904	30,444,276	33,601,996	33,078,137	35,153,927	35,352,873
Special education instruction	7,403,544	7,534,259	7,781,595	8,153,686	6,421,612	6,566,012	6,389,428	6,670,823	7,367,452	8,774,782
Other special instruction	1,665,510	1,508,020	1,496,083	1,894,853	1,953,758	2,166,629	2,338,259	3,165,913	3,236,607	2,919,552
Other instruction	1,233,558	1,282,881	1,371,203	1,391,027	1,470,913	1,508,941	1,571,308	1,458,586	1,352,825	1,585,169
<b>Support Services:</b>										
Tuition	5,240,128	5,718,344	5,628,722	5,846,949	5,681,478	5,926,763	5,753,469	5,370,532	5,050,199	4,772,210
Student & instruction related services	14,126,628	13,713,695	14,330,155	14,443,418	15,362,877	15,545,329	14,497,741	16,597,308	20,869,737	21,479,462
Other administrative services	3,176,661	2,770,823	2,832,511	3,312,990	3,299,714	3,307,097	3,980,819	3,916,523	3,918,595	3,821,809
School Administrative services	3,025,750	3,251,357	3,384,791	3,016,712	3,096,687	3,891,005	3,415,943	3,381,422	3,487,420	4,274,361
Plant operations and maintenance	7,077,611	7,456,233	7,858,377	7,520,053	7,797,969	8,095,258	9,367,324	9,728,660	8,935,912	10,149,657
Pupil transportation	5,842,404	6,019,131	6,041,059	6,249,298	6,961,605	6,649,100	7,154,736	7,437,183	7,210,327	9,381,228
Unallocated employee benefits	22,355,941	21,050,299	22,638,339	24,538,580	26,707,566	30,400,226	33,000,335	33,020,740	36,526,460	40,998,450
Charter Schools										1,472,989
Capital outlay	2,786,532	3,957,666	2,632,336	10,046,862	7,894,881	5,792,291	3,178,988	3,076,098	2,506,916	4,358,522
<b>Debt service:</b>										
Principal	815,000	855,000	740,000	750,000	670,000	670,000	675,000			
Interest and other charges	243,320	207,330	168,500	131,500	94,000	60,500	27,000			
Total expenditures	102,073,234	102,337,264	103,925,311	114,865,559	117,542,964	121,023,427	124,952,346	126,901,925	135,616,377	149,341,064
Excess (Deficiency) of revenues over (under) expenditures	4,239,993	4,615,874	3,877,904	(3,239,400)	(2,247,445)	(672,011)	2,615,813	2,627,719	7,144,685	5,038,493
<b>Other Financing sources (uses)</b>										
Financed Purchases Payable	66,814	62,985	73,744	76,074	2,864,620	124,887	707,790			257,158
Capital Asset - Super Storm Sandy	79,033									
Lease Purchase Agreement - Buses					2,769,991			885,338	1,512,339	
Transfers in	3,198,178	3,630,734	8,937,439	1,135,898	3,157,288	1,063,590	2,756,200	2,835,600	1,603,001	8,702,274
Transfers out	(4,323,910)	(4,827,289)	(10,171,728)	(2,448,292)	(4,480,693)	(2,396,716)	(4,098,978)	(4,160,519)	(2,879,306)	(8,702,274)
Total other financing (uses) sources	(1,046,699)	(1,133,570)	(1,160,545)	(1,236,320)	4,311,206	(1,208,239)	(634,988)	(439,581)	236,034	257,158
Net change in fund balances	\$ 3,193,294	\$ 3,482,304	\$ 2,717,359	\$ (4,475,720)	\$ 2,063,761	\$ (1,880,250)	\$ 1,980,825	\$ 2,188,138	\$ 7,380,719	\$ 5,295,651
Debt service as a percentage of noncapital expenditures	1.1%	1.1%	0.9%	0.8%	0.7%	0.6%	0.6%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

Note: Under Governmental Standards Board No. 87, a single model approach exists, meaning a distinction between operating and capital leases no longer exists. As a result, GASB 87 now requires all agreements meeting the definition of a lease to be classified as either a financed purchases payable or an obligation under lease.

Morris School District  
 General Fund Other Local Revenue By Source  
 Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Refund of Prior Year Expenditures	E-Rate	Rentals	Transportation Fees	Misc.	Total
2013	\$ 28,668			\$ 151,284		\$ 51,347	\$ 231,299
2014	25,960			769,053		23,428	818,441
2015	30,769			162,085		12,565	205,419
2016	33,427	\$ 193,821		147,790		19,487	394,525
2017	33,180			154,183		69,874	257,237
2018	35,640		\$ 93,493	152,648		46,435	328,215
2019	31,304		106,942	154,207		254,508	546,961
2020	28,990		170,621	166,633		450,473	816,717
2021	34,495			84,704		146,569	265,768
2022	49,916			161,647	\$ 130,638	136,619	478,820

Source: District Records

Morris School District  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total General Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2013	\$2,765,887,570	R \$ 3,160,675,492	R n/a	n/a	n/a	n/a	n/a	\$5,926,563,062	R \$ 17,941,508	R \$ 5,944,504,570	R \$ 2.524	R \$ 8,283,785,483
2014	2,763,442,370	R 3,111,504,567	R n/a	n/a	n/a	n/a	n/a	5,874,946,937	R 8,529	R 5,874,955,466	R 2.543	R 7,859,394,521
2015	2,769,065,270	R 3,123,447,767	R n/a	n/a	n/a	n/a	n/a	5,892,513,037	R 8,529	R 5,892,521,566	R 2.550	R 7,759,749,747
2016	2,770,110,170	R 3,129,238,667	R n/a	n/a	n/a	n/a	n/a	5,899,348,837	R 8,555	R 5,899,357,392	R 2.581	R 7,720,859,104
2017	3,424,205,800	R 4,092,368,100	R n/a	n/a	n/a	n/a	n/a	7,516,573,900	R 8,555	R 7,516,582,455	R 2.231	R 7,823,533,777
2018	3,429,261,638	R 4,097,706,400	R n/a	n/a	n/a	n/a	n/a	7,526,968,038	R 8,555	R 7,526,976,593	R 2.281	R 8,201,287,443
2019	3,430,902,438	R 4,104,701,500	R n/a	n/a	n/a	n/a	n/a	7,535,603,938	R 8,555	R 7,535,612,493	R 2.329	R 8,490,038,294
2020	3,449,047,138	R 4,136,672,800	R n/a	n/a	n/a	n/a	n/a	7,585,719,938	R 8,555	R 7,585,728,493	R 2.358	R 8,583,058,995
2021	3,443,701,038	R 4,218,857,800	R n/a	n/a	n/a	n/a	n/a	7,662,558,838	R 8,555	R 7,662,567,393	R 2.373	R 8,826,525,851
2022	3,446,740,690	4,252,186,600	n/a	n/a	n/a	n/a	n/a	7,698,927,290	55,063	7,698,982,353	2.392	8,783,694,590

N/A - Information not available

Source(s): District Records, Tax List Summary & Municipal Tax Assessor.

**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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

R Revised

Morris School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)  
Unaudited

**Exhibit J-7**

Fiscal Year Ended June 30,	Morris School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Municipal	Morris County		
<b>Morris Township</b>							
2013	\$ 1.431 R	\$ 0.017 R	\$ 1.448 R	\$ 0.630 R	\$ 0.362 R	\$ 2.440 R	
2014	1.485 R	0.015 R	1.500 R	0.640 R	0.360 R	2.500 R	
2015	1.506 R	0.012 R	1.518 R	0.646 R	0.339 R	2.503 R	
2016	1.520 R	0.012 R	1.532 R	0.658 R	0.346 R	2.536 R	
2017	1.063 R	0.008 R	1.071 R	0.461 R	0.241 R	1.773 R	
2018	1.070 R	0.006 R	1.076 R	0.464 R	0.261 R	1.801 R	
2019	1.089 R	0.006 R	1.095 R	0.455 R	0.263 R	1.813 R	
2020	1.101 R	0.006	1.107 R	0.457 R	0.270 R	1.834 R	
2021	1.128 R	0.000	1.128 R	0.457 R	0.277 R	1.862 R	
2022	1.164	0.000	1.164	0.470	0.278	1.911	
<b>Morristown</b>							
2013	\$ 1.228 R	\$ 0.014 R	\$ 1.242 R	\$ 1.077 R	\$ 0.289 R	\$ 2.608 R	
2014	1.227 R	0.013 R	1.240 R	1.049 R	0.296 R	2.585 R	
2015	1.237 R	0.008 R	1.245 R	1.052 R	0.299 R	2.596 R	
2016	1.268 R	0.010 R	1.278 R	1.051 R	0.296 R	2.625 R	
2017	1.328 R	0.008 R	1.336 R	1.034 R	0.319 R	2.689 R	
2018	1.382 R	0.007 R	1.389 R	1.035 R	0.336 R	2.760 R	
2019	1.429 R	0.006 R	1.435 R	1.052 R	0.358 R	2.845 R	
2020	1.458 R	0.006	1.464 R	1.069 R	0.348 R	2.881 R	
2021	1.458 R	0.000	1.458 R	1.070 R	0.354 R	2.882 R	
2022	1.446	0.000	1.446	1.086	0.340	2.871	

Source: District Records and Municipal Tax Collector

**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.

**R** Revised



Morris School District  
Principal Property Tax Payers,  
Current Year and Ten Years Ago  
Unaudited

Exhibit J-8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
<b>Morris Township</b>						
340 Mt. Kemble Owner, LLC	\$ 52,707,000	1	0.97%			
H'Y2 Mt. Kemble, LLC	51,000,000	2	0.94%			
Morristown SG, LLC	50,680,000	3	0.93%			
Morristown MOB I, LLC	34,040,000	4	0.63%			
United States Fire Insurance	32,921,800	5	0.61%			
MCP II 44 Whippany LLC	30,000,000	6	0.55%			
Mount Kemble Corporate Center, LLC	29,620,000	7	0.55%			
Olde Forge East	28,373,000	8	0.52%			
Bayer Healthcare LLC	26,596,500	9	0.49%			
Morristown MOB III, LLC	25,930,000	10	0.48%			
Honeywell/Allied Signal Corporation				\$ 64,900,000	1	1.74%
Mack-Cali Realty Corp				42,054,400	2	1.13%
AJ Morris c/o AT&T				40,843,800	3	1.10%
Morristown Southgate LLC				30,000,000	4	0.81%
Kemble Avenue, LLC				20,971,700	5	0.56%
Columbia Assoc./Advance Realty				19,205,000	6	0.52%
44 Whippany Rd./Rexcore				19,050,000	7	0.51%
Schindler Elevator				18,704,000	8	0.50%
Colgate Palmolive				18,591,700	9	0.50%
Morristown Realty				17,576,000	10	0.47%
<b>Morristown</b>						
AHS Hospital Corp	\$ 40,000,000	1	1.74%			
Parsons Village	27,300,000	2	1.19%	\$ 27,300,000	1	0.46%
PMI Morristown LLC	26,474,000	3	1.15%			
Epsteins B. Metro Rosewood	25,500,000	4	1.11%			
5th Roc Jersey Assoc	24,500,000	5	1.07%	24,500,000	4	0.41%
GAHC3 Morr NJ MOB LLC	23,900,000	6	1.04%			
AP Monroe TIC LLC	20,160,800	7	0.88%			
Memorial Inv. Corp.	19,300,000	8	0.84%			
2nd Roc Jersey Associates	18,115,200	9	0.79%	18,115,200	8	0.30%
Nights Vision 1776 LLC	18,100,000	10	0.79%			
Memorial Investment / AHS Invest.				19,300,000	7	0.32%
Rosewood Lafayette Commons				26,474,000	2	0.45%
Epsteins B. Metrop				25,500,000	3	0.43%
Kadima Medical Properties				23,900,000	5	0.40%
AMLG-TTG on the Plaza LLC				20,160,800	6	0.34%
The Green at Park Place				18,100,000	9	0.30%
Morr. Med. Investors				16,950,000	10	0.29%
<b>Total</b>	<b>\$ 605,218,300</b>		<b>17.27%</b>	<b>\$ 512,196,600</b>		<b>11.54%</b>

Source(s): Municipal Tax Assessor, Abstract of Ratables.

See Exhibit J-6 District Combined Taxable Value.

Morris School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years  
Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		
		Amount	Percentage of Levy	
<b>Morris Township</b>				
2013	\$ 53,768,317	\$ 53,768,317	100.00%	
2014	55,244,776	55,244,776	100.00%	
2015	55,974,957	55,974,957	100.00%	
2016	56,938,423	56,938,423	100.00%	
2017	55,715,537	55,715,537	100.00%	
2018	57,610,506	57,610,506	100.00%	
2019	57,671,769	57,671,769	100.00%	
2020	59,960,475	59,960,475	100.00%	
2021	61,713,111	61,713,111	100.00%	
2022	64,022,734	64,022,734	100.00%	
<b>Morristown</b>				
2013	\$ 27,039,338	\$ 27,039,338	100.00%	
2014	27,179,071	27,179,071 a	100.00%	
2015	27,958,398	27,958,398	100.00%	
2016	28,972,521	28,972,521	100.00%	
2017	31,695,698	31,695,698	100.00%	
2018	31,512,161	31,512,161	100.00%	
2019	33,930,833	33,930,833	100.00%	
2020	32,934,080	32,934,080	100.00%	
2021	33,596,703	33,596,703	100.00%	
2022	33,193,276	33,193,276	100.00%	

Source: District records including the Certificate of Report of School Taxes

**Note:** 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, on the amount voted upon or certified prior to the end of the school year.

a Includes \$2,076,164 collected during the 2014/2015 school year

Morris School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Financed Purchases Payable	Bond Anticipation Notes (BANs)	Financed Purchases Payable			
<b>Morris Township</b>								
2013	\$ 2,901,144	-	\$ 138,804	-	-	\$ 3,039,948	0.17%	\$ 136
2014	2,349,402	-	134,555	-	-	2,483,957	0.13%	111
2015	1,844,255	-	124,576	-	-	1,968,831	0.10%	88
2016	1,283,555	-	112,001	-	-	1,395,556	0.07%	62
2017	868,870	-	1,903,272	-	-	2,772,142	0.13%	125
2018	424,237	-	1,622,963	-	-	2,047,200	0.09%	92
2019	-	-	1,711,183	-	-	1,711,183	0.08%	77
2020	-	-	1,818,182	-	-	1,818,182	0.08%	81
2021	-	-	2,200,287	-	-	2,200,287	N/A	95
2022	-	-	1,688,187	-	-	1,688,187	N/A	N/A
<b>Morristown</b>								
2013	\$ 1,458,856	-	\$ 69,798	-	-	\$ 1,528,654	0.10%	82
2014	1,155,598	-	66,184	-	-	1,221,782	0.08%	66
2015	920,745	-	62,195	-	-	982,940	0.06%	53
2016	731,445	-	63,824	-	-	795,269	0.05%	42
2017	476,130	-	1,042,969	-	-	1,519,099	0.09%	81
2018	250,763	-	959,317	-	-	1,210,080	0.07%	63
2019	-	-	936,068	-	-	936,068	0.05%	49
2020	-	-	977,730	-	-	977,730	0.05%	51
2021	-	-	1,144,942	-	-	1,144,942	N/A	56
2022	-	-	878,466	-	-	878,466	N/A	N/A

Source: District ACFR Schedules I-1, I-2

**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.

**b** Under Governmental Standards Board No. 87, a single model approach exists, meaning a distinction between operating and capital leases no longer exists. As a result, GASB 87 now requires all agreements meeting the definition of a lease to be classified as either a financed purchases payable or an obligation under lease.

N/A = Not Available

Morris 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions				
2013	\$ 4,360,000	-		\$ 4,360,000	0.07%	\$ 107
2014	3,505,000	-		3,505,000	0.06%	86
2015	2,765,000	-		2,765,000	0.05%	68
2016	2,015,000	-		2,015,000	0.03%	49
2017	1,345,000	-		1,345,000	0.02%	33
2018	675,000	-		675,000	0.01%	16
2019	-	-		-	0.00%	-
2020	-	-		-	0.00%	-
2021	-	-		-	0.00%	-
2022	-	-		-	0.00%	-

**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.

**b** Per Capita data can be found in Exhibit J-14.

Morris School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2022  
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Morristown Town	\$ 28,474,120	100%	\$ 28,474,120
Morris Township	23,762,156	100%	23,762,156
Other debt			
Morris County - Morristown	261,948,396	3.080%	8,068,167
Morris County - Morris Township	261,948,396	5.919%	<u>15,504,965</u>
Subtotal, overlapping debt			75,809,408
Morris School District Direct Debt			
Morristown			-
Morris Township			<u>-</u>
Total direct and overlapping debt			<u>\$ 75,809,408</u>

Sources: Morristown Town  
Morris Township

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Morristown and Morris Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

Morris School District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
Unaudited

Exhibit J-13

<u>Year</u>	<u>Morris Township Equal Valuation</u>	<u>Morristown Equal Valuation</u>	<b>Legal Debt Margin Calculation for Fiscal Year 2021</b>	
2021	\$ 5,807,928,228	\$ 2,935,812,388	Total Equalized valuation basis	
2020	5,744,520,909	2,944,551,688	2021	\$ 8,743,740,616
2019	5,631,486,057	3,065,780,224	2020	8,689,072,597
			2019	<u>8,697,266,281</u>
			<b>[A]</b>	<b>\$ 26,130,079,494</b>
		Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 8,710,026,498
		Debt limit (3 % of average equalization value)	<b>[B]</b>	261,300,795 <sup>a</sup>
		Net bonded school debt	<b>[C]</b>	<u>-</u>
		Legal debt margin	<b>[B-C]</b>	<u>\$ 261,300,795</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 246,797,070	\$ 238,195,198	\$ 232,335,133	\$ 230,336,706	\$ 234,866,986	\$ 243,707,679	\$ 250,538,864	\$ 256,094,094	\$ 258,671,763	\$ 261,300,795
Total net debt applicable to limit	<u>4,360,000</u>	<u>3,505,000</u>	<u>2,765,000</u>	<u>2,015,000</u>	<u>1,345,000</u>	<u>675,000</u>	-	-	-	-
Legal debt margin	<u>\$ 242,437,070</u>	<u>\$ 234,690,198</u>	<u>\$ 229,570,133</u>	<u>\$ 228,321,706</u>	<u>\$ 233,521,986</u>	<u>\$ 243,032,679</u>	<u>\$ 250,538,864</u>	<u>\$ 256,094,094</u>	<u>\$ 258,671,763</u>	<u>\$ 261,300,795</u>
Total net debt applicable to the limit as a percentage of debt limit	1.77%	1.47%	1.19%	0.87%	0.57%	0.28%				

Source: Abstract of Ratables and District Records ACFR Schedule J-7

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

Morris School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

**Exhibit J-14**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
<b>Morris Twp</b>				
2013	22,420	\$ 1,790,371,520 R	\$ 79,856 R	7.0%
2014	22,402	1,815,144,452 R	81,026 R	6.3%
2015	22,313	1,880,695,831 R	84,287 R	4.2%
2016	22,376	1,975,756,048 R	88,298 R	3.5%
2017	22,378	2,042,037,256 R	91,252 R	3.3%
2018	22,261	2,082,382,984 R	93,544 R	3.2%
2019	22,166	2,155,510,504 R	97,244 R	2.6%
2020	22,152	2,196,149,280 R	99,140 R	2.5%
2021	22,352	2,284,977,904 R	102,227 R	6.2%
2022	23,237	N/A	N/A	4.1%
<b>Morristown</b>				
2013	18,500	\$ 1,477,336,000 R	\$ 79,856 R	7.1%
2014	18,533	1,501,654,858 R	81,026 R	5.1%
2015	18,497	1,559,056,639 R	84,287 R	4.3%
2016	18,490	1,632,630,020 R	88,298 R	3.8%
2017	18,896	1,724,297,792 R	91,252 R	3.6%
2018	18,821	1,760,591,624 R	93,544 R	3.1%
2019	19,101	1,857,457,644 R	97,244 R	2.8%
2020	19,249	1,908,345,860 R	99,140 R	2.5%
2021	19,229	1,965,722,983 R	102,227 R	7.1%
2022	20,276	N/A	N/A	4.3%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon population and per capita personal income

<sup>c</sup> Per Capita income provided by US Dept of Commerce, Bureau of Economic Analysis

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R - Revised

Morris School District  
 Schedule of Principal Employers,  
 Current Year and Ten Years Ago  
Unaudited

**Exhibit J-15**

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Approximate Number of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Approximate Number of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		N/A			N/A	

N/A - information not available



Morris School District  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
Unaudited

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	342	344	347	356	359	360	363	368	400	360
Special education	89.7	94	96	107	106	98	101	107	131	143
Other special education	24	21	22	25	27	29	33	45	53	43
Other instruction	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	163.5	166	172	168	170	165	158	160	152	148
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	34.5	33.5	35	35	35	38	38	39	42	42
Business administrative services	19	18	18	18	18	16	16	16	16	19
Plant operations and maintenance	82	85	86	85	86	85	89	87	88	87
Pupil transportation	31.6	33.1	32	34	38	62	68	68	91	102
Food Service	26	23	22	-	-	1	1	1	1	1
<b>Total</b>	<b>817</b>	<b>823</b>	<b>835</b>	<b>833</b>	<b>844</b>	<b>859</b>	<b>872</b>	<b>896</b>	<b>979</b>	<b>950</b>

Source: District Personnel Records

Morris School District  
 Operating Statistics  
 Last Ten Fiscal Years  
Unaudited

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School						
2013	5,177 R	\$ 98,228,382	\$ 18,974 R	6.34% R	524	9.7:1	9.6:1	10.2:1	4,996	4,774	1.40%	95.56%		
2014	5,187 R	97,317,268	18,762 R	-1.12% R	529	9.6:1	9.5:1	10.1:1	5,111	4,889	2.30%	95.66%		
2015	5,317 R	100,384,475	18,880 R	0.63% R	544	9.7:1	9.1:1	9.8:1	5,239	5,012	2.50%	95.67%		
2016	5,315 R	103,937,197	19,555 R	3.58% R	557	9.9:1	9.0:1	10.1:1	5,249	5,002	0.19%	95.29%		
2017	5,309 R	108,884,083	20,509 R	4.88% R	548	10.2:1	9.8:1	11.2:1	5,198	4,925	-0.97%	94.75%		
2018	5,163 R	114,500,636	22,177 R	8.13% R	536	10.1:1	9.7:1	11.2:1	5,057	4,776	-2.71%	94.44%		
2019	5,203 R	121,071,358	23,270 R	4.93% R	538	9.0:1	8.6:1	10.9:1	5,117	4,852	1.19%	94.82%		
2020	5,451 R	123,825,827	22,716 R	-2.38% R	545	9.1:1	9.0:1	10.7:1	5,205	5,005	1.72%	96.16%		
2021	5,414	120,839,387	22,320	-1.74%	593	7.7:1	8.6:1	10.1:1	5,020	4,720	-3.55%	94.02%		
2022	5,474	144,982,542	26,486	18.66%	555	10.5:1	8.4:1	10.0:1	5,077	4,702	1.14%	92.61%		

Sources: District records, ASSA and Schedules J-12, J-14

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).

R Revised

Morris School District  
School Building Information  
Last Ten Fiscal Years  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>District Building</b>										
<b>Early Learning Center</b>										
Early Learning Center										
Square Feet	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277
Capacity (students)	74	74	74	74	74	74	74	74	74	74
Enrollment										
<b>Elementary</b>										
Alexander Hamilton (1933)										
Square Feet	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078
Capacity (students)	652	652	652	652	652	652	652	652	652	652
Enrollment										
Alfred Vail (1930)										
Square Feet	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628
Capacity (students)	859	859	859	859	859	859	859	859	859	859
Enrollment <sup>a</sup>										
Hillcrest (1956)										
Square Feet	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116
Capacity (students)	574	574	574	574	574	574	574	574	574	574
Enrollment										
Normandy Park (1964)										
Square Feet	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438
Capacity (students)	547	547	547	547	547	547	547	547	547	547
Enrollment										
Sussex Ave. (1954)										
Square Feet	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment										
Thomas Jefferson (1958)										
Square Feet	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726
Capacity (students)	531	531	531	531	531	531	531	531	531	531
Enrollment										
Woodland Ave (1967)										
Square Feet	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234
Capacity (students)	518	518	518	518	518	518	518	518	518	518
Enrollment										
<b>Middle School</b>										
Frelinghuysen (1965)										
Square Feet	227,837	227,837	227,837	227,837	227,837	227,837	227,837	227,837	227,837	234,186
Capacity (students)	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,703
Enrollment										
<b>High School</b>										
Morristown (1928)										
Square Feet	415,631	415,631	415,631	439,631	439,631	439,631	439,631	439,631	439,631	439,631
Capacity (students)	2,629	2,629	2,629	2,952	2,952	2,952	2,952	2,952	2,952	2,952
Enrollment										
Maintenance Offices										
Square Feet	900	900	900	900	900	900	900	900	900	900
Number of Schools at June 30, 2022										
Early Learning Center =	1									
Elementary =	7									
Middle School =	1									
High School =	1									

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.  
Enrollment is based on the annual October district count.

Morris School District  
 General Fund  
 Schedule of Required Maintenance For School Facilities  
 Last Ten Fiscal Years  
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Morristown High	N/A	\$ 539,573	\$ 586,073	\$ 707,702	\$ 941,350	\$ 875,691	\$ 687,569	\$ 525,289	\$ 756,167	\$ 565,937	\$ 513,709
Alexander Hamilton	N/A	223,949	70,039	80,062	152,618	153,872	159,529	179,087	120,916	129,662	120,494
Alfred Vail	N/A	271,624	208,766	119,320	92,060	130,772	90,029	153,754	141,462	75,124	123,806
Frelinghuysen	N/A	301,140	269,135	799,739	296,423	262,244	253,709	428,258	309,925	231,782	216,145
Lafayette Learning Center	N/A	185,958	73,428	155,339	83,381	170,310	120,715	117,114	85,746	84,516	79,898
Hillcrest	N/A	88,206	154,718	133,326	110,199	92,657	128,949	91,097	145,466	196,806	104,935
Normandy Park	N/A	197,312	92,669	154,950	89,274	68,039	74,802	78,049	121,527	104,759	74,866
Sussex Avenue	N/A	121,439	132,722	224,277	97,241	79,568	110,597	70,432	87,518	74,489	80,133
Thomas Jefferson	N/A	221,631	233,795	150,079	81,118	132,744	77,014	69,863	121,654	104,528	110,188
Woodland Avenue	N/A	105,966	146,798	118,525	102,689	53,161	118,030	122,037	96,666	78,257	80,938
<b>Total School Facilities</b>		<b>\$ 2,256,798</b>	<b>\$ 1,968,143</b>	<b>\$ 2,643,319</b>	<b>\$ 2,046,353</b>	<b>\$ 2,019,058</b>	<b>\$ 1,820,943</b>	<b>\$ 1,834,980</b>	<b>\$ 1,987,047</b>	<b>\$ 1,645,860</b>	<b>\$ 1,505,112</b>

\*School Facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

MORRIS SCHOOL DISTRICT  
INSURANCE SCHEDULE  
YEAR ENDED JUNE 30, 2022  
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	School Package Policy	\$ 500,000,000	
	Building & Personal Property		\$ 2,500
	Auto Physical Damage		1,000
	General Liability including Auto, Employee Benefits	5,000,000	
	Each Occurrence		
	General Aggregate	Agreed upon based on membership	
	Product/Completed Ops		
	Personal Injury		
	Fire Damage	2,500,000	
	Medical Expenses (excluding students taking part in athletics)	10,000	
	Automobile Coverage		
	Combined Single Limit		
	Hired/Non-owned		
	Security Guard Liability		
	Environmental Impairment Liability	1,000,000/25,000,000 Fund Agg.	10,000
	Excludes mold/fungi/fungus/legionella		
	Crime Coverage	50,000 Inside/Outside	1,000
	Blanket Dishonesty Bond	500,000	1,000
Boiler & Machinery		100,000,000	2,500
	Excess Liability (Liability)	10,000,000 / Ex 10,000,000	
Excess Liability (SLPL)	15,000,000 / Ex 5,000,000		
Cyber Liability		750,000 per Occurrence/Agg.	
NJ School Insurance Group	Workmen's Compensation	Statutory	
	Employer's Liability	2,000,000	
	Supplemental Indemnity	Statutory	
Bollinger Specialty Group	Student Accident Insurance (Includes Athletes)	(Excess of Parents coverage) 6,000,000 all students and athletes	
School Alliance Insurance Fund	School Board Legal Liability including Employment Practices Liability		
	Liability Limit/aggregate limit	5,000,000 / 5,000,000	10,000
	Claims Made basis		
NJ School Insurance Group	Blanket/Public Official Fidelity Bond		
	Board Sec/Business Administrator	500,000	
	Assist Board Sec/Asst Business Administrator	200,000	
Fireman's Fund Indemnity Corp	Excess Catastrophe Coverage	50,000,000 (shared limits with three Districts)	
	Occurrence Limit (BI & PD)	with underlying liability of 20,000,000	
National Flood Program Selective Insurance	Flood Coverage-Alexander Hamilton		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Woodland		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Frelinghuysen Middle School		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Maintenance Building at Frelinghuysen		
	Building	200,000	1,250
	Contents	150,000	1,250

Source: District Records

**SINGLE AUDIT SECTION  
SECTION - K**

**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**

Honorable President and Members  
of the Board of Education  
Morris School District  
Morristown, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Morris School District, in the County of Morris, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 7, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### 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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 7, 2023



Andrew G. Hodulik, CPA  
Public School Accountant, PSA # 841



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITORS' REPORT**

Honorable President and Members  
of the Board of Education  
Morris School District  
Morristown, New Jersey

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

**Opinion on Each Major Federal and State Program**

We have audited the Morris School District's, in the County of Morris, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

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

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

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

## Responsibilities of Management for Compliance

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

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey 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. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

### **Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 7, 2023



Andrew G, Hodulik, CPA  
Public School Accountant, PSA # 841

MORRIS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	UNEARNED REVENUE/ (ACCTS. REC.) AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	AMOUNTS PROVIDED TO SUBRECIPIENTS	BALANCE JUNE 30, 2022	
											ACCOUNTS RECEIVABLE	UNEARNED REVENUE
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
<b>Enterprise Fund:</b>												
Child Nutrition Program Cluster:												
Food Distribution Program	10.555	221NJ304N1099	N/A	07/01/21-06/30/22	\$ 227,904		\$ 227,904	\$ (227,904)				
School Breakfast Program	10.553	221NJ304N1099	N/A	07/01/21-06/30/22	532,982		485,425	(532,982)			\$ (47,557)	
School Breakfast Program	10.553	211NJ304N1099	N/A	07/01/20-06/30/21	484,756	\$ (36,980)	36,980					
National School Lunch Program	10.555	221NJ304N1099	N/A	07/01/21-06/30/22	2,008,711		1,854,759	(2,008,711)			(153,952)	
National School Lunch Program	10.555	211NJ304N1099	N/A	07/01/20-06/30/21	771,941	(58,669)	58,669					
National Snack Program	10.555	221NJ304N1099	N/A	07/01/21-06/30/22	30,973		28,528	(30,973)			(2,445)	
Emergency Operational Cost Program - Schools	10.555	20212H170341	N/A	07/01/20-06/30/22	65,465		65,465	(65,465)				
Total Child Nutrition Program Cluster						(95,649)	2,757,730	(2,866,035)			(203,954)	
P-EBT Administrative Cost Reimbursement	10.649	202121S900941	N/A	07/01/20-06/30/22	6,198		6,198	(6,198)				
Total Enterprise Fund						(95,649)	2,763,928	(2,872,233)			(203,954)	
U.S. Department of Education												
Passed-through NJDOE:												
<b>General Fund:</b>												
Medical Assistance Program:												
Special Education Medical Initiative (SEMI)	93.778	2205NJ5MAP	N/A	07/01/21-06/30/22	139,083		105,546	(139,083)			(33,537)	
Medicaid Administrative Claiming (MAC)	93.778	2205NJ5MAP	N/A	07/01/21-06/30/22	28,172		18,912	(28,172)			(9,260)	
Total General Fund						-	124,458	(167,255)			(42,797)	
U.S. Department of Education												
Passed-through NJDOE:												
<b>Special Revenue Fund</b>												
Title I Cluster:												
Title I, Part A	84.010	S010A220030	ESEA-22	07/01/21-09/30/22	773,214		405,968	(665,260)			(259,292)	
Title I, Part A	84.010	S010A210030	ESEA-21	07/01/20-09/30/21	620,401	(215,259)	215,259					
Title I, Part D	84.013	S013A220030	ESEA-22	07/01/21-09/30/22	66,129		41,851	(65,485)			(23,834)	
Title I, Part D	84.013	S013A210030	ESEA-21	07/01/20-09/30/21	97,205	(33,143)	33,143					
Total Title I Cluster						(248,402)	696,021	(730,745)			(283,126)	
Special Education Cluster:												
COVID-19 - I.D.E.A. Part B, Full-time ARP Program	84.027X	H027X220100	IDEA-22	07/01/21-09/30/22	366,770		323,646	(347,122)			(23,476)	
I.D.E.A. Part B, Full-time	84.027A	H027A220100	IDEA-22	07/01/21-09/30/22	1,666,935		1,570,882	(1,654,055)			(83,173)	
I.D.E.A. Part B, Full-time	84.027A	H027A210100	IDEA-21	07/01/20-09/30/21	1,738,654	(198,639)	198,639					
COVID-19 - I.D.E.A. Part B, Preschool ARP Program	84.173X	H173X220114	IDEA-22	07/01/21-09/30/22	31,231		31,231	(31,231)				
I.D.E.A. Part B, Preschool	84.173A	H173A220114	IDEA-22	07/01/21-09/30/22	54,518		53,234	(54,518)			(1,284)	
I.D.E.A. Part B, Preschool	84.173A	H173A210114	IDEA-21	07/01/20-09/30/21	54,291	(3,951)	3,951					
Total Special Education Cluster						(202,590)	2,181,583	(2,086,926)			(107,933)	
Title II Part A	84.367	S367A220029	ESEA-22	07/01/21-09/30/22	226,943		78,233	(79,079)			(846)	
Title II Part A	84.367	S367A210029	ESEA-21	07/01/20-09/30/21	221,793	(24,309)	24,309					
Total Title II						(24,309)	102,542	(79,079)			(846)	
Title III	84.365	S365A220030	ESEA-22	07/01/21-09/30/22	396,096		188,241	(331,319)			(143,078)	
Title III	84.365	S365A210030	ESEA-21	07/01/20-09/30/21	331,518	(64,148)	64,148					
Total Title III						(64,148)	252,389	(331,319)			(143,078)	
Title IV Part A	84.424	S424A220031	ESEA-22	07/01/21-09/30/22	95,760		26,113	(31,713)			(5,600)	
Title IV Part A	84.424	S424A210031	ESEA-21	07/01/20-09/30/21	91,822	(6,444)	6,444					
Total Title IV Part A						(6,444)	32,557	(31,713)			(5,600)	
Coronavirus Relief Fund (CRF):												
COVID-19 Nonpublic Technology Initiative	21.019	N/A	22-5120-515	03/01/20-12/30/20	115,148		120		\$ 120			
COVID-19 School Reopening and Remote Learning	21.019	N/A	22-5120-517	03/01/20-12/30/20	372,758		2,151		2,151			
Total Coronavirus Relief Fund (CRF) Cluster						2,271	-	-	2,271		-	-

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

MORRIS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	UNEARNED REVENUE/ (ACCTS. REC.) AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	AMOUNTS PROVIDED TO SUBRECIPIENTS	BALANCE JUNE 30, 2022		
											ACCOUNTS RECEIVABLE	DUE TO GRANTOR	UNEARNED REVENUE
Education Stabilization Fund (ESF):													
COVID-19 CARES Act Education Stabilization Fund	84.425D	S425D210027	21-5120-513	03/13/20-09/30/23	\$ 570,958	\$ (91,204)	\$ 130,114	\$ (56,997)			\$ (18,087)		
COVID-19 CARES Emergency Relief Grant (ESSER II Fund)	84.425D	S425D210027	22-5120-513	03/13/20-09/30/23	1,772,849		976,419	(1,193,731)			(217,312)		
COVID-19 Supplemental Appropriations Act (CRRSA) Learning Acceleration Grant Program	84.425D	S425D210027	22-5120-513	03/13/20-09/30/23	113,773		43,826	(31,906)					\$ 11,920
COVID-19 Supplemental Appropriations Act (CRRSA) Mental Health Grant Program	84.425D	S425D210027	22-5120-513	03/13/20-09/30/23	45,000		250	(250)					
COVID-19 ARP Grant Program (ESSER III)	84.425U	S425U210027	22-5120-513	03/13/20-09/30/24	3,984,364		1,120,924	(1,413,431)			(292,507)		
COVID-19 ARP Grant Program - Evidence-Based Comprehensive Beyond the School Day Activities Grant	84.425U	S425U210027	22-5120-513	03/13/20-09/30/24	40,000		30,794	(33,045)			(2,251)		
COVID-19 ARP Grant Program - Evidence-Based Summer Learning and Enrichment Activities Grant	84.425U	S425U210027	22-5120-513	03/13/20-09/30/24	40,000			(1,467)			(1,467)		
COVID-19 ARP Grant Program Supplemental Appropriations Act (CRRSA) Mental Health Grant Program	84.425U	S425U210027	22-5120-513	03/13/20-09/30/24	45,000		6,000	(6,000)					
COVID-19 ARP Grant Program Homeless Children and Youth II Total Education Stabilization Fund Cluster	84.425W	S425W210027	22-5120-513	04/23/21-09/30/23	19,423			(19,423)			(19,423)		
						(91,204)	2,308,327	(2,756,250)			(551,047)		11,920
Additional or Compensatory Special Education and Related Services (ACSERS)													
Total Special Revenue Fund	21.027	SLRFDOE1SES	N/A	03/03/21-12/31/24	331,141			(237,898)			(331,141)	\$ 93,243	
						(634,826)	5,573,419	(6,253,930)	\$ 2,271		(1,422,771)	93,243	11,920
Total Expenditures of Federal Awards													
						\$ (730,475)	\$ 8,461,805	\$ (9,293,418)	\$ 2,271	\$ -	\$ (1,669,522)	\$ 93,243	\$ 11,920

N/A - Not Available

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

MORRIS SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 YEAR ENDED JUNE 30, 2022

K-4  
 Schedule - B

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021			CASH RECEIVED	BUDGETARY EXPEND.	ADJUSTMENT/ REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2022			MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	CARRYOVER AMOUNT	DUE TO GRANTOR				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	
State Department of Education:													
General Fund:													
Categorical Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	\$ 1,736,086				\$ 1,387,550	\$ (1,736,086)			\$ (348,536)	\$ (1,736,086)	
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	1,736,086	\$ (333,001)			333,001						
Categorical Special Education Aid	22-495-034-5120-014	7/1/21-6/30/22	4,229,932				3,380,732	(4,229,932)			(849,200)	(4,229,932)	
Categorical Special Education Aid	21-495-034-5120-014	7/1/20-6/30/21	3,802,913	(724,195)			724,195						
Categorical Security Aid	22-495-034-5120-014	7/1/21-6/30/22	994,301				794,685	(994,301)			(199,616)	(994,301)	
Categorical Security Aid	21-495-034-5120-014	7/1/20-6/30/21	994,301	(190,721)			190,721						
School Choice Aid	22-495-034-5120-014	7/1/21-6/30/22	387,919				310,041	(387,919)			(77,878)	(387,919)	
School Choice Aid	21-495-034-5120-014	7/1/20-6/30/21	400,827	(76,885)			76,885						
Adjustment Aid	22-495-034-5120-014	7/1/21-6/30/22	218,451				174,595	(218,451)			(43,856)	(218,451)	
Adjustment Aid	21-495-034-5120-014	7/1/20-6/30/21	218,451	(41,901)			41,901						
Non-public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	93,995					(93,995)		\$ (93,995)		(93,995)	
Non-public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	110,053	(110,053)			110,053						
Payment for Institutionalized Children													
Unknown District of Residence	22-495-034-5121-005	7/1/21-6/30/22	25,809					(25,809)		(25,809)		(25,809)	
Maintenance of Equity (MOEQ)	22-495-034-5120-128	7/1/21-6/30/22	1,860,004					(1,860,004)		(1,860,004)		(1,860,004)	
Extraordinary Aid	22-495-034-5120-014	7/1/21-6/30/22	3,818,738					(3,818,738)		(3,818,738)		(3,818,738)	
Extraordinary Aid	21-495-034-5120-014	7/1/20-6/30/21	3,818,738	(3,818,738)			3,818,738						
T.P.A.F. Social Security Aid	22-495-034-5120-014	7/1/21-6/30/22	3,407,635				3,242,395	(3,407,635)		(165,240)		(3,407,635)	
On-behalf T.P.A.F. Pension Contribution	22-495-034-5120-014	7/1/21-6/30/22	16,752,441				16,752,441	(16,752,441)				(16,752,441)	
On-behalf T.P.A.F. Post-Contributory Insurance - LTDI	22-495-034-5120-014	7/1/21-6/30/22	7,072				7,072	(7,072)				(7,072)	
On-behalf T.P.A.F. Post Retirement Medical Contribution	22-495-034-5120-014	7/1/21-6/30/22	3,914,048				3,914,048	(3,914,048)				(3,914,048)	
<b>Total General Fund</b>				<b>(5,295,494)</b>			<b>35,259,053</b>	<b>(37,439,461)</b>		<b>(5,956,816)</b>		<b>(1,519,086)</b>	<b>(37,439,461)</b>
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	121,841				121,841	(120,354)			\$ 1,487	(120,354)	
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	125,234			\$ 4,041			\$ (4,041)				
Auxiliary Services:													
Compensatory	22-100-034-5120-067	7/1/21-6/30/22	85,997				85,997	(65,931)			20,066	(65,931)	
Compensatory	21-100-034-5120-067	7/1/20-6/30/21	90,401			18,498			(18,498)				
ESL	22-100-034-5120-067	7/1/21-6/30/22	2,741				2,741	(2,741)		(960)		(2,741)	
ESL	21-100-034-5120-067	7/1/20-6/30/21	3,197			960			(960)				
Home Instruction	22-100-034-5120-067	7/1/21-6/30/22	7,042					(7,042)		(7,042)		(7,042)	
Home Instruction	21-100-034-5120-067	7/1/20-6/30/21	3,975	(3,975)			3,975						
Handicapped Services:													
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	75,744				75,744	(63,106)			12,638	(63,106)	
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	69,049			6,151			(6,151)				
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	111,483				111,483	(106,930)			4,553	(106,930)	
Examination & Classification	21-100-034-5120-066	7/1/20-6/30/21	86,604			15,596			(15,596)				
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	51,150				51,150	(31,992)			19,158	(31,992)	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	41,924			5,104			(5,104)				
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	296,240				296,240	(293,150)			3,090	(293,150)	
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	271,932			38			(38)				
Technology Initiative Aid	22-100-034-5120-373	7/1/21-6/30/22	110,292				110,292	(100,081)			10,211	(100,081)	
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	462,875				462,875	(191,255)			271,620	(191,255)	
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	466,550			105,311			(105,311)				
Preschool Aid	22-495-034-5120-086	7/1/21-6/30/22	7,743,160			\$ 751,715	7,743,160	(6,571,235)		1,923,640		(6,571,235)	
Preschool Aid	21-495-034-5120-086	7/1/20-6/30/21	6,684,430	751,715		(751,715)							
SDA Emergent Needs	N/A	7/1/21-6/30/22	126,171				126,171	(126,171)				(126,171)	
<b>Total Special Revenue Fund</b>				<b>747,740</b>		<b>155,699</b>	<b>9,191,669</b>	<b>(7,679,988)</b>		<b>(155,699)</b>	<b>1,916,598</b>	<b>342,823</b>	<b>(7,679,988)</b>

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

MORRIS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2022

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021			CASH RECEIVED	BUDGETARY EXPEND.	ADJUSTMENT/ REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2022			MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	CARRYOVER AMOUNT	DUE TO GRANTOR				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	
Enterprise Fund:													
National School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22	\$ 47,199				\$ 43,656	\$ (47,199)		\$ (3,543)			\$ (47,199)
Lunch Prog. (State Share)	21-100-010-3350-023	7/1/20-6/30/21	37,712	\$ (7,963)			7,963						
Total Enterprise Fund				(7,963)			51,619	(47,199)		(3,543)			(47,199)
Total State Financial Assistance				\$ (4,555,717)	-	\$ 155,699	\$ 44,502,341	\$ (45,166,648)	\$ (155,699)	\$ (4,043,761)	\$ 342,823	\$ (1,519,086)	\$ (45,166,648)
Less: State Financial Assistance Not Subject to Single Audit Determination													
On-behalf T.P.A.F. Pension Contribution							\$ 16,752,441						
On-behalf T.P.A.F. Non-Contributory Insurance - LTDI							7,072						
On-behalf T.P.A.F. Post Retirement Medical Contribution							3,914,048						
State Financial Assistance Subject to Single Audit Determination							\$ (24,493,087)						

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

MORRIS SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of Morris School District (the "District"). The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented 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 District's basic financial statements. The information in these schedules are presented in accordance with the requirements of the OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts -presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and 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 state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.



MORRIS SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2022

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D.):

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(152,383) for the general fund. See Note 1 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 revenues are reported in the District's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 167,255	\$ 37,505,723	\$ 37,672,978
Special Revenue Fund	6,253,930	7,679,988	13,933,918
Food Service Fund	<u>2,872,233</u>	<u>47,199</u>	<u>2,919,432</u>
Total Financial Awards Revenue	<u>\$ 9,293,418</u>	<u>\$ 45,232,910</u>	<u>\$ 54,526,328</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of social security for TPAF members for the year ended June 30, 2022.

The post retirement pension, medical, and long-term disability benefits received on-behalf of the District for the year ended June 30, 2022 amounted to \$20,673,561. Since on-behalf post retirement pension, medical, and long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08; however, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

NOTE 6. INDIRECT COSTS

The District elected not to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance

MORRIS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022

Section 1 - Summary of Auditor's Results

**Financial Statements**

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

Unmodified

Internal Control over financial reporting:

1) Material weakness(es) identified? Yes  No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? Yes  None reported

Noncompliance material to basic financial statements noted?

Yes  No

**Federal Awards**

Internal Control over major federal programs:

1) Material weakness(es) identified? Yes  No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? Yes  None reported

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

Unmodified

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

Yes  No

Identification of major federal programs:

AL Number(s)	FAIN Numbers	Name of Federal Program or Cluster
84.425D	S425D210027	<u>Education Stabilization Fund (ESF):</u> COVID-19 CARES Act Education Stabilization Fund
84.425D	S425D210027	COVID-19 CARES Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425D	S425D210027	COVID-19 CARES Act - CRSSA - Act-Learning Acceleration
84.425D	S425U210027	COVID-19 CARES Act - CRSSA - Mental Health
84.425U	S425U210027	COVID-19 ARP Grant Program (ESSER III)
84.425U	S425U210027	COVID-19 ARP Grant Program Evidence-Based Comprehensive Beyond the School Day Activities
84.425U	S425U210027	COVID-19 ARP Grant Program Evidence-Based Summer Learning and Enrichment Activities
84.425U	S425U210027	COVID-19 ARP Grant Program Supplemental Appropriations Act (CRRSA) Mental Health
84.425W	S425W210027	COVID-19 ARP Grant Program Homeless Children and Youth II
		<u>Special Education Cluster:</u>
84.027X	H027X220100	COVID-19 - I.D.E.A. Part B, Full-time ARP Program
84.027A	H027A220100	I.D.E.A. Part B, Full-time
84.173X	H173X220114	COVID-19 - I.D.E.A. Part B, Preschool ARP Program
84.173A	H173A220114	I.D.E.A. Part B, Preschool
		<u>Child Nutrition Program Cluster:</u>
10.555	221NJ304N1099	Food Distribution Program
10.553	221NJ304N1099	School Breakfast Program
10.555	221NJ304N1099	National School Lunch Program
10.555	221NJ304N1099	National Snack Program
10.555	202121H170341	Emergency Operational Cost Program - Schools

Dollar threshold used to distinguish between Type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes

MORRIS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022

Section 1 - Summary of Auditor's Results (cont'd)

**State Financial Assistance**

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

Auditee qualified as low-risk auditee? X Yes                      No

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

Internal Control over major state programs:

1) Material weakness(es) identified?                      Yes X No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses?                      Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08                      Yes X No

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
<u>22-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>22-495-034-5120-014</u>	<u>Non-public Transportation Aid</u>
<u>22-495-034-5120-086</u>	<u>Preschool Aid</u>

MORRIS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2022

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

**Significant Deficiency(ies)/Material Weaknesses**

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

**Noncompliance**

None Noted.

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by the Uniform Guidance and New Jersey OMB circular 15-08.

**Federal Awards and State Financial Assistance Programs:**

**Significant Deficiency(ies)/Material Weaknesses**

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2CFR 200 Section.516(a) or New Jersey State OMB Circular 15-08.

**Noncompliance**

None Noted.

MORRIS SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2022

No prior year audit findings were noted.