MORRIS-UNION JOINTURE COMMISSION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

Morris-Union Jointure Commission
Union County, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Morris-Union Jointure Commission

Union County, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Morris-Union Jointure Commission
Business Department

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INTRODUCTORY SECTION

Morris-Union
Jointure Commission
Board of Education

Janet L. Fike, Ed.D., J.D.
Superintendent
Denise A. Smallacomb
Assistant Superintendent
Jason Parenti
School Business Administrator/Board Secretary

340 Central Avenue
New Providence, NJ 07974
Telephone: (908) 464-7625
Fax: (908) 464-1244
Business Office Fax: (908) 464-5240
Website Address: www.mujc.org

January 31, 2023

The Honorable President and Members
of the Board of Education
Morris-Union Jointure Commission
County of Union, New Jersey

Dear Board Members:

The annual comprehensive Financial Report of the Morris-Union Jointure Commission (the "Commission") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission'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 Commission's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the financial statements and notes providing an overview of the Commission's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the Commission, generally presented on a multi- year basis. The Commission is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and 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 New Jersey OMB's Circular 15-08, *Single Audit Policyfor Recipients ofFederal Grants, State Grants and State Aid.* Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Morris-Union Jointure Commission is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB"). All funds of the Commission are included in this report. The Morris-Union Jointure Commission and all its schools constitute the Commission's reporting entity.

The Commission is a cooperative public school agency created to provide services and programs to meet the needs of its 30 member districts and non-member school districts alike. Primary purposes include assisting its member school districts in meeting their mandates to provide free public education to students with disabilities, and to identify areas of common concern which are not already addressed by its members individually because of programmatic expense, limited facilities or resources, and then to provide creative programs or services to address these needs.

The Commission currently concentrates on six major areas:

- Special Education Programs
- Related Services
- Instructional Services
- Professional Development
- Student Transportation
- Transition Services

The Commission completed the 2021-2022 fiscal year with an average daily enrollment of 202 students. The following details the changes in the student enrollment of the Commission over the past 10 years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2021-2022	202	-6.047%
2020-2021	215	-3.72%
2019-2020	233	-0.851%
2018-2019	235	-4.10%
2017-2018	245	-6.13%
2016-2017	261	-6.12%
2015-2016	278	1.09%
2014-2015	275	-2.48%
2013-2014	282	-11.04%
2012-2013	317	-6.21%

2) ECONOMIC CONDITION AND OUTLOOK: The Morris-Union Jointure Commission experienced a -6.047% decrease in enrollment, which is consistent with annual fluctuations in student population. The services that the MUJC provides both member and non-member districts continue to grow. The recreation program provides additional experiences for MUJC students, a "home" pool for four of our member district swim teams, and revenue from the rental of the facilities. As the State of New Jersey continues to promote shared services, the prospects for continued growth by the Commission remains strong.

3) MAJOR INITIATIVES: The enrollment at the DLC – Warren was 153 and the DLC – New Providence was 49 as of the October 15, 2021 cutoff.

The stability of programs such as OT, PT, Speech/Language, ABA, and Aide services continues to be strong. The Commission continues to operate a vehicle maintenance/repair program which services member districts. The Commission rents the recreation facilities at DLC – Warren and DLC – New Providence to various groups during off-hours.

During the 2021-2022 school year, the Commission presented approximately 33 inservice workshops. Due to the pandemic, enrollment was down. Approximately 245 participants from approximately 62 school districts and private schools attended these workshops.

The MUJC continues to provide quality transportation services through its Transportation Department to 16 of 30 member districts. It has proved to be challenging to meet the needs of the districts while containing the rising costs associated with providing a quality transportation service, costs such as benefits and the required PERS employer contribution. The coronavirus also significantly impacted the department when schools shut down in the spring of 2020. At the beginning of the 2021-2022 school year, MUJC's 117 school buses transported approximately 205 students on 53 contracted routes. At the beginning of the 2022-2023 school year MUJC's 112 school buses transported 298 students on 42 routes. In addition, the Commission provided transportation for field, athletic, and community trips for our own member districts' students.

During the 2021-2022 school year, approximately 41 related services therapists, adaptive physical education teachers, occupational therapists, physical therapists, speech/language specialists, and behavior specialists provided therapy and related services to more than 251 students. These students were from approximately 80 districts.

The transition services the MUJC provides are designed to assist the district in preparing students for home, work and community life after school. Services include transition assessments, assistance with establishing community based instruction opportunities and acquiring job sampling sites.

4) INTERNAL ACCOUNTING CONTROLS: Management of the Commission is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.
As a recipient of federal awards and state awards, the Commission also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the Commission's management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the Commission 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 Board. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance, commitments and assignments at June 30, 2021.

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

7) DEBT ADMINISTRATION: As of June 30, 2022, the Commission's outstanding debt included $22,175,000 in Obligations under Lease Purchase Agreements - Certificates of Participation. Additional information regarding the Commission's debt is explained in "Notes to the Financial Statements", Note 3.

8) CASH MANAGEMENT: The investment policy of the Commission is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The Commission 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 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.

9) RISK MANAGEMENT: The Commission carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Commission's insurance broker, Jay Lawton of Arthur J. Gallagher Risk Management Services, Inc. oversees risk management for the Commission. A schedule of insurance coverage is found on Exhibit J-20.

The Morris-Union Jointure Commission is a member of School Alliance Insurance Fund ("SAIF") and the New Jersey School Insurance Group ("NJSIG"). SAIF provides the Commission with comprehensive general liability, automobile liability, property, boiler and machinery and school board legal liability insurance. NJSIG provides the Commission with workers' compensation insurance coverage.

10) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, was selected by the Board of Education at its May 5, 2022 Board of Education meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and 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 New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Morris-Union Jointure Commission for their concern in providing fiscal accountability and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

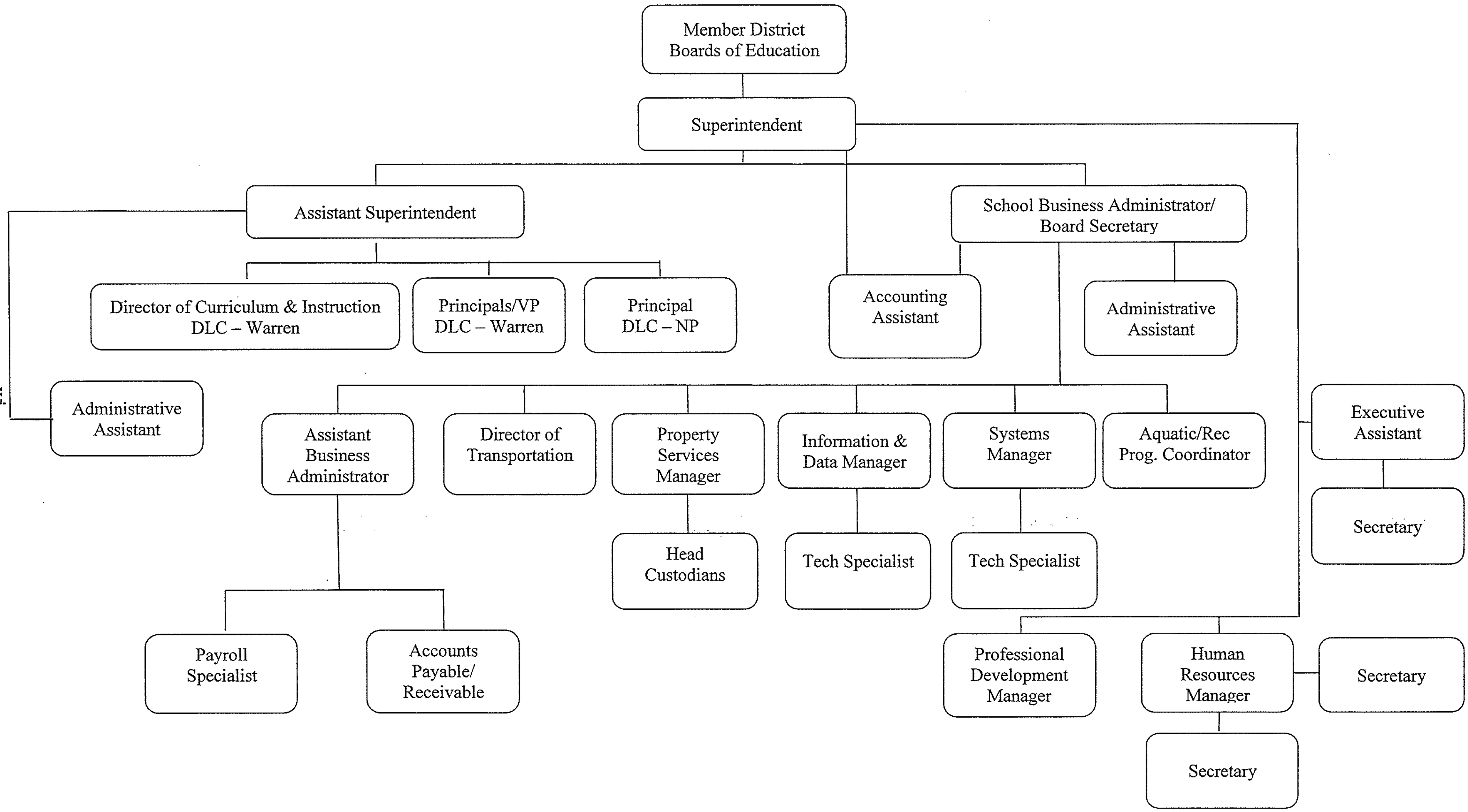
Janet L. Fike

Dr. Janet L. Fike
Superintendent

Jason Parenti

Jason Parenti
Business Administrator/Board Secretary

ORGANIZATION OF THE MORRIS-UNION JOINTURE COMMISSION
June 30, 2022



MORRIS-UNION JOINTURE COMMISSION
ROSTER OF OFFICIALS
June 30, 2022

Members of the Board of Education	Superintendent/Board
Dr. Melissa Varley	Berkeley Heights
Mr. Nick Markarian	Bernards Township
Dr. Michael LaSusa	School District of the Chathams
Mr. Edward Grande	Clark
Dr. Melissa Stager	Clinton Township
Dr. Scott Rubin	Cranford
Dr. Steven Caponegro	Florham Park
Dr. Matthew Spelker	Harding Township
Mr. Kyle Arlington	Kenilworth
Dr. Matthew Block	Livingston
Dr. Anne Mucci	Long Hill Township
Mr. Mark Schwarz	Madison
Dr. Salvatore Constantino	Mendham Township
Dr. Christine Burton	Millburn
Dr. René Rovtar	Montville Township
Ms. Janet Walling	Mountainside
Dr. David Miceli	New Providence
Dr. Barbara Sargent	Parsippany-Troy Hills Township
Mr. Pedro Garrido	Roselle Park
Dr. Joan Mast	Scotch Plains/Fanwood
Dr. Gretchen Dempsey	Somerset Hills
Dr. Ronald Taylor	South Orange-Maplewood
Dr. Rachel Goldberg	Springfield
Mr. Scott Hough	Summit
Dr. Scott Taylor	Union Township
Dr. Matthew Mingle	Warren Township
Mr. George Alexis	Watchung Borough
Dr. Elizabeth Jewett, President	Watchung Hills Regional High School
Dr. Lauren Schoen	West Orange
Dr. Raymond Gonzalez	Westfield

Other Officials	Title
Dr. Janet Fike	Superintendent
Ms. Denise Smallacomb	Assistant Superintendent
Mr. Jason Parenti	Acting School Business Administrator/Board Secretary
Ms. Kerry Keane	Treasurer

MORRIS-UNION JOINTURE COMMISSION
Consultants and Advisors
2022

Architect

Mr. Gregory Somjen
Mr. William Bannister
Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

General Counsel and Construction and Public Bidding Counsel

Matthew J. Giacobbe, Esq.
Cleary Giacobbe Alfieri Jacobs, LLC
169 Ramapo Valley Rd., Upper Level 105
Oakland, NJ 07436

Audit Firm

Mr. Jeffrey Bliss
Lerch Vinci & Bliss, LLP
17 – 17 Route 208
Fair Lawn, NJ 07410

Official Depository

Cheryl L. Griffith, SVP | Government Banking
TD Bank, NA
1 Royal Road, 3rd Floor
Flemington NJ 08822

FINANCIAL SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Board of Commissioners
Morris Union Jointure Commission
New Providence, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris Union Jointure Commission as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris Union Jointure Commission as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Morris Union Jointure Commission'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.

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WWW.LVBCPA.COM

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement 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 Morris Union Jointure Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morris Union Jointure Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morris Union Jointure Commission's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Morris Union Jointure Commission. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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 report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2023 on our consideration of the Morris Union Jointure Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morris Union Jointure Commission'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 Morris Union Jointure Commission's internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

MORRIS-UNION JOINTURE COMMISSION

Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2022

As management of the Morris-Union Jointure Commission, we offer readers of the Morris-Union Jointure Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the Commission's financial statements and related notes to the financial statements which immediately follows this section.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Morris-Union Jointure Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $33,644,818 (net position). Of this amount $2,332,419 (unrestricted net position) may be used to meet the Commission's ongoing obligations.

- The Commission's total net position decreased by $58,678 or approximately .2%. Net position from governmental activities decreased $860,139 or 4% and net position from business-type activities increased $801,461 or 8%.

- Overall commission revenues were $41,790,719 which were $58,678 less than overall commission expenses of $41,849,397. Program specific revenues in the form of charges for services, grants or contributions accounted for $41,724,783 of total revenues. General revenues accounted for the remaining $65,936 of total revenues.

- The Commission had $34,409,798 in expenses for governmental activities; most of these expenses were offset with program specific revenues from charges for services, grants or contributions of $33,593,723. General revenues in the amount of $65,936 helped to offset the remaining expenses.

- The Commission had $6,694,328 in expenses for business-type activities and $7,385,789 of program specific revenues from charges for services, grants and contributions for business-type activities.

- As of the close of the current fiscal year, the Commission's governmental funds reported combining ending fund balances of $18,337,248. Of this amount, $8,927,582 (49%) is available for spending at the Commission's discretion (unassigned fund balance – General Fund).

- The Commission's total outstanding long-term liabilities decreased by $8,204,187 during the current fiscal year.

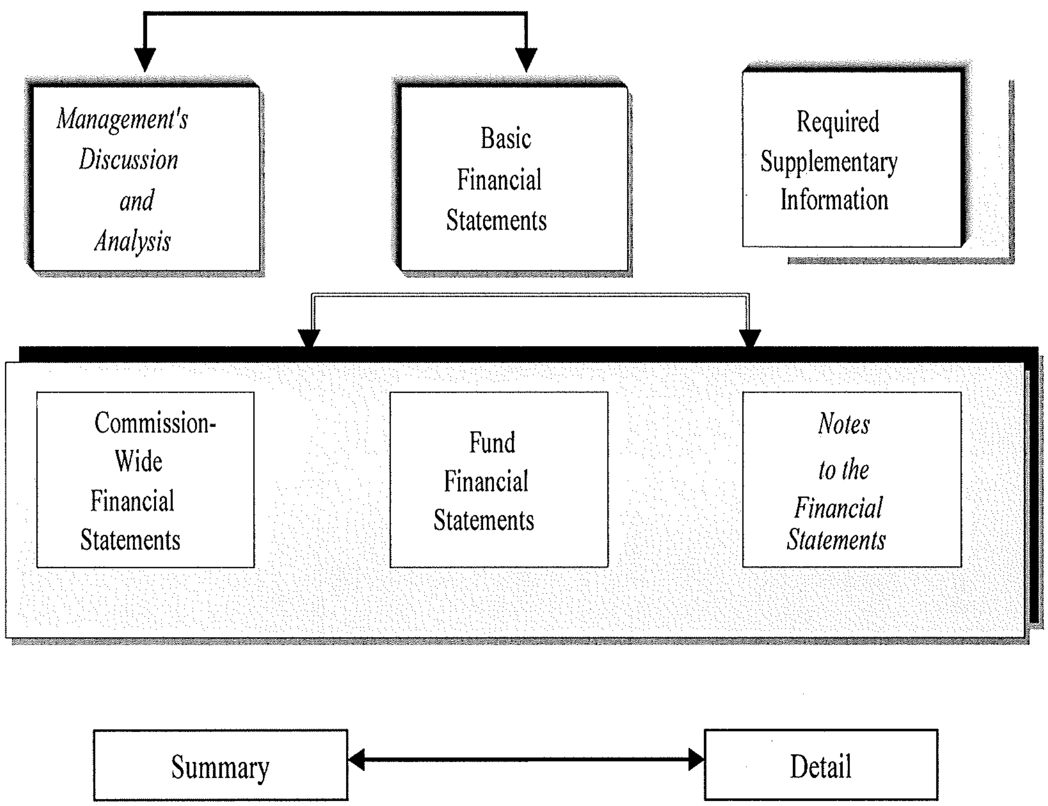
OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Commission:

Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2022

- The first two statements are commission wide financial statements that provide both short-term and long-term information about the Commission's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Commission, reporting the Commission's operations in more detail than the commission-wide statements.
  - The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
  - Proprietary funds statements offer short-term and long-term financial information about the activities the commission operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The Figure below shows how the various parts of this annual report are arranged and related to one another.



Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2022

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

Major Features of the Commission-Wide and Fund Financial Statements

	Commission-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Commission (except fiduciary funds)	The activities of the Commission that are not proprietary or fiduciary, such as instruction, building Maintenance and administration.	Activities the Commission operates similar to private businesses: Enterprise Funds
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
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, and deferred outflow/ inflow information	All assets , liabilities, and deferred outflows/inflows 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 there after; no capital assets or long-term liabilities included	All assets , liabilities, and deferred outflows/inflows of resources both financial and capital, and short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during the 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.

Commission-wide Statements

The Commission-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Commission's assets, liabilities, and deferred outflows/inflows of resources. 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 Commission-wide statements report the Commission's net position and how they have changed. Net position – the difference between the Commission's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the Commission's financial health or net position.

- Over time, increases or decreases in the Commission's net position are an indicator of whether its financial condition is improving or deteriorating, respectively.

- To assess the overall health of the Commission you need to consider additional non-financial factors such as changes in the Commission's membership base and the condition of school buildings and other facilities.

In the commission-wide financial statements the Commission's activities are shown in two categories:

- *Governmental activities* – Most of the Commission's basic services are included here, such as special education, plant operation and maintenance, and administration. Tuition charged to other school districts finance all of these activities.

- *Business-type activities* – The Commission charges fees to help cover the costs of certain services it provides. The Commission's special programs and food service operations are included here.

Fund Financial Statements

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

- Some funds are required by State law.

- The Commission establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The Commission has two kinds of funds:

- Governmental funds – Most of the Commission'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 to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the additional long-term focus of the commission-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- Proprietary funds – Services for which the Commission charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the commission-wide statements.

  The Commission uses enterprise funds to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to students or other entities on a continuing basis are financed or recovered primarily through user charges. The Commission currently has two enterprise funds for its special programs and food service (cafeteria) programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the commission-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information. In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's budget process and pension plans. The Commission adopts an annual expenditure budget for the General and Special Revenue Funds. A budgetary comparison statement has been provided for these Funds as required supplementary information. Information regarding the Commission's employee retirement systems and pension plans and post-retirement medical benefits plan have also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparison, if required.

COMMISSION-WIDE FINANCIAL ANALYSIS

As noted earlier net position may serve over time as a useful indicator of a government's financial position. The Commission's combined net position was $33,644,818 on June 30, 2022 compared to $33,703,496 on June 30, 2021.

Net Position
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	$ 20,687,084	$ 23,801,832	$ 12,752,335	$ 13,752,545	$ 33,439,419	$ 37,554,377
Capital Assets	46,245,921	48,373,309	5,263,367	5,014,007	51,509,288	53,387,316
Total Assets	66,933,005	72,175,141	18,015,702	18,766,552	84,948,707	90,941,693
Deferred Outflows of Resources	1,521,451	2,691,842	461,052	804,977	1,982,503	3,496,819
Total Assets and Deferred Outflows of Resources	68,454,456	74,866,983	18,476,754	19,571,529	86,931,210	94,438,512
Liabilities						
Long-Term Liabilities	35,712,431	41,834,923	3,965,902	6,047,597	39,678,333	47,882,520
Other Liabilities	2,452,618	2,331,430	568,191	528,723	3,020,809	2,860,153
Total Liabilities	38,165,049	44,166,353	4,534,093	6,576,320	42,699,142	50,742,673
Deferred Inflows of Resources	7,636,674	7,187,758	2,950,576	2,804,585	10,587,250	9,992,343
Total Liabilities and Deferred Inflows of Resources	45,801,723	51,354,111	7,484,669	9,380,905	53,286,392	60,735,016
Net Position						
Net Investment in Capital Assets	24,041,621	23,655,206	5,250,993	5,014,007	29,292,614	28,669,213
Restricted	2,019,785	2,022,369			2,019,785	2,022,369
Unrestricted	(3,408,673)	(2,164,703)	5,741,092	5,176,617	2,332,419	3,011,914
Total Net Position	$ 22,652,733	$ 23,512,872	$ 10,992,085	$ 10,190,624	$ 33,644,818	$ 33,703,496

By far, the largest portion of the Commission's net position (87%) reflects its investment in capital assets (i.e., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its students and members; consequently, these assets are not available for future use. Resources needed to repay this debt (i.e., leases payable, capital financing agreements) must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of net position at June 30, 2022 is restricted for the payment of capital financing agreements in the amount of $1,875,763 and for unemployment compensation claims in the amount of $144,022. The remaining balance of net position of $2,332,419 (7%) may be used to meet the Commission's ongoing obligations.

Change in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Program Revenues						
Charges for Services	$ 27,569,225	$ 26,642,275	$ 5,969,753	$ 4,626,281	$ 33,538,978	$ 31,268,556
Operating Grants and Contributions	5,978,296	6,937,378	2,161,307	803,239	8,139,603	7,740,617
Capital Grants and Contributions	46,202	15,000			46,202	15,000
General Revenues						
Investment Earnings	65,332	109,116			65,332	109,116
Miscellaneous	604	39,432	-	-	604	39,432
Total Revenues	**33,659,659**	**33,743,201**	**8,131,060**	**5,429,520**	**41,790,719**	**39,172,721**
Expenses						
Instruction						
Special Education	14,504,178	15,720,760			14,504,178	15,720,760
Support Services						
Student and Instruction Related Services	9,625,076	9,920,481			9,625,076	9,920,481
General Administrative Services	1,529,085	1,728,978			1,529,085	1,728,978
School Administrative Services	1,678,235	2,017,685			1,678,235	2,017,685
Central and Other Support Services	2,427,011	2,044,438			2,427,011	2,044,438
Plant Operations and Maintenance	3,363,953	2,957,679			3,363,953	2,957,679
Pupil Transportation	289,304	522			289,304	522
Interest on Long-Term Debt	992,956	1,061,638			992,956	1,061,638
Special Programs			7,127,137	6,148,867	7,127,137	6,148,867
Food Services	-	-	312,462	188,315	312,462	188,315
Total Expenses	**34,409,798**	**35,452,181**	**7,439,599**	**6,337,182**	**41,849,397**	**41,789,363**
Increase (Decrease) in Net Position Before Transfers	**(750,139)**	**(1,708,980)**	**691,461**	**(907,662)**	**(58,678)**	**(2,616,642)**
Transfers	**(110,000)**	**(70,000)**	**110,000**	**70,000**	**-**	**-**
Increase (Decrease) in Net Position	**(860,139)**	**(1,778,980)**	**801,461**	**(837,662)**	**(58,678)**	**(2,616,642)**
Net Position, Beginning of Year	**23,512,872**	**25,291,852**	**10,190,624**	**11,028,286**	**33,703,496**	**36,320,138**
Net Position, End of Year	**$ 22,652,733**	**$ 23,512,872**	**$ 10,992,085**	**$ 10,190,624**	**$ 33,644,818**	**$ 33,703,496**

Governmental Activities. The Commission's total governmental activities revenues were $33,659,659 for the fiscal year ended June 30, 2022, a decrease of $83,542 from the previous year. Charges for services in the form of tuition and fees accounted for 82% of total revenues. Another 18% came from operating grants and contributions and general revenues.

The total cost of all governmental activities programs and services was $34,409,798, a decrease of $1,042,383 (.03%) from the previous year. The Commission's expenses are predominantly related to educating and caring for students with special needs.

Total governmental activities revenues were less than expenses and transfers out, decreasing net position by $860,139 from the previous year.

The cost of all governmental activities this year was $34,409,798 compared to $35,452,181 last year. Some of the cost was paid by the users of the Commission's programs mainly through tuition charges and related service fees for a total of $27,569,225 an increase of $926,950 (3%) from the previous year.

Some of the cost was offset by grants and contributions received through state, federal and local grants and aid for a total of $6,024,498, a decrease of $927,880 (13%) from the previous year, largely due to a decrease of revenues reported under GASB Statement No. 68 and 75 for on-behalf TPAF pension and post-retirement medical benefit contributions made by the State for the District.

For fiscal year 2022, the Commission's total cost of governmental activities services was $34,409,798. After applying program revenues derived from charges for services of $27,569,225 operating and capital grants and contributions of $6,024,498 the net cost of services provided by the Commission was $816,075 for the fiscal year ended June 30, 2022.

Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021

	Total Cost of Services		Net (Revenue) Cost of Services	
	2022	2021	2022	2021
Instruction				
Special Education	$ 14,504,178	$ 15,720,760	$ (10,002,207)	$ (8,707,680)
Support Services				
Student and Instruction Related Services	9,625,076	9,920,481	2,079,019	2,470,995
General Administrative Services	1,529,085	1,728,978	1,200,280	1,263,409
School Administrative Services	1,678,235	2,017,685	1,265,693	1,343,358
Central and Other Support Services	2,427,011	2,044,438	2,103,394	1,832,480
Plant Operations and Maintenance	3,363,953	2,957,679	2,887,636	2,592,806
Pupil Transportation	289,304	522	289,304	522
Interest on Long-Term Debt	992,956	1,061,638	992,956	1,061,638
Total	**$ 34,409,798**	**$ 35,452,181**	**$ 816,075**	**$ 1,857,528**

Business-Type Activities –The Commission's total business-type activities revenues were $8,131,060 for the year ended June 30, 2022, an increase of $2,701,540 (50%) from the previous year. Charges for services accounted for 73% of total revenues. Operating grants and contributions accounted for the remaining 27% of total revenue for the year.

The Commission's expenses are related to various transportation services and other programs offered to members, as well as, non-member school districts of the commission and food services provided to all students, teachers and administrators within the Commission.

Total business-type activities revenues and transfers in were greater than expenses, increasing net position by $801,461 over the previous year.

The cost of all business-type activities this year was $7,439,599. The cost of special program activities was $7,127,137 (96%) and food services was $312,462 (4%).

- Some of the cost was paid by the users of the programs for a total of $5,969,753 an increase of $1,343,472 (29%) from the previous year.
- On-behalf post-retirement medical benefit contributions for the special programs in the amount of $745,271 were realized in the current year in accordance with GASB 75, an increase of $37,088 (5%) from the previous year.
- The Federal and State governments subsidized the food service program with grants and contributions of $203,192 an increase of $108,136 (11.4%) from the previous year.
- The Commission transferred in $110,000 from its governmental activities to subsidize the food service program operations during the year.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental funds reported a *combined* fund balance of $18,337,248 a decrease of $3,494,144 from last year's fund balance of $21,831,392. This decrease is largely a result of not realizing anticipated revenues and appropriating increased fund balance for the 2022-23 budget. $8,927,582 of fund balance at year-end is available as fund resources for future use. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has been dedicated to 1) the payment of obligations under capital financing agreements in the amount of $1,875,763; 2) the payment of future unemployment claims in the amount of $144,022; 3) to liquidate unperformed contracts and purchases in the subsequent period of $177,639: or 4) assigned to finance subsequent year's budget expenditures of $7,212,242.

Revenues for the Commission's governmental funds were $31,148,927 while total expenditures were $34,686,050. The net amount for other financing sources was $42,979.

General Fund

The General Fund is the chief operating fund of the Commission and includes the primary operations of providing educational services to students with special needs.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Tuition	$ 22,005,657	$ 22,052,706	$ (47,049)	0%
Related Services/Program Fees	5,252,631	5,047,462	205,169	4%
Miscellaneous	145,333	223,640	(78,307)	-35%
State Sources	3,569,307	2,828,371	740,936	26%
Federal Sources	-	37,148	(37,148)	100%
Total General Fund Revenues	$ 30,972,928	$ 30,189,327	$ 783,601	3%

Total General Fund Revenues increased 3% from the previous year. Tuition fees which represents 71% of total General Fund revenue for the year remained relatively unchanged from the previous year. Related Services and Program Fees which represent 17% of total General Fund revenue for the year increased 4% due to increases in demand for services during the current year. Revenues from State sources increased by $740,936 largely due to an increase in the on-behalf TPAF pension system and post-retirement medical benefits contributions made by the State for the Commission's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Amount of Increase (Decrease)	Percent Change
Instruction	$ 10,656,536	$ 10,784,177	$ (127,641)	-1%
Support Services	18,454,319	16,576,678	1,877,641	11%
Debt Service	3,687,582	3,660,313	27,269	1%
Capital Outlay	1,712,790	189,850	1,522,940	802%
Total Expenditures	$ 34,511,227	$ 31,211,018	$ 3,300,209	11%

Total General Fund expenditures increased $3,300,209 or 11% from the previous year. Notable increases included increases in student support costs and general, school and central administrative support service costs and capital outlay costs.

In Fiscal Year 2022 General Fund revenues and other financing sources were less than expenditures and other financing uses by $3,491,560. After deducting restricted, assigned and committed fund balances the unassigned fund balance decreased from $14,217,603 at June 30, 2021 to $8,927,582 at June 30, 2022. In addition, the amount of fund balance assigned and designated to finance the subsequent year's budget expenditures increased from $4,504,095 at June 30, 2021 to $7,212,242 at June 30, 2022. Committed and assigned fund balances for year end encumbrances decreased from $1,087,325 at June 30, 2021 to $177,639 at June 30, 2022.

Special Revenue Fund

The Special Revenue Fund includes all restricted sources utilized in the operations of the Commission in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were $174,823 for the fiscal year ended June 30, 2022. Federal sources accounted for 24%, state sources accounted for 3% and local sources accounted for 73% of the Special Revenue Funds' revenues.

Total Special Revenue Fund revenues increased $156,735 from the previous year. This increase was mainly due to federal awards related to COVID recovery programs.

Expenditures of the Special Revenue Fund were also $174,823. Special Education instructional expenditures were $63,573 or (36%), support services were $65,048 (37%) and capital outlay expenditures totaled $46,202 (27%) of the total amount expended for the year ended June 30, 2022.

Capital Projects Fund

The capital projects fund revenues were less than expenditures and other financing uses resulting in a fund balance of $1,875,763 at June 30, 2022. This amount is restricted for the payment of the obligations under the lease purchase agreement certificates of participation.

Proprietary Funds

The Commission maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Funds - The Commission uses Enterprise Funds to report activities related to the Commission's special programs and food service operations. The Commission's Enterprise Funds provide the same type of information found in the commission-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of these Funds have already been addressed in the discussion of the Commission's business-type activities.

General Fund Budgetary Highlights

Over the course of the year, the Commission revised the annual operating budget several times. These budget amendments fall into two categories:

- Reinstating prior year purchase orders being carried over. (Encumbrances)
- Appropriation of additional revenues to fund unbudgeted expenditures.

Revisions in the budget were also made through budget transfers. The Commission also made certain adjustments to increase the budget by $75,634 in the General Fund for the anticipation of additional tuition revenue and $174,823 in the Special Revenue Fund for grant awards. In addition the budget was increased by $1,087,325 for the reappropriation of prior year encumbrances in the General Fund.

Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2022

CAPITAL ASSETS

As of June 30, 2022, the Commission had invested $51,509,288 in a range of capital assets for its governmental and business-type activities. This includes improvements to buildings, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2021-2022 amounted to $3,814,433 for governmental activities and $478,168 for business-type activities. The following is a comparison of the June 30, 2022 and 2021 balances.

Capital Assets
As of June 30, 2022 and 2021
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Land Improvements	$ 7,611,169	$ 7,673,663	$ 3,064,300	$ 3,064,300	$ 10,675,469	$ 10,737,963
Building and Building Improvements	36,520,813	40,088,001	415,812	578,450	36,936,625	40,666,451
Machinery and Equipment	2,113,939	539,698	1,783,255	1,371,257	3,897,194	1,910,955
Construction in Progress	-	71,947	-	-	-	71,947
Total Capital Assets, Net	$ 46,245,921	$ 48,373,309	$ 5,263,367	$ 5,014,007	$ 51,509,288	$ 53,387,316

Additional information on the Commission's capital assets is presented in the "Notes to the Financial Statements" of this report.

LONG TERM LIABILITIES

At year-end, the Commission had $39,678,333 of total outstanding long-term liabilities for its governmental activities and business type activities. For fiscal year 2021/22, total outstanding long-term liabilities decreased by $8,204,187. The following is a comparison of the June 30, 2022 and 2021 balances.

Outstanding Long-Term Liabilities
At June 30, 2022 and 2021

	Governmental Activities		Businsess Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital Financing Agreements (COP's)	$ 22,676,458	$ 25,438,019			$ 22,676,458	$ 25,438,019
Capital Financing Agreement	131,512		$ 12,374		143,886	-
Compensated Absences	786,738	845,939			786,738	845,939
Net Pension Liability	12,117,723	15,550,965	3,953,528	$ 6,047,597	16,071,251	21,598,562
	$ 35,712,431	$ 41,834,923	$ 3,965,902	$ 6,047,597	$ 39,678,333	$ 47,882,520

Additional information on the Commission's long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the Commission's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the Commission's projected student population, demand for program services, as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund decreased 4% from the 2021/2022 adopted budget to $31,522,350 in fiscal year 2022-2023.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, 340 Central Avenue, New Providence, NJ 07974.

COMMISSION-WIDE FINANCIAL STATEMENTS

MORRIS-UNION JOINTURE COMMISSION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Assets			
Cash and Cash Equivalents	$ 14,735,505	$ 11,476,801	$ 26,212,306
Receivables	4,075,816	1,268,986	5,344,802
Inventories		6,548	6,548
Restricted Assets:			-
Cash and Cash Equivalents with Fiscal Agent	1,875,763		1,875,763
Capital Assets, Not Being Depreciated	7,184,000	3,064,300	10,248,300
Capital Assets, Being Depreciated	39,061,921	2,199,067	41,260,988
Total Assets	66,933,005	18,015,702	84,948,707
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	917,781	461,052	1,378,833
Deferred Charge on Refunding of Debt	603,670	-	603,670
Total Deferred Outflows of Resources	1,521,451	461,052	1,982,503
Total Assets and Deferred Outflows of Resources	68,454,456	18,476,754	86,931,210
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,034,748	562,631	2,597,379
Accrued Interest Payable	401,862		401,862
Unearned Revenue	16,008	5,560	21,568
Noncurrent Liabilities			
Due Within One Year	2,794,407	2,767	2,797,174
Due Beyond One Year	32,918,024	3,963,135	36,881,159
Total Liabilities	38,165,049	4,534,093	42,699,142
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	7,636,674	2,948,831	10,585,505
Deferred Commodities Revenue	-	1,745	1,745
Total Deferred Inflows of Resources	7,636,674	2,950,576	10,587,250
Total Liabilities and Deferred Inflows of Resources	45,801,723	7,484,669	53,286,392
NET POSITION			
Net Investment in Capital Assets	24,041,621	5,250,993	29,292,614
Restricted			
Other Purposes	144,022		144,022
Capital Financing Agreements	1,875,763		1,875,763
Unrestricted	(3,408,673)	5,741,092	2,332,419
Total Net Position	$ 22,652,733	$ 10,992,085	$ 33,644,818

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

MORRIS-UNION JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
Instruction:							
Special Education	$ 14,504,178	$ 22,196,301	$ 2,310,084		$ 10,002,207		$ 10,002,207
Support Services:							
Student and Instruction Related Services	9,625,076	5,284,151	2,261,906		(2,079,019)		(2,079,019)
General Administration Services	1,529,085		328,805		(1,200,280)		(1,200,280)
School Administration Services	1,678,235		412,542		(1,265,693)		(1,265,693)
Central and Other Support Services	2,427,011		323,617		(2,103,394)		(2,103,394)
Plant Operations and Maintenance	3,363,953	88,773	341,342	$ 46,202	(2,887,636)		(2,887,636)
Pupil Transportation	289,304				(289,304)		(289,304)
Interest on Debt	992,956	-	-	-	(992,956)	-	(992,956)
Total Governmental Activities	34,409,798	27,569,225	5,978,296	46,202	(816,075)	-	(816,075)
Business - Type Activities							
Special Programs	7,127,137	5,963,170	1,958,115		-	$ 794,148	794,148
Food Service	312,462	6,583	203,192	-	-	(102,687)	(102,687)
Total Business Type Activities	7,439,599	5,969,753	2,161,307	-	-	691,461	691,461
Total Primary Government	$ 41,849,397	$ 33,538,978	$ 8,139,603	$ 46,202	(816,075)	691,461	(124,614)
General Revenues:							
Investment Earnings					65,332		65,332
Miscellaneous					604		604
Transfers					(110,000)	110,000	-
Total General Revenues and Transfers					(44,064)	110,000	65,936
Change in Net Position					(860,139)	801,461	(58,678)
Net Position - Beginning of Year					23,512,872	10,190,624	33,703,496
Net Position - End of Year					$ 22,652,733	$ 10,992,085	$ 33,644,818

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

FUND FINANCIAL STATEMENTS

MORRIS-UNION JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Assets				
Cash and Cash Equivalents	$ 14,668,751	$ 66,754		$ 14,735,505
Intergovernmental Receivables	4,075,816			4,075,816
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	-	-	$ 1,875,763	1,875,763
Total Assets	$ 18,744,567	$ 66,754	$ 1,875,763	$ 20,687,084
LIABILITIES				
Liabilities				
Accounts Payable	$ 303,471	$ 50,746		$ 354,217
Accrued Salaries and Wages	52			52
Payroll Deductions and Withholdings Payable	107,711			107,711
Accrued Liability for Insurance Claims	1,507,913			1,507,913
Other Liabilities	64,855			64,855
Unearned Revenue	-	16,008	-	16,008
Total Liabilities	1,984,002	66,754	-	2,050,756
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Tuition and Fees	299,080	-	-	299,080
Total Deferred Inflows of Resources	299,080	-	-	299,080
Total Liabilities and Deferred Inflows of Resources	2,283,082	66,754	-	2,349,836
FUND BALANCES				
Restricted				
Unemployment Compensation Reserve	144,022			144,022
Capital Financing Agreements			$ 1,875,763	1,875,763
Committed				
Encumbrances	83,288			83,288
Assigned				
Encumbrances	94,351			94,351
Designated for Subsequent Year's Budget	7,212,242			7,212,242
Unassigned	8,927,582	-	-	8,927,582
Total Fund Balances	16,461,485	-	1,875,763	18,337,248
Total Liabilities and Fund Balances	$ 18,744,567	$ 66,754	$ 1,875,763	$ 20,687,084

Continued

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

MORRIS-UNION JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022

Total Fund Balances - Governmental Funds (Exhibit B-1)		$ 18,337,248
Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $86,419,132 and the accumulated depreciation is $40,173,211.		46,245,921
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		299,080
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt		603,670
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	$ 917,781	
Deferred Inflows of Resources	(7,636,674)	
		(6,718,893)
The District has financed capital assets through the issuance of Certificates of Participation (COP'S). The interest accrual at year end is:		(401,862)
Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund		
Capital Financing Agreement (COP's, Incl. Original Issue Premium)	(22,676,458)	
Capital Financing Agreement	(131,512)	
Compensated Absences	(786,738)	
Net Pension Liability	(12,117,723)	
		(35,712,431)
Net Position of Governmental Activities (A-1)		$ 22,652,733

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

MORRIS-UNION JOINTURE COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources				
Tuition	$ 22,005,657			$ 22,005,657
Related Services and Program Fees	5,252,631			5,252,631
Rents	80,573			80,573
Interest	64,156		$ 1,176	65,332
Miscellaneous	604	$ 126,407	-	127,011
Total Local Sources	27,403,621	126,407	1,176	27,531,204
State Sources	3,569,307	5,849	-	3,575,156
Federal Sources	-	42,567	-	42,567
Total Revenues	30,972,928	174,823	1,176	31,148,927
EXPENDITURES				
Instruction				
Special Education	10,656,536	63,573		10,720,109
Support Services				
Student and Instruction Related Services	9,526,366			9,526,366
General Administrative Services	1,526,327			1,526,327
School Administrative Services	1,666,950			1,666,950
Central and Other Support Services	2,304,256			2,304,256
Plant Operations and Maintenance	3,141,116	65,048		3,206,164
Pupil Transportation	289,304			289,304
Debt Service				
Principal	2,686,467			2,686,467
Interest	1,001,115			1,001,115
Capital Outlay	1,712,790	46,202	-	1,758,992
Total Expenditures	34,511,227	174,823	-	34,686,050
Excess (Deficiency) of Revenues over (under) Expenditures	(3,538,299)	-	1,176	(3,537,123)
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Financing Agreement	152,979			152,979
Transfers In	3,760			3,760
Transfers Out	(110,000)	-	(3,760)	(113,760)
Total Other Financing Sources (Uses)	46,739	-	(3,760)	42,979
Net Change in Fund Balances	(3,491,560)		(2,584)	(3,494,144)
Fund Balance - Beginning of Year	19,953,045	-	1,878,347	21,831,392
Fund Balance - End of Year	$ 16,461,485	$ -	$ 1,875,763	$ 18,337,248

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

MORRIS-UNION JOINTURE COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (B-2)		$ (3,494,144)
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 depreciation expense exceeded capital outlay in the period		
Capital Outlays	$ 1,758,992	
Depreciation Expense	(3,814,433)	
		(2,055,441)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.		
Loss on Disposal of Capital Assets		(71,947)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue but are deferred in the funds		
Increase in Unavailable Revenue		230,364
In the statement of activities, certain operating expenses, i.e. pension, compensated absences, are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for this item are reported in the amount of financial resources used (paid). When the earned or incurred amount exceeds the paid amount, the difference is a reduction (-); when the paid amount exceeds the earned or incurred amount the difference is an addition to the reconciliation (+).		
Decrease in Compensated Absences	59,201	
Decrease in Pension Expense	1,930,181	
		1,989,382
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are deferred and amortized over future periods in the statement of activities.		
Amortization		
Deferred Charges on Refunding of Debt	(116,246)	
Deferred Charges - Original Issue Premium	96,561	
		(19,685)
Issuance of Long-Term Debt		
Capital Financing Agreement		(152,979)
Repayments of Principal		
Capital Financing Agreement	21,467	
Capital Financing Agreements - Certificates of Participation (COPS)	2,665,000	
		2,686,467
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.		
Decrease in Accrued Interest		27,844
Change in Net Position of Governmental Activities		$ (860,139)

EXHIBIT B-4

MORRIS-UNION JOINTURE COMMISSION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Business Type Activities-Enterprise Funds		
	Special Programs Fund	Non-Major Food Service Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 11,433,917	$ 42,884	$ 11,476,801
Intergovernmental Accounts Receivable	1,255,043	13,943	1,268,986
Inventories	-	6,548	6,548
Total Current Assets	12,688,960	63,375	12,752,335
Capital Assets			
Land	3,064,300		3,064,300
Buildings and Improvements	3,252,773		3,252,773
Furniture, Machinery & Equipment	6,533,126	221,167	6,754,293
Less: Accumulated Depreciation	(7,636,408)	(171,591)	(7,807,999)
Total Capital Assets, Net	5,213,791	49,576	5,263,367
Total Assets	17,902,751	112,951	18,015,702
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	461,052	-	461,052
Total Assets and Deferred Outflow of Resources	18,363,803	112,951	18,476,754
LIABILITIES			
Current Liabilities			
Accounts Payable	81,096	26,136	107,232
Accrued Salaries and Wages	101,691		101,691
Accrued Liabilities For Insurance Claims	353,708		353,708
Capital Financing Agreement	2,767		2,767
Unearned Revenue	-	5,560	5,560
Total Current Liabilities	539,262	31,696	570,958
Noncurrent Liabilities			
Capital Financing Agreement	9,607		9,607
Net Pension Liability	3,953,528	-	3,953,528
Total Noncurrent Liabilities	3,963,135	-	3,963,135
Total Liabilities	4,502,397	31,696	4,534,093
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,948,831		2,948,831
Deferred Commodities Revenue	-	1,745	1,745
Total Deferred Inflows of Resources	2,948,831	1,745	2,950,576
Total Liabilities and Deferred Inflows of Resources	7,451,228	33,441	7,484,669
NET POSITION			
Net Investment in Capital Assets	5,201,417	49,576	5,250,993
Unrestricted	5,711,158	29,934	5,741,092
Total Net Position	$ 10,912,575	$ 79,510	$ 10,992,085

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT B-5

MORRIS-UNION JOINTURE COMMISSION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business Type Activities-Enterprise Funds		
	Special Programs Fund	Non-Major Food Service Fund	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs		$ 2,449	$ 2,449
Daily Sales - Non-Reimbursable Programs		4,134	4,134
Program Charges and Fees	$ 5,959,607		5,959,607
Miscellaneous Fees	3,563		3,563
Net PERS Pension Credit	1,212,844		1,212,844
State - On Behalf OPEB Contribution	745,271	-	745,271
Total Operating Revenues	7,921,285	6,583	7,927,868
OPERATING EXPENSES			
Support Services			
Cost of Food - Reimbursable Programs		129,348	129,348
Cost of Food - Non-Reimbursable Programs		2,488	2,488
Salaries	3,735,262	114,203	3,849,465
Employee Benefits	1,967,304	13,529	1,980,833
Purchased Professional /Technical Services	60,879	17,520	78,399
Other Purchased Services	157,820	17,179	174,999
Cleaning, Repairs, Maintenance and Utilities	99,289		99,289
Supplies and Materials	624,464	293	624,757
Miscellaneous	15,563	5,123	20,686
Depreciation	465,389	12,779	478,168
Total Operating Expenses	7,125,970	312,462	7,438,432
Operating Income (Loss)	795,315	(305,879)	489,436
Nonoperating Revenues (Expenses)			
State Sources			
State School Lunch Program		2,723	2,723
Federal Sources			
National School Breakfast Program		59,806	59,806
National School Lunch Program		115,609	115,609
Food Distribution Program	-	14,142	14,142
EBT Admin Cost Reimbursement		1,242	1,242
EOP Emergency Reimbursement		9,670	9,670
Loss on Disposal of Capital Assets	-	(1,167)	(1,167)
Total Non-Operating Revenues (Expenses)	-	202,025	202,025
Income (Loss) Before Transfers	795,315	(103,854)	691,461
Transfers In	-	110,000	110,000
Change in Net Position	795,315	6,146	801,461
Total Net Position - Beginning of Year	10,117,260	73,364	10,190,624
Total Net Position - Ending of Year	$ 10,912,575	$ 79,510	$ 10,992,085

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT B-6

MORRIS-UNION JOINTURE COMMISSION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business Type Activities-Enterprise Funds		
	Special Programs Fund	Non-Major Food Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 5,915,562	$ 4,919	$ 5,920,481
Payments to Employees for Salaries and Benefits	(5,317,346)	(127,732)	(5,445,078)
Payments to Suppliers For Goods and Services	(942,355)	(161,448)	(1,103,803)
Net Cash Provided by(Used for) Operating Activities	(344,139)	(284,261)	(628,400)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received From State and Federal Subsidy Reimbursements		193,028	193,028
Cash Received from Other Funds	-	114,241	114,241
Net Cash Provided by (Used For) Noncapital Financing Activities	-	307,269	307,269
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Payment on Capital Financing Agreement	(2,020)		(2,020)
Purchases of Capital Assets	(711,851)	(2,450)	(714,301)
Net Cash Provided by (Used For) Capital and Related Financing Activities	(713,871)	(2,450)	(716,321)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,058,010)	20,558	(1,037,452)
Cash and Cash Equivalents- Beginning of Year	12,491,927	22,326	12,514,253
Cash and Cash Equivalents- End of Year	$ 11,433,917	$ 42,884	$ 11,476,801
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income(Loss)	$ 795,315	$ (305,879)	$ 489,436
Adjustments to Reconcile Operating Income(loss) to Net Cash Provided by (Used For) Operating Activities			
Depreciation Expense	465,389	12,779	478,168
Non-Cash Federal Assistance-Food Distribution Program		14,142	14,142
Change is Assets, Liabilities and Deferred Outflows and Inflows:			
(Increase) Decrease in Accounts Receivable	(47,608)		(47,608)
(Increase) Decrease in Inventories	-	1,674	1,674
(Increase) Decrease in Deferred Outflows - Net Pension Liability	343,925		343,925
Increase (Decrease) in Accounts Payable	15,660	(5,313)	10,347
Increase (Decrease) in Accrued Salaries and Wages	(7,877)		(7,877)
Increase (Decrease) in Accrued Liability for Insurance Claims	38,662		38,662
Increase (Decrease) in Unearned Revenue		(1,664)	(1,664)
Increase (Decrease) in Net Pension Liability	(2,094,069)		(2,094,069)
Increase (Decrease) in Deferred Inflows - Net Pension Liability	146,464		146,464
Increase (Decrease) in Deferred Commodities Revenue	-	-	-
Total Adjustments	(1,139,454)	21,618	(1,117,836)
Net Cash Provided by (Used For) Operating Activities	$ (344,139)	$ (284,261)	$ (628,400)
Non-Cash Financing Activities			
Assets Acquired by Capital Financing Agreement	$ 14,394		$ 14,394
Valued Received - Food Distribution Program		$ 13,669	13,669

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Morris-Union Jointure Commission (the "Board" or the "Commission") is an instrumentality of the State of New Jersey, established to function as an education institution. The Commission is a regional collaborative public school district that provides services and programs to meet the needs of its 30 constituent school districts. The Board consists of appointed officials made up of a representative from each member school district and is responsible for the fiscal control of the Commission. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the Commission. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the Commission. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board provides programs for students between the ages of 3 and 21 with autism or autistic-like behavior.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the Commission who is responsible for general supervision of all schools, planning and operational functions of the Commission. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Commission are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Commission. For the Morris Union Jointure Commission this includes general operations, food service and special programs of the Commission.

Component units are legally separate organizations for which the Commission is financially accountable. The Commission is financially accountable for an organization if the Commission appoints a voting majority of the organization's governing board and (1) the Commission is able to significantly influence the programs or services performed or provided by the organization; or (2) the Commission is legally entitled to or can otherwise access the organization's resources; the Commission is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Commission is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Commission in that the Commission approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Commission has no component units. Furthermore, the Commission is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2022, the Commission adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period.* The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

- GASB Statement No. 92, *Omnibus 2020.* The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32.* The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

- GASB Statement No. 98, *The Annual Comprehensive Financial Report.* This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR.* That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

Other accounting standards that the Commission is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements,* will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability or a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

- GASB Statement No. 99, *Omnibus 2022,* the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62,* will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

- GASB Statement No. 101, *Compensated Absences,* will be effective beginning with the fiscal year ending June 30, 2025. 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.

C. Basis of Presentation - Financial Statements

The financial statements include both commission-wide financial statements (based on the Commission as a whole) and fund financial statements (based on specific Commission activities or objectives). Both the commission-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate Commission-wide and fund financial statements are presented, they are interrelated. In the commission-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the Commission's enterprise funds. Fiduciary funds are excluded from the commission-wide financial statements. Currently the District has no fiduciary funds.

Commission-Wide Financial Statements

The commission-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the commission-wide financial statements. Exceptions to this general rule are charges between the Commission's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the commission-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The Commission considers all of its governmental and special program enterprise fund to be major funds.

The Commission reports the following major governmental funds:

> The *general fund* is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those to be accounted for in another fund.
>
> The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.
>
> The *capital projects fund* accounts for the proceeds from lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The Commission reports the following major proprietary fund which is organized to be self-supporting through user charges:

> The *special programs fund* accounts for the activities of the Commission's transportation services and other programs offered to member, as well as, non-member school districts.

The Commission reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

> The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the commission-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable 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 indicates the timing of transactions or events for recognition in the financial statements.

The commission-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Tuition, rental fees, related service and program fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited under a Capital Financing Agreements for the repayment of certificates of participation, principal and interest.

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the commission-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. The Commission was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the Commission constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the Commission is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings	20-50
Building Improvements	5-25
Heavy Equipment	10-20
Office Equipment and Furniture	5-10
Computer Equipment	8
Right-to-Use Leased Equipment	5-10

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the commission-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in both the commission-wide and the proprietary funds statements of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has three types of items, one type which arises only under a modified accrual basis of accounting, and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds balance sheet for tuition and related service and program fees. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in both the commission-wide and the proprietary funds statements of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. Another type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category is the deferred commodities revenue, reported in both the commission-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. Compensated Absences

It is the Commission's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the commission-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Pensions*

In the commission-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

9. Leases

Non-cancellable leases for the use of buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of $2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Leased assets are reported as capital outlay.

10. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the commission-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. Long-Term Obligations

In the commission-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred outflows of resources. Debt premiums are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded debt or new debt whichever is less using the effective interest method. Capital Financing Agreements for Certificates of Participation ("COP's") are reported with the unamortized bond premium. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Net Position/Fund Balance

Commission-Wide Statements

In the commission-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the Commission's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the Commission's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Capital Financing Agreements – This restriction was created from proceeds of the lease purchase agreement certificates of participation held by the Trustee to offset final principal payments due on the certificates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 Commission budget.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the Commission's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Commission itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Commission's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Commission that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the commission-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all investment earnings and miscellaneous revenues.

2. Proprietary Funds, 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 producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. On behalf Other Post-Employment Benefit contributions for the special programs operations are considered both operating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the Commission annually prepares its operating budget for the forthcoming year. The budget, except for the special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The Commission is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption.

Budget adoptions and amendments are recorded in the Commission's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget of the General Fund by $1,162,959 and the Special Revenue Fund by $344,300. The increases were funded by the additional program revenues, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

	Final Budget	Actual	Unfavorable Variance
General Fund			
Central Services			
Interest on Lease Purchases	$994,081	$997,781	$ 3,700
Unallocated Benefits			
Health Benefits	283,652	438,834	155,182

The above overexpenditures were a result of audit adjustments. The above variances were offset with other available resources.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were $26,211,241 and bank and brokerage firm balances of the Board's deposits amounted to $26,539,013. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	$ 26,187,259
Uninsured and Collateralized	351,754
	$ 26,539,013

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of $351,754 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	$ 351,754
	$ 351,754

MORRIS UNION JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school Commission or bonds or other obligations of the local unit or units within which the school Commission is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school Commissions, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school Commissions; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2022, the Board had the following investments:

Investment Type:		**Fair Value**
U.S. Government Securities - Money Market Fund	$	1,875,763
N.J. Cash Management Fund		1,065
	$	1,876,828

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2022, $1,876,828 of the Board's investments was exposed to custodial credit risk as follows:

		Fair Value
Uninsured and Collateralized:		
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	$	1,876,828
	$	1,876,828

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The Commission does not have an investment policy that would further limit its investment choices.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the Commission may invest in any one issuer.

Fair Value of Investments. The Morris Union Jointure Commission measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

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Investments are valued based on price data obtained from observed transactions and market price quotations provided by the Fiscal Agent and broker/dealers. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2022 are categorized as Level 2.

B. Receivables

Receivables as of June 30, 2022 for the Commission's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

		Enterprise Funds		
	General	Special Programs	Food Service	Total
Receivables:				
Intergovernmental				
Local	$ 4,058,326	$ 1,255,043		$ 5,313,369
State	17,490		$ 206	17,696
Federal	-	-	13,737	13,737
Gross Receivables	4,075,816	1,255,043	13,943	5,344,802
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	$ 4,075,816	$ 1,255,043	$ 13,943	$ 5,344,802

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Total
Special Revenue Fund	
Unencumbered Grant Drawdowns	$ 16,008
Total Unearned Revenue for Governmental Funds	$ 16,008

D. Capital Assets

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

	Balance, July 1, 2021	Increases	Decreases	Adjustments	Balance, June 30, 2022
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 7,184,000				$ 7,184,000
Construction in Progress	71,947	-	-	$ (71,947)	-
Total Capital Assets, Not Being Depreciated	7,255,947	-	-	(71,947)	7,184,000
Capital Assets, Being Depreciated:					
Land Improvements	870,477				870,477
Buildings	74,797,853				74,797,853
Machinery and Equipment	1,807,810	$ 1,758,992	-	-	3,566,802
Total Capital Assets Being Depreciated	77,476,140	1,758,992	-	-	79,235,132
Less Accumulated Depreciation for:					
Land Improvements	(380,814)	(62,494)			(443,308)
Buildings	(34,709,852)	(3,567,188)			(38,277,040)
Machinery and Equipment	(1,268,112)	(184,751)	-	-	(1,452,863)
Total Accumulated Depreciation	(36,358,778)	(3,814,433)	-	-	(40,173,211)
Total Capital Assets, Being Depreciated, Net	41,117,362	(2,055,441)	-	-	39,061,921
Governmental Activities Capital Assets, Net	$ 48,373,309	$ (2,055,441)	$ -	$ (71,947)	$ 46,245,921

MORRIS UNION JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	July 1, 2021	Increases	Decreases	June 30, 2022
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 3,064,300	-	-	$ 3,064,300
Total Capital Assets, Not Being Depreciated	3,064,300	-	-	3,064,300
Capital Assets, Being Depreciated:				
Buildings	3,252,773			3,252,773
Machinery and Equipment	6,437,689	$ 728,695	$ (412,091)	6,754,293
Total Capital Assets Being Depreciated	9,690,462	728,695	(412,091)	10,007,066
Less Accumulated Depreciation for:				
Buildings	(2,674,323)	(162,638)		(2,836,961)
Machinery and Equipment	(5,066,432)	(315,530)	410,924	(4,971,038)
Total Accumulated Depreciation	(7,740,755)	(478,168)	410,924	(7,807,999)
Total Capital Assets, Being Depreciated, Net	1,949,707	250,527	(1,167)	2,199,067
Business-Type Activities Capital Assets, Net	$ 5,014,007	$ 250,527	$ (1,167)	$ 5,263,367

Depreciation expense was charged to functions/programs of the Commission as follows:

Governmental Activities:	
Instruction	
Special Education	$ 3,659,790
Total Instruction	3,659,790
Support Services	
Student and Instruction Related Services	16,368
Central and Other Support Services	84,820
Plant Operations and Maintenance	53,455
Total Support Services	154,643
Total Depreciation Expense - Governmental Activities	$ 3,814,433
Business-Type Activities:	
Special Programs Fund	$ 465,389
Food Service Fund	12,779
Total Depreciation Expense - Business-Type Activities	$ 478,168

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Transfers

The composition of interfund transfers is as follows:

	Transfer In: General Fund	Transfer In: Enterprise Funds Food Service	Total
Transfer Out:			
General Fund		$ 110,000	$ 110,000
Capital Projects Fund	$ 3,760	-	3,760
Total Transfers	$ 3,760	$ 110,000	$ 113,760

The above transfers are the result of revenues earned or other financing sources received in one fund to finance expenditures in another fund.

F. Financing Agreements

Capital Financing Agreements

The Commission entered into a five year lease agreement as lessee for the use of digital copiers. An initial lease liability was recorded in the amount of $167,373. The lease has an interest rate of 3.101%. The Commission is required to make monthly payments of $3,015. In addition, the Commission has the option to purchase the equipment/building for $-0- at the end of the lease term. As of June 30, 2022 the value of the lease liability was $143,886. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is $142,267 and had accumulated depreciation of $25,106.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

Ending June 30,	Principal	Interest	Total
2023	$ 32,174	$ 4,006	$ 36,180
2024	33,180	3,000	36,180
2025	34,228	1,952	36,180
2026	35,305	875	36,180
2027	8,999	47	9,046
Total	$ 143,886	$ 9,880	$ 153,766

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

The Commission entered into an agreement and issued refunding certificates of participation ("COPS") in the amount of $43,830,000 which were issued to refund the series 2004 certificates of participation.

Capital financing agreements at June 30, 2022 are comprised of the following

$43,830,000, Fiscal Year 2013 Agreement to Refund 2004 Certificates of Participation for a term of sixteen years due in annual principal installments of $2,765,000 to $3,540,000 interest at 3.125% to 5.00%	$22,175,000

The unexpended proceeds from the sale of the original series 2004 and series 2013 refunding certificates, including interest earned on balances which remain on deposit are held with the respective fiscal agent. The following is a summary of balances by account type as of June 30, 2022:

Interest Account	$ 323
Principal Account	15
Debt Service Reserve Account	1,875,425
	$1,875,763

The reserve requirement states that reserve deposits shall equal the lesser of (i) 10% of the certificates issued (ii) 100% of the maximum periodic debt service or (iii) 125% of the average periodic debt service and are to be applied against the final principal payment upon maturity of the obligations. The balance in the reserve account along with surety policy was sufficient to meet the reserve requirement at June 30, 2022.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Certificates of Participation Principal	Interest	Total
2023	$ 2,765,000	$ 895,344	$ 3,660,344
2024	2,905,000	753,594	3,658,594
2025	3,025,000	633,703	3,658,703
2026	3,155,000	507,563	3,662,563
2027	3,320,000	345,688	3,665,688
2028-2029	7,005,000	264,094	7,269,094
	$ 22,175,000	$ 3,399,986	$ 25,574,986

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022	Due Within One Year
Governmental Activities:					
Capital Financing Agreement (COP's)					
Certificates of Participation	$ 24,840,000		$ 2,665,000	$ 22,175,000	$ 2,765,000
Original Issue Premium	598,019	-	96,561	501,458	-
	25,438,019	-	2,761,561	22,676,458	2,765,000
Capital Financing Agreement		$ 152,979	21,467	131,512	29,407
Compensated Absences	845,939	1,807	61,008	786,738	
Net Pension Liability	15,550,965	-	3,433,242	12,117,723	-
Governmental activity Long-term liabilities	$ 41,834,923	$ 154,786	$ 6,277,278	$ 35,712,431	$ 2,794,407
Business-Type Activities:					
Capital Financing Agreement		$ 14,394	$ 2,020	$ 12,374	$ 2,767
Net Pension Liability	$ 6,047,597	-	2,094,069	3,953,528	-
Business-Type activity Long-term liabilities	$ 6,047,597	$ 14,394	$ 2,096,089	$ 3,965,902	$ 2,767

For the governmental activities, all long-term liabilities are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The Commission is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Commission should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The Commission maintains medical, prescription drugs and dental insurance with Horizon Blue Cross/Blue Shield ("Horizon"). The insurance plan is a traditionally funded, minimum premium, fully participating plan whereby the Commission participates in any margins or losses generated by claims experience and holds reserves for its estimated liability for incurred but not reported claims which are calculated by Horizon's actuary.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Estimates of claims incurred, but not reported (IBNR) at June 30, 2022, are reported as accrued liability for insurance claims. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of $1,861,621 reported at June 30, 2022 is based on the requirements of the Governmental Accounting Standards Board which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the medical, prescription drug and dental plan for the fiscal years ended June 30, 2022 and 2021 are as follows:

Governmental and Business Type Activities:	Fiscal Year Ended June 30, 2022	2021
Unpaid claims, beginning of fiscal year	$ 1,658,131	$ 1,649,460
Incurred claims (including IBNR's)	5,789,693	5,762,067
Claim Payments	(5,586,203)	(5,753,396)
Unpaid claims, end of fiscal year	$ 1,861,621	$ 1,658,131
Governmental Activities:		
General Fund		
Accrued Liability for Insurance Claims	$ 1,507,913	$ 1,343,085
Business Type Activities:		
Special Programs Enterprise Fund		
Accrued Liability for Insurance Claims	353,708	315,046
	$ 1,861,621	$ 1,658,131

The Commission is a member of the New Jersey School Board Insurance Group (NJSBAIG or Group) and the School Alliance Insurance Fund (SAIF or Group). The Groups are risk sharing public entity pools, established for the purpose of insuring against general liability, automobile, liability, boiler and machinery and worker's compensation claims.

The relationship between the Board and the Groups is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Groups, to report claims on a timely basis, cooperate with the management of the Groups, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Groups. Members have a contractual obligation to fund any deficit of the Groups attributable to a membership year during which they were a member.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NJSBAIG and SAIF provide its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Commission 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 Commission is billed quarterly for amounts due to the State. The following is a summary of Commission contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Commission's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

Fiscal Year Ended June 30,	Commission Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2022		$ 58,857	$ 9,773	$ 144,022
2021	$ 115,000	36,447	20,676	144,022
2020	6,157	73,569	70,366	29,022

B. Contingent Liabilities

The Commission is a party defendant in some lawsuits, none of a kind unusual for a Commission of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the Commission not covered by insurance policies would not materially affect the financial condition of the Commission.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Commission.

C. Federal Arbitrage Regulations

The Commission is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the Commission had no estimated arbitrage earnings due to the IRS.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Commission employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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.

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least $5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Amendments

The authority to amend the provisions of the above plans rests with 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 TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of 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 committees 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 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is $12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is $48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Commission. PERS employer contributions are made annually by the Commission to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Commission was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-Behalf TPAF	DCRP
2022	$ 1,588,765	$ 2,492,135	$ 14,768
2021	1,448,899	1,780,315	19,840
2020	1,267,316	1,364,017	32,302

In addition for fiscal years 2022, 2021 and 2020 the Commission contributed $-0-, $-0- and $7,205, respectively for PERS and the State contributed $540, $365 and $391, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Commission $494,368 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the commission-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

NOTE 4 OTHER INFORMATION (Continued)

D. <u>Employee Retirement Systems and Pension Plans</u> (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the Commission reported in the statement of net position (accrual basis) a liability of $16,071,251 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The Commission's proportionate share of the net pension liability was based on the ratio of the Commission's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the Commission's proportionate share was .13566 percent, which was an increase of .00321 percent from its proportionate share measured as of June 30, 2020 of .13245 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the Commission recognized in the commission-wide statement of activities (accrual basis) pension benefit of $1,945,096 for PERS. The pension contribution made by the Commission during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 253,464	$ 115,051
Changes of Assumptions	83,699	5,721,470
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		4,233,590
Changes in Proportion and Differences Between Commission Contributions and Proportionate Share of Contributions	1,041,670	515,394
Total	$ 1,378,833	$ 10,585,505

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending June 30,	Total
2023	$ (2,262,535)
2024	(2,262,535)
2025	(2,262,535)
2026	(2,262,533)
2027	(156,534)
Thereafter	-
	$ (9,206,672)

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Actuarial Assumptions

The Commission's 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:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the Commission's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the Commission's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Commission's Proportionate Share of the PERS Net Pension Liability	$ 21,885,785	$ 16,071,251	$ 11,136,795

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the Commission's net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the Commission is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the Commission. Accordingly, the Commission's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the Commission for TPAF. Therefore, in addition, the Commission does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2022, the Commission recognized in the commission-wide statement of activities (accrual basis) pension benefit of $1,812,250 for TPAF. This amount has been included in the commission-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the Commission is $28,893,857. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the Commission adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the Commission was .06010 percent, which was a decrease of .00099 percent from its proportionate share measured as of June 30, 2020 of .06109 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for TPAF 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the Commission calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the Commission that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the Commission	$ 34,186,259	$ 28,893,857	$ 24,448,572

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the Commission as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Commission employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 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 of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Total	366,108

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is $60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the Commission for the fiscal years ended June 30, 2022, 2021 and 2020 were $582,264, $557,923 and $506,025, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the Commission was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the Commission is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the Commission. Accordingly, the Commission's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the Commission. Therefore, in addition, the Commission does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

NOTE 4 OTHER INFORMATION (Continued)

E. <u>Post-Retirement Medical Benefits</u> (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2022, the Commission recognized in the commission-wide statement of activities (accrual basis) OPEB expense of $5,420,153. This amount has been included in the commission-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the OPEB liability attributable to the Commission is $61,451,527. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the Commission was .10241 percent, which was an increase of .00114 percent from its proportionate share measured as of June 30, 2020 of .10127 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%	
Salary Increases*	PERS	TPAF
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) 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 disables retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) 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 the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health Care 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 11 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 11 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%

Discount Rate

The discount rate 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 OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	$ 68,674,323
Changes Recognized for the Fiscal Year:	
Service Cost	4,995,495
Interest on the Total OPEB Liability	1,594,117
Change of Benefit Terms	(65,408)
Differences Between Expected and Actual Experience	(12,592,663)
Changes of Assumptions	60,627
Gross Benefit Payments	40,754
Contributions from the Member	(1,255,718)
Net Changes	(7,222,796)
Balance, June 30, 2021 Measurement Date	$ 61,451,527

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 73,609,282	$ 61,451,527	$ 51,878,024

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 49,745,211	$ 61,451,527	$ 77,172,245

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Commission expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The Commission has been awarded up to $196,260 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Commission cannot predict how the outbreak will impact the financial condition or operations of the Commission. The Commission cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT C-1

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Tuition	$ 23,033,526		$ 23,033,526	$ 22,005,657	$ (1,027,869)
Related Services and Program Fees	5,111,722	$ 75,634	5,187,356	5,252,631	65,275
Rents	75,372		75,372	80,573	5,201
Interest on Investments	116,400		116,400	64,156	(52,244)
Miscellaneous	-	-	-	604	604
Total Local Sources	28,337,020	75,634	28,412,654	27,403,621	(1,009,033)
State Sources					
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contributions				2,457,464	2,457,464
Pension Non-Contributory Group Insurance				34,671	34,671
Long Term Disability Insurance				540	540
Post Retirement Medical Benefits				582,264	582,264
Reimbursed TPAF Social Security Contributions	-	-	-	494,368	494,368
Total State Sources	-	-	-	3,569,307	3,569,307
Total Revenues	28,337,020	75,634	28,412,654	30,972,928	2,560,274
EXPENDITURES					
Current					
Special Education					
Behavioral Disabilities- Instruction					
Salaries of Teachers	256,048	(80,290)	175,758	168,796	6,962
Other Salaries for Instruction	462,310	(12,275)	450,035	277,548	172,487
Purchased Professional-Educational Services		46,540	46,540	32,187	14,353
Other Purchased Services	77,225	(77,225)			-
General Supplies	47,225	(18,951)	28,274	3,057	25,217
Other Objects	27,884	(8,199)	19,685	-	19,685
Total Behavioral Disabilities	870,692	(150,400)	720,292	481,588	238,704
Multiple Disabilities- Instruction					
Salaries of Teachers	79,135	-	79,135	78,261	874
Other Salaries for Instruction	18,893	(14,155)	4,738		4,738
Other Purchased Services	540	-	540		540
General Supplies	6,185	(1,360)	4,825	-	4,825
Total Multiple Disabilities	104,753	(15,515)	89,238	78,261	10,977
Autism - Instruction					
Salaries of Teachers	2,045,182	69,860	2,115,042	1,872,647	242,395
Other Salaries for Instruction	3,746,664	(304,522)	3,442,142	2,829,070	613,072
Purchased Prof. - Educ. Service	1,000	2,350	3,350	2,350	1,000
Purchased Technical Services	59,450	23,108	82,558	66,092	16,466
Other Purchased Services	6,000	1,110	7,110	4,767	2,343
General Supplies	248,948	11,439	260,387	122,561	137,826
Total Autism	6,107,244	(196,655)	5,910,589	4,897,487	1,013,102
Preschool Disabilities - Full-Time					
Other Salaries for Instruction	-	8,100	8,100	8,094	6
Total Preschool Disabilities - Full-Time	-	8,100	8,100	8,094	6
Total Special Education - Instruction	7,082,689	(354,470)	6,728,219	5,465,430	1,262,789
Summer School					
Salaries	337,601	(50,667)	286,934	286,923	11
Other Salaries for Instruction	718,422	(245,766)	472,656	472,510	146
Total Summer School - Instruction	1,056,023	(296,433)	759,590	759,433	157

Continued

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Continued)					
Current (Continued)					
Summer School					
Salaries	$ 15,298	$ 17,071	$ 32,369	$ 32,368	$ 1
Total Summer School - Support Services	15,298	17,071	32,369	32,368	1
Total Instruction	8,154,010	(633,832)	7,520,178	6,257,231	1,262,947
Health Services					
Salaries	280,126	46,525	326,651	326,512	139
Purchased Professional and Technical Services	13,200	2,000	15,200	7,207	7,993
General Supplies	51,613	(5,520)	46,093	30,642	15,451
Total Health Services	344,939	43,005	387,944	364,361	23,583
Speech, OT, PT and Related Services					
Salaries	2,806,196	435,998	3,242,194	3,079,631	162,563
Total Speech, OT, PT and Related Services	2,806,196	435,998	3,242,194	3,079,631	162,563
Extraordinary Services					
Salaries	1,714,191	222,365	1,936,556	1,829,584	106,972
Total Extraordinary Services	1,714,191	222,365	1,936,556	1,829,584	106,972
Child Study Team					
Salaries of Other Professional Staff	155,461	(27,363)	128,098	126,540	1,558
Total Child Study Team	155,461	(27,363)	128,098	126,540	1,558
Instructional Staff Training Services					
Purchased Professional - Educational Services	3,000	200	3,200	1,366	1,834
Other Purchased Services	45,390	(10,000)	35,390	12,638	22,752
Total Instructional Staff Training Services	48,390	(9,800)	38,590	14,004	24,586
Support Services General Administration					
Salaries	633,391	(4,950)	628,441	627,647	794
Legal Services	55,000	(20,840)	34,160	3,089	31,071
Audit Fees	50,000	(8,210)	41,790	41,763	27
Other Purchased Professional Services	90,300	20,991	111,291	91,555	19,736
Communications/Telephone	134,701	(21,733)	112,968	86,048	26,920
Miscellaneous Purchased Services	63,180	46,735	109,915	96,921	12,994
Supplies and Materials	15,000	(2,000)	13,000	8,450	4,550
Miscellaneous Expenditures	25,000	-	25,000	10,882	14,118
Total Support Services General Administration	1,066,572	9,993	1,076,565	966,355	110,210
Support Services School Administration					
Salaries of Principals	744,216	(40,765)	703,451	650,247	53,204
Secretarial/Clerical Salaries	266,223	-	266,223	266,223	-
Other Purchased Services	5,100	-	5,100	1,724	3,376
Supplies and Materials	18,307	(78)	18,229	11,404	6,825
Other Objects	8,500	(2,335)	6,165	2,654	3,511
Total Support Services School Administration	1,042,346	(43,178)	999,168	932,252	66,916
Central Services					
Salaries	732,953	3,355	736,308	718,677	17,631
Payment for Unused Sick Time	10,000	-	10,000	10,000	-
Purchased Professional Services	45,000	4,136	49,136	39,964	9,172
Miscellaneous Purchased Services	9,700	(1,000)	8,700	6,440	2,260
Supplies and Materials	4,000	-	4,000	1,572	2,428
Interest on Lease Purchase Agreements	997,781	(3,700)	994,081	997,781	(3,700)
Miscellaneous Expenditures	7,500	-	7,500	4,344	3,156
Total Central Services	1,806,934	2,791	1,809,725	1,778,778	30,947

Continued

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Continued)					
Current (Continued)					
Administration Information Technology					
Salaries	$ 407,595	$ 72,001	$ 479,596	$ 479,595	$ 1
Purchased Technical Services	412,480	(235,397)	177,083	172,589	4,494
Other Purchased Services	3,740	-	3,740	2,510	1,230
General Supplies	166,790	22,487	189,277	169,678	19,599
Total Administration Information Technology	990,605	(140,909)	849,696	824,372	25,324
Required Maintenance for School Facilities					
Salaries	282,158	1,652	283,810	275,348	8,462
Cleaning, Repair and Maintenance Services	421,132	159,908	581,040	501,984	79,056
General Supplies	105,450	(431)	105,019	80,549	24,470
Total Required Maintenance for School Facilities	808,740	161,129	969,869	857,881	111,988
Custodial Services					
Salaries	790,791	(1,038)	789,753	713,365	76,388
Cleaning, Repair and Maintenance Services	45,000	14,925	59,925	48,074	11,851
Rental of Land & Building Other than Lease Purchase	36,500	(12,925)	23,575	605	22,970
Other Purchased Property Services	58,500	(4,500)	54,000	46,815	7,185
Insurance	224,939	2,764	227,703	225,881	1,822
Miscellaneous Purchased Services	1,000	(175)	825	825	-
General Supplies	152,275	(48,414)	103,861	100,219	3,642
Energy (Natural Gas)	65,000	33,959	98,959	63,709	35,250
Energy (Electricity)	421,000	(9,000)	412,000	364,694	47,306
Total Custodial Services	1,795,005	(24,404)	1,770,601	1,564,187	206,414
Upkeep of Grounds					
Salaries	50,836	(15,000)	35,836	34,333	1,503
Cleaning, Repair and Maintenance Services	38,100	21,675	59,775	43,056	16,719
General Supplies	31,500	2,487	33,987	28,598	5,389
Total Upkeep of Grounds	120,436	9,162	129,598	105,987	23,611
Security					
Other Objects	85,000	(40,000)	45,000	-	45,000
Total Security	85,000	(40,000)	45,000	-	45,000
Student Transportation Services					
Contracted Services (Other Than Between Home and School)	363,114	(14,312)	348,802	284,677	64,125
Miscellaneous Purchased Services-Transportation	2,100	2,627	4,727	4,627	100
Total Student Transportation Services	365,214	(11,685)	353,529	289,304	64,225
Allocated Benefits - Special Programs					
Social Security Contributions	700,648	(135,109)	565,539	477,558	87,981
Other Retirement Contributions- PERS	1,007,861	23,932	1,031,793	1,028,448	3,345
Unemployment Compensation	120,000	(16,232)	103,768		103,768
Workmen's Compensation	526,281	-	526,281	495,582	30,699
Health Benefits	5,326,395	(142,725)	5,183,670	4,688,629	495,041
Tuition Reimbursement	17,000	(350)	16,650		16,650
Other Employee Benefits	105,000	839	105,839	16,903	88,936
Total Allocated Benefits - Special Programs - Instruction	7,803,185	(269,645)	7,533,540	6,707,120	826,420
Allocated Benefits - Multiple Disabilities					
Social Security Contributions	-	95,174	95,174	93,957	1,217
Total Allocated Benefits - Multiple Disabilities	-	95,174	95,174	93,957	1,217
Allocated Benefits - Central Services					
Social Security Contributions	-	3,200	3,200	3,200	-
Total Allocated Benefits - Central Services	-	3,200	3,200	3,200	-

Continued

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Continued)					
Current (Continued)					
Allocated Benefits - Preschool Disabilities - Full-Time					
Social Security Contributions	-	$ 1,000	$ 1,000	$ 588	$ 412
Total Allocated Benefits -Preschool Disabilities - Full-Time	-	1,000	1,000	588	412
Allocated Benefits - General Administration					
Other Employee Benefits	-	7,450	7,450	7,435	15
Total Allocated Benefits - General Administration	-	7,450	7,450	7,435	15
Allocated Benefits - School Administration					
Other Employee Benefits	$ 13,200	1,800	15,000	15,000	-
Total Allocated Benefits - School Administration	13,200	1,800	15,000	15,000	-
Allocated Benefits - Summer School - Instruction					
Social Security Contributions	-	46,095	46,095	46,094	1
Total Allocated Benefits - Summer School - Instruction	-	46,095	46,095	46,094	1
Unallocated Benefits					
Other Retirement Contributions- PERS	168,523	4,600	173,123	172,819	304
Unemployment Compensation	17,000	(15,312)	1,688		1,688
Workmen's Compensation	35,086	(2,000)	33,086	33,039	47
Health Benefits	330,757	(47,105)	283,652	438,834	(155,182)
Tuition Reimbursement	5,000	(5,000)	-	-	-
Other Employee Benefits	-	11,700	11,700	11,670	30
Total Unallocated Benefits	556,366	(53,117)	503,249	656,362	(153,113)
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension Benefit Contributions				2,457,464	(2,457,464)
Pension Non-Contributory Group Insurance				34,671	(34,671)
Long Term Disability Insurance				540	(540)
Post Retirement Medical Benefits				582,264	(582,264)
Reimbursed TPAF Social Security Contributions	-	-	-	494,368	(494,368)
Total TPAF Contributions	-	-	-	3,569,307	(3,569,307)
Total Undistributed Expenditures	21,522,780	419,061	21,941,841	23,832,299	(1,890,458)
Total Expenditures - Current	29,676,790	(214,771)	29,462,019	30,089,530	(627,511)
CAPITAL OUTLAY					
Equipment					
Assets Acquired Under Capital Financing Agreement (Non-Budgeted)				152,979	(152,979)
Autism	4,000	3,055	7,055	7,055	-
Administration Information Technology	174,000	261,209	435,209	418,362	16,847
Required Maintenance	101,600	171,198	272,798	249,591	23,207
Total Equipment	279,600	435,462	715,062	827,987	(112,925)
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	109,725	88,098	197,823	95,822	102,001
Construction Services	10,000	844,170	854,170	832,888	21,282
Lease Purchase Agreements - Principal	2,665,000	-	2,665,000	2,665,000	-
Total Facilities Acquisition and Construction Services	2,784,725	932,268	3,716,993	3,593,710	123,283
Total Capital Outlay	3,064,325	1,367,730	4,432,055	4,421,697	10,358
Total Expenditures	32,741,115	1,152,959	33,894,074	34,511,227	(617,153)
Excess(Deficiency) of Revenues Over(Under) Expenditures	(4,404,095)	(1,077,325)	(5,481,420)	(3,538,299)	1,943,121

Continued

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
Other Financing Sources(Uses):					
Proceeds from Capital Financing Agreement				$ 152,979	$ 152,979
Transfer In - Capital Project Fund	-			3,760	3,760
Transfer Out - Food Service Fund	$ (100,000)	$ (10,000)	$ (110,000)	(110,000)	-
Total Other Financing Sources/(Uses)	(100,000)	(10,000)	(110,000)	46,739	156,739
Net Change in Fund Balances	(4,504,095)	(1,087,325)	(5,591,420)	(3,491,560)	2,099,860
Fund Balances, July 1	19,953,045	-	19,953,045	19,953,045	-
Fund Balances, June 30	$ 15,448,950	$ (1,087,325)	$ 14,361,625	$ 16,461,485	$ 2,099,860
Recapitulation of Fund Balance					
Restricted Fund Balance					
Unemployment Compensation Reserve				$ 144,022	
Committed Fund Balance					
Encumbrances				83,288	
Assigned Fund Balance					
Encumbrances				94,351	
Designated for Subsequent Year's Budget				7,212,242	
Unassigned Fund Balance					
Undesignated				8,927,582	
				$ 16,461,485	

MORRIS-UNION JOINTURE COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources		$ 196,260	$ 196,260	$ 42,567	$ (153,693)
State Sources		5,849	5,849	5,849	-
Local Sources	-	142,191	142,191	126,407	(15,784)
Total Revenues	-	344,300	344,300	174,823	(169,477)
EXPENDITURES					
Instruction					
Other Purchased Services		31,188	31,188	8,335	22,853
General Supplies	-	62,491	62,491	55,238	7,253
Total Instruction	-	93,679	93,679	63,573	30,106
Support Services					
Other Purchased Services		17,000	17,000	12,000	5,000
Supplies and Materials	-	56,579	56,579	53,048	3,531
Total Support Services	-	73,579	73,579	65,048	8,531
Facilities Acquisition and Construction					
Non-Instructional Equipment		46,202	46,202	46,202	-
Buildings	-	130,840	130,840	-	130,840
Total Facilities Acquisition and Construction	-	177,042	177,042	46,202	130,840
Total Expenditures	-	344,300	344,300	174,823	169,477
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 accounting principles generally accepted in the United States of America, with the exception of the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriation lapse at fiscal year end.

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

The following presents a reconciliation of the Special Revenue Fund from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	Special Revenue Fund
Source/Inflows of Resources	
Actual Amounts (Budgetary Basis) "Revenue" From the Budgetary Comparison Schedule	$ 174,823
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	$ 174,823
Uses/Outflows of Resources	
Actual Amounts(Budgetary Basis) "Total Expenditure" from the Budgetary Comparison Schedule	$ 174,823
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	$ 174,823

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST EMPLOYMENT BENEFIT INFORMATION

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's Proportion of the Net Position Liability (Asset)	0.13566 %	0.13245 %	0.13028 %	0.13223 %	0.13726 %	0.12788 %	0.13126 %	0.13614 %	0.14711 %
Commission's Proportionate Share of the Net Pension Liability (Asset)	$ 16,071,251	$ 21,598,562	$ 23,475,746	$ 26,035,363	$ 31,952,856	$ 37,873,433	$ 29,464,327	$ 25,489,710	$ 28,116,664
Commission's Covered-Employee Payroll	$ 9,167,207	$ 9,629,203	$ 9,031,211	$ 8,885,157	$ 9,202,444	$ 9,136,655	$ 8,510,397	$ 8,704,549	$ 9,159,422
Commission's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	175.31 %	224.30 %	259.94 %	293.02 %	347.22 %	414.52 %	346.22 %	292.83 %	306.97 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.
However, until a full 10-year trend is compiled, the Commission will only present information for those years for which information is available.

EXHIBIT L-2

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COMMISSION CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,588,765	$ 1,448,899	$ 1,267,316	$ 1,315,258	$ 1,271,604	$ 1,136,039	$ 1,128,449	$ 1,122,344	$ 1,108,484
Contributions in Relation to the Contractually Required Contribution	1,588,765	1,448,899	1,267,316	1,315,258	1,271,604	1,136,039	1,128,449	1,122,344	1,108,484
Contribution Deficiently (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commission's Covered-Employee Payroll	$ 8,894,532	$ 9,167,207	$ 9,629,903	$ 9,031,211	$ 8,885,157	$ 9,202,444	$ 9,136,655	$ 8,510,397	$ 8,704,549
Contributions as a Percentage of Covered-Employee Payroll	17.86%	15.81%	13.16%	14.56%	14.31%	12.34%	12.35%	13.19%	12.73%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.
However, until a full 10-year trend is compiled, the Commission will only present information for those years for which information is available.

EXHIBIT L-3

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Commission's Proportionate Share of the Net Pension Liability (Asset)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	28,893,857	40,228,893	43,902,609	45,075,886	48,408,340	59,842,837	57,220,309	52,867,012	51,446,147
Total	$ 28,893,857	$ 40,228,893	$ 43,902,609	$ 45,075,886	$ 48,408,340	$ 59,842,837	$ 57,220,309	$ 52,867,012	$ 51,446,147
Commission's Covered Payroll	$ 6,441,541	$ 6,607,764	$ 6,374,778	$ 6,662,971	$ 7,382,172	$ 7,285,847	$ 7,165,815	$ 7,773,906	$ 9,080,271
Commission's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.
However, until a full 10-year trend is compiled, the Commission will only present information for those years for which information is available.

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF COMMISSION CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms: None.

Changes of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COMMISSION'S PROPORTIONATE SHARE OF TOTAL OPEB LIABILITY

Postemployment Health Benefit Plan

Last Five Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$ 4,995,495	$ 2,804,730	$ 3,318,334	$ 3,814,302	$ 4,754,976
Interest on Total OPEB Liability	1,594,117	1,546,576	1,897,076	2,027,535	1,654,646
Change of Benefit Terms	(65,408)				
Differences Between Expected and Actual Experiences	(12,592,663)	10,980,072	(8,954,061)	(6,423,205)	-
Changes of Assumptions	60,627	12,544,439	625,595	(5,315,531)	(7,056,680)
Gross Benefit Payments	40,754	(1,195,563)	(1,287,980)	(1,238,599)	(2,332,849)
Contribution from the Member	(1,255,718)	36,237	38,179	42,808	85,901
Net Change in Total OPEB Liability	(7,222,796)	26,716,491	(4,362,857)	(7,092,690)	(2,894,006)
Total OPEB Liability - Beginning	68,674,323	41,957,832	46,320,689	53,413,379	56,307,385
Total OPEB Liability - Ending	$ 61,451,527	$ 68,674,323	$ 41,957,832	$ 46,320,689	$ 53,413,379
Commission's Proportionate Share of OPEB Liability	$ -	$ -	$ -	$ -	$ -
State's Proportionate Share of OPEB Liability	61,451,527	68,674,323	41,957,832	46,320,689	53,413,379
Total OPEB Liability - Ending	$ 61,451,527	$ 68,674,323	$ 41,957,832	$ 46,320,689	$ 53,413,379
Commission's Covered Payroll	$ 15,608,748	$ 16,236,967	$ 15,405,989	$ 15,694,182	$ 16,267,329
Commission's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the Commission will only present information for those years for which information is available.

EXHIBIT L-6

MORRIS-UNION JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
[EDULE OF CHANGES IN THE COMMISSION'S PROPORTIONATE SHARE OF THE OPEB LIABIL
AND SCHEDULE OF COMMISSION PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL FUNDS

NOT APPLICABLE

SPECIAL REVENUE FUND

MORRIS-UNION JOINTRE COMMISSION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SDA Emergent Capital Needs	Safety Grant	ESSER II	Investors Foundation Grant	Summit Foundation Grant	Local Drive for Autism	Total
REVENUES							
Intergovernmental							
Federal			$ 42,567				$ 42,567
State	$ 5,849						5,849
Local	-	$ 59,199	-	$ 9,991	$ 11,970	$ 45,247	126,407
Total Revenues	$ 5,849	$ 59,199	$ 42,567	$ 9,991	$ 11,970	$ 45,247	$ 174,823
EXPENDITURES							
Instruction							
Other Purchased Services			$ 8,335				$ 8,335
General Supplies	-	-	-	$ 9,991	-	$ 45,247	55,238
Total Instruction	-	-	8,335	9,991	-	45,247	63,573
Support Services							
Other Purchased Services		$ 12,000					12,000
Supplies and Materials	$ 5,849	47,199	-	-	-	-	53,048
Total Support Services	5,849	59,199	-	-	-	-	65,048
Facilities Acquisition and Construction							
Non-Instructional Equipment	-	-	34,232	-	$ 11,970	-	46,202
Total Facilities Acquisition and Construction	-	-	34,232	-	11,970	-	46,202
Total Expenditures	$ 5,849	$ 59,199	$ 42,567	$ 9,991	$ 11,970	$ 45,247	$ 174,823

EXHIBIT E-2

MORRIS-UNION JOINTURE COMMISSION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

CAPITAL PROJECTS FUND

EXHIBIT F-1

MORRIS-UNION JOINTURE COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

				Prior Years		
Issue/Project Title	Adjusted Appropriation	Expenditures to Date Prior Years	Expenditures to Date Current Year	Transferred General Fund	Reserve Fund Utilized in Refunding	Balance June 30, 2022
Construction of a New School - Warren DLC	$ 60,262,159	$ 58,199,469	-	$ 129,451	$ 1,933,239	-
	$ 60,262,159	$ 58,199,469	$ -	$ 129,451	$ 1,933,239	$ -

Reconciliation to GAAP

Project Balance, June 30, 2022	$ -
Add: Refunding Proceeds Reserved for Payment of of Capital Financing Agreements	1,875,763
Fund Balance, June 30, 2022	$ 1,875,763

Recapitulation of Fund Balance

Restricted for Capital Financing Agreements (COPS)	$ 1,875,763
Total Fund Balance	$ 1,875,763

MORRIS-UNION JOINTURE COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources	
Interest Income	$ 1,176
Total Revenues and Other Financing Sources	1,176
Expenditures and Other Financing Uses	
Operating Transfer Out - General Fund	3,760
Total Expenditures and Other Financing Uses	3,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,584)
Fund Balance - Beginning of Year	1,878,347
Fund Balance - End of Year	$ 1,875,763

Reconciliation to GAAP Basis	
Fund Balance, June 30, 2022-Budgetary Basis	$ 1,875,763
Fund Balance, June 30, 2022-GAAP Basis	$ 1,875,763

SCHEDULE F-2a

MORRIS-UNION JOINTURE COMMISSION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

ENTERPRISE FUNDS

MORRIS UNION JOINTURE COMMISSION
SPECIAL PROGRAMS ENTERPRISE FUND
COMBINING SCHEDULE OF PROGRAM NET POSITION
AS OF JUNE 30, 2022

	Professional Development	Transportation Program	Provisional Teaching Program	Recreational Programs	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 619,419	$ 9,549,860	$ 517,220	$ 747,418	$ 11,433,917
Intergovernmental Accounts Receivable	6,300	1,248,743	-	-	1,255,043
Total Current Assets	625,719	10,798,603	517,220	747,418	12,688,960
Capital Assets					
Land		3,064,300			3,064,300
Buildings and Improvements		3,252,773			3,252,773
Furniture, Machinery and Equipment		6,526,635		6,491	6,533,126
Less: Accumulated Depreciation	-	(7,634,984)	-	(1,424)	(7,636,408)
Total Capital Assets, Net	-	5,208,724	-	5,067	5,213,791
Total Assets	625,719	16,007,327	517,220	752,485	17,902,751
DEFERRED OUTFLOW OF RESOURCES					
Deferred Amounts on Net Pension Liability	-	461,052	-	-	461,052
Total Assets and Deferred Outflow of Resources	625,719	16,468,379	517,220	752,485	18,363,803
LIABILITIES					
Current Liabilities					
Accounts Payable	-	80,092		1,004	81,096
Accrued Salaries and Wages		101,691			101,691
Accrued Liability for Insurance Claims	-	351,263	569	1,876	353,708
Capital Financing Agreements	-	2,767	-	-	2,767
Total Current Liabilities	-	535,813	569	2,880	539,262
Noncurrent Liabilities					
Capital Financing Agreements		9,607			9,607
Net Pension Liability	-	3,953,528	-	-	3,953,528
Total Noncurrent Liabilities	-	3,963,135	-	-	3,963,135
Total Liabilities	-	4,498,948	569	2,880	4,502,397
DEFERRED INFLOW OF RESOURCES					
Deferred Amounts on Net Pension Liability	-	2,948,831	-	-	2,948,831
Total Liabilities and Deferred Inflow of Resources	-	7,447,779	569	2,880	7,451,228
NET POSITION					
Net Investment in Capital Assets		5,196,350	-	5,067	5,201,417
Unrestricted	625,719	3,824,250	516,651	744,538	5,711,158
Total Net Position	$ 625,719	$ 9,020,600	$ 516,651	$ 749,605	$ 10,912,575

MORRIS UNION JOINTURE COMMISSION
SPECIAL PROGRAMS ENTERPRISE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN PROGRAM NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Professional Development	Transportation Program	Provisional Teaching Program	Recreational Programs	Total
REVENUES					
OPERATING REVENUES					
Program Fees	$ 26,718	$ 5,876,601		$ 56,288	$ 5,959,607
Miscellaneous Fees		3,563			3,563
Net PERS Pension Credit		1,212,844			1,212,844
State - On Behalf OPEB Contribution	-	745,271	-	-	745,271
Total Operating Revenues	26,718	7,838,279	-	56,288	7,921,285
OPERATING EXPENSES					
Support Services					
Salaries		3,712,203		23,059	3,735,262
Employee Benefits		1,965,591		1,713	1,967,304
Purchased Professional /Technical Services	21,655	39,224			60,879
Other Purchased Services		125,367		32,453	157,820
Cleaning, Repairs, Maintenance and Utilities		99,289			99,289
Supplies and Materials	389	623,153		922	624,464
Miscellaneous		15,299		264	15,563
Depreciation	-	464,853	-	536	465,389
Total Operating Expenses	22,044	7,044,979	-	58,947	7,125,970
Operating Income (Loss)	4,674	793,300	-	(2,659)	795,315
Total Net Position- Beginning of Year	621,045	8,227,300	$ 516,651	752,264	10,117,260
Total Net Position - Ending of Year	$ 625,719	$ 9,020,600	$ 516,651	$ 749,605	$ 10,912,575

MORRIS UNION JOINTURE COMMSSION
SPECIAL PROGRAMS ENTERPRISE FUND
COMBINING SCHEDULE OF PROGRAM CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Professional Development	Transportation Program	Provisional Teaching Program	Recreational Programs	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 21,313	$ 5,837,961		$ 56,288	$ 5,915,562
Payments to Employees for Salaries and Benefits	-	(5,292,574)		(24,772)	(5,317,346)
Payments to Suppliers for Goods and Services	(22,044)	(887,050)	-	(33,261)	(942,355)
Net Cash Provided by(Used for) Operating Activities	(731)	(341,663)	-	(1,745)	(344,139)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Payment on Capital Financing Agreements		(2,020)			(2,020)
Purchases of Capital Assets	-	(711,851)	-	-	(711,851)
Net Cash Provided by(Used for) Capital and Related Financing Activities	-	(713,871)	-	-	(713,871)
Net Increase (Decrease) in Cash and Cash Equivalents	(731)	(1,055,534)	-	(1,745)	(1,058,010)
Cash and Cash Equivalents - Beginning of Year	620,150	10,605,394	$ 517,220	749,163	12,491,927
Cash and Cash Equivalents - End of Year	$ 619,419	$ 9,549,860	$ 517,220	$ 747,418	$ 11,433,917
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 4,674	$ 793,300	$ -	$ (2,659)	$ 795,315
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities					
Depreciation Expense		464,853		536	465,389
(Increase) Decrease in Accounts Receivable	(5,405)	(42,203)			(47,608)
(Increase) Decrease in Deferred Outflows of Resources on Net Pension		343,925			343,925
Increase (Decrease) in Deferred Inflows of Resources on Net Pension		146,464			146,464
Increase(Decrease) in Accounts Payable		15,282		378	15,660
Increase (Decrease) in Accrued Salaries and Wages		(7,877)			(7,877)
Increase(Decrease) Accrued Liabilities for Insurance Claims		38,662			38,662
Increase(Decrease) in Net Pension Liability	-	(2,094,069)	-	-	(2,094,069)
Total Adjustments	(5,405)	(1,134,963)	-	914	(1,139,454)
Net Cash Provided (Used) by Operating Activities	$ (731)	$ (341,663)	$ -	$ (1,745)	$ (344,139)

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
CERTIFICATES OF PARTICIPATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2021	Decreased	Balance, June 30, 2022
			Date	Amount				
Refunding Series 2013-Certificates of Participation	6/12/2013	$ 43,830,000	8/1/2022	$ 2,765,000	5.000%			
			8/1/2023	2,905,000	5.000%			
			8/1/2024	3,025,000	3.125%			
			8/1/2025	3,155,000	5.000%			
			8/1/2026	3,320,000	5.000%			
			8/1/2027	3,465,000	3.750%			
			8/1/2028	3,540,000	3.750%			
						$ 24,840,000	$ 2,665,000	$ 22,175,000
						$ 24,840,000	$ 2,665,000	$ 22,175,000

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Description	Amount of Original Issue	Balance, July 1, 2021	Additions	Retirements	Balance, June 30, 2022
Capital Financing					
Acquisition of Equipment	$ 167,373	$ -	$ 167,373	$ 23,487	$ 143,886
Analysis					
Governmental Activities			$ 152,979	$ 21,467	$ 131,512
Business-Type Activities		$ -	14,394	2,020	12,374
		$ -	$ 167,373	$ 23,487	$ 143,886

EXHIBIT I-3

MORRIS-UNION JOINTURE COMMISSION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

STATISTICAL SECTION

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

Contents	**Exhibits**
Financial Trends	
These schedules contain trend information to help the reader understand how the commission's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the commission's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the commission's current levels of outstanding debt and the commission's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the commission's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the commission's financial report relates to the services the commission provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

EXHIBIT J-1

MORRIS-UNION JOINTURE COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment In Capital Assets	$ 29,593,768	$ 25,908,789	$ 24,780,794	$ 23,741,214	$ 21,798,302	$ 23,293,815	$ 25,369,818	$ 24,605,507	$ 23,655,206	$ 24,041,621
Restricted	1,896,541	1,888,931	1,888,994	1,888,989	1,875,367	1,890,891	1,923,736	1,948,047	2,022,369	2,019,785
Unrestricted	13,171,716	(7,086,016)	(6,692,829)	(3,075,978)	(1,209,674)	(3,179,086)	(3,562,094)	(1,261,702)	(2,164,703)	(3,408,673)
Total Governmental Activities Net Position	$ 44,662,025	$ 20,711,704	$ 19,976,959	$ 22,554,225	$ 22,463,995	$ 22,005,620	$ 23,731,460	$ 25,291,852	$ 23,512,872	$ 22,652,733
Business-Type Activities										
Net Investment In Capital Assets	$ 8,422,498	$ 6,638,951	$ 6,179,769	$ 5,786,554	$ 5,469,020	$ 5,281,372	$ 5,057,564	$ 4,642,103	$ 5,014,007	$ 5,250,993
Unrestricted	12,960,789	5,250,605	7,338,277	6,341,450	6,312,171	7,383,688	7,643,215	6,386,183	5,176,617	5,741,092
Total Business-Type Activities Net Position	$ 21,383,287	$ 11,889,556	$ 13,518,046	$ 12,128,004	$ 11,781,191	$ 12,665,060	$ 12,700,779	$ 11,028,286	$ 10,190,624	$ 10,992,085
Commission-Wide										
Net Investment In Capital Assets	$ 38,016,266	$ 32,547,240	$ 30,960,563	$ 29,527,768	$ 27,267,322	$ 28,575,187	$ 30,427,382	$ 29,247,610	$ 28,669,213	$ 29,292,614
Restricted	1,896,541	1,888,931	1,888,994	1,888,989	1,875,367	1,890,891	1,923,736	1,948,047	2,022,369	2,019,785
Unrestricted	26,132,505	(1,835,411)	645,448	3,265,472	5,102,497	4,204,602	4,081,121	5,124,481	3,011,914	2,332,419
Total Commission Net Position	$ 66,045,312	$ 32,600,760	$ 33,495,005	$ 34,682,229	$ 34,245,186	$ 34,670,680	$ 36,432,239	$ 36,320,138	$ 33,703,496	$ 33,644,818

Note 1: Net Pension at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Note 2: Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, Fiduciary Activities.

EXHIBIT J-2

MORRIS-UNION JOINTURE COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Special Education	$26,393,876	$ 22,168,032	$25,172,540	$27,887,608	$ 15,372,511	$ 16,529,940	$ 15,113,999	$ 14,784,257	$ 15,720,760	$ 14,504,178
Support Services:										
Student & Instruction Related Services	175,898	180,260	689	300	11,184,030	11,493,442	10,192,763	10,439,280	9,920,481	9,625,076
General Administration	2,042,873	1,300,550	1,419,353	1,396,734	1,768,390	1,921,933	1,722,894	1,588,757	1,728,978	1,529,085
School Administration Services		1,004,827	1,592,740	1,592,455	2,056,834	2,194,108	2,005,445	1,861,502	2,017,685	1,678,235
Central Services and Other Support Services	873,385	1,072,551	1,098,215	994,430	1,546,075	1,868,212	1,615,422	1,590,068	2,044,438	2,427,011
Plant Operations And Maintenance	552,674	755,905	677,935	591,345	3,035,652	3,334,484	3,134,455	2,725,263	2,957,679	3,363,953
Pupil Transportation		-			383,210	295,865	292,217	235,350	522	289,304
Debt Service	1,743,493	1,683,822	1,606,399	1,513,626	1,422,931	1,307,701	1,229,230	1,127,632	1,061,638	992,956
Total Governmental Activities Expenses	31,782,199	28,165,947	31,567,871	33,976,498	36,769,633	38,945,685	35,306,425	34,352,109	35,452,181	34,409,798
Business-Type Activities:										
Special Programs	10,107,860	10,138,059	9,928,918	8,931,528	8,489,614	7,761,872	8,281,761	7,193,806	6,148,867	7,127,137
Food Service	303,881	297,315	291,364	271,608	276,498	277,593	309,463	224,129	188,315	312,462
Total Business-Type Activities Expense	10,411,741	10,435,374	10,220,282	9,203,136	8,766,112	8,039,465	8,591,224	7,417,935	6,337,182	7,439,599
Total Commission Expenses	$42,193,940	$ 38,601,321	$41,788,153	$43,179,634	$ 45,535,745	$ 46,985,150	$ 43,897,649	$ 41,770,044	$ 41,789,363	$ 41,849,397
Program Revenues										
Governmental Activities:										
Charges For Services:	29,444,082	26,591,725	26,406,491	31,727,543	30,564,822	29,305,777	29,659,075	30,052,638	26,642,275	27,569,225
Operating Grants And Contributions	2,157,832	1,751,938	4,242,432	4,815,087	5,982,680	8,969,202	6,936,016	5,459,484	6,937,378	5,978,296
Capital Grants And Contributions	20,031	-	-	-	5,839	6,907	3,000		15,000	46,202
Total Governmental Activities Program Revenues	31,621,945	28,343,663	30,648,923	36,542,630	36,553,341	38,281,886	36,598,091	35,512,122	33,594,653	33,593,723
Business-Type Activities:										
Charges For Services										
Special Programs	11,723,995	11,114,386	11,550,535	7,522,380	8,162,459	7,770,562	7,704,417	5,135,627	4,622,438	5,963,170
Food Service	134,445	123,399	112,590	112,557	100,918	106,597	109,568	73,848	3,843	6,583
Operating Grants And Contributions	77,717	76,353	79,031	78,123	80,818	946,018	712,958	485,967	803,239	2,161,307
Total Business Type Activities Program Revenues	11,936,157	11,314,138	11,742,156	7,713,060	8,344,195	8,823,177	8,526,943	5,695,442	5,429,520	8,131,060
Total Commission Program Revenues	$43,558,102	$ 39,657,801	$42,391,079	$44,255,690	$ 44,897,536	$ 47,105,063	$ 45,125,034	$ 41,207,564	$ 39,024,173	$ 41,724,783
Net (Expense)/Revenue										
Governmental Activities	$ (160,254)	$ 177,716	$ (918,948)	$ 2,566,132	$ (216,292)	$ (663,799)	$ 1,291,666	$ 1,160,013	$ (1,857,528)	$ (816,075)
Business-Type Activities	1,524,416	878,764	1,521,874	(1,490,076)	(421,917)	783,712	(64,281)	(1,722,493)	(907,662)	691,461
Total Commission-Wide Net Expense	$ 1,364,162	$ 1,056,480	$ 602,926	$ 1,076,056	$ (638,209)	$ 119,913	$ 1,227,385	$ (562,480)	$ (2,765,190)	$ (124,614)

EXHIBIT J-2

MORRIS-UNION JOINTURE COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Unrestricted Federal And State Aid										
Investment Earnings	$ 91,256	$ 83,803	$ 93,801	$ 104,796	$ 151,691	$ 262,201	$ 467,548	$ 377,696	$ 109,116	$ 65,332
Miscellaneous Income	86,281	88,512	197,502	6,338	49,371	43,223	66,626	43,661	39,432	604
Transfers	584,000	510,621	(106,600)	(100,000)	(75,000)	(100,000)	(100,000)	(50,000)	(70,000)	(110,000)
Total Governmental Activities	761,537	682,936	184,703	11,134	126,062	205,424	434,174	371,357	78,548	(44,064)
Business-Type Activities:										
Investment Earnings	20	18	16	34	104	157				
Transfers	(584,000)	(510,621)	106,600	100,000	75,000	100,000	100,000	50,000	70,000	110,000
Total Business-Type Activities	(583,980)	(510,603)	106,616	100,034	75,104	100,157	100,000	50,000	70,000	110,000
Total Commission-Wide	$ 177,557	$ 172,333	$ 291,319	$ 111,168	$ 201,166	$ 305,581	$ 534,174	$ 421,357	$ 148,548	$ 65,936
Change In Net Position										
Governmental Activities	$ 601,283	$ 860,652	$ (734,245)	$ 2,577,266	$ (90,230)	$ (458,375)	$ 1,725,840	$ 1,531,370	$ (1,778,980)	$ (860,139)
Business-Type Activities	940,436	368,161	1,628,490	(1,390,042)	(346,813)	883,869	35,719	(1,672,493)	(837,662)	801,461
Total Commission	$ 1,541,719	$ 1,228,813	$ 894,245	$ 1,187,224	$ (437,043)	$ 425,494	$ 1,761,559	$ (141,123)	$ (2,616,642)	$ (58,678)

EXHIBIT J-3

MORRIS-UNION JOINTURE COMMISSION
FUND BALANCES- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted								$ 29,022	$ 144,022	$ 144,022
Committed	$ 658,290			$ 260,307	$ 1,126,824	$ 3,247,803	$ 181,560		720,300	83,288
Assigned	731,509	$ 2,856,491	$ 1,556,439	1,984,568	3,041,017	3,275,759	2,713,596	$ 4,764,183	$ 4,871,120	$ 7,306,593
Unassigned	12,057,192	10,371,719	12,676,113	15,255,731	14,554,712	13,807,428	16,674,438	16,210,447	14,217,603	8,927,582
Total General Fund	$ 13,446,991	$ 13,228,210	$ 14,232,552	$ 17,500,606	$ 18,722,553	$ 20,330,990	$ 19,569,594	$ 21,003,652	$ 19,953,045	$ 16,461,485
All Other Governmental Funds										
Restricted	$ 1,896,541	$ 1,888,931	$ 1,888,994	$ 1,888,989	$ 1,875,367	$ 1,890,891	$ 1,923,736	$ 1,919,025	$ 1,878,347	$ 1,875,763
Total All Other Governmental Funds	$ 1,896,541	$ 1,888,931	$ 1,888,994	$ 1,888,989	$ 1,875,367	$ 1,890,891	$ 1,923,736	$ 1,919,025	$ 1,878,347	$ 1,875,763

Note 1: Fund balances at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, Fiduciary Activities.

EXHIBIT J-4

MORRIS-UNION JOINTURE COMMISSION
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tuition Charges	$ 29,304,323	$ 26,311,313	$ 26,758,360	$ 27,004,552	$ 25,484,734	$ 24,917,875	$ 23,273,021	$ 23,044,198	$ 22,052,706	$ 22,005,657
Miscellaneous	219,160	191,341	304,914	4,811,414	4,782,122	5,179,710	6,837,832	7,081,198	5,277,646	5,525,547
State Sources	2,148,236	1,732,912	1,873,530	1,918,683	2,071,524	2,285,612	2,570,842	2,382,132	2,828,371	3,575,156
Federal Sources					214,950	286,966	302,153		49,098	42,567
Total Revenue	31,671,719	28,235,566	28,936,804	33,734,649	32,553,330	32,670,163	32,983,848	32,507,528	30,207,821	31,148,927
Expenditures										
Instruction										
Special Education	24,530,708	20,172,645	19,519,480	22,322,155	10,089,364	9,763,289	10,182,018	10,310,470	10,790,315	10,720,109
Support Services:										
Student & Inst. Related Services	175,898	180,260	641	300	9,050,354	8,638,387	8,750,674	9,343,909	8,666,379	9,526,366
General Administration	976,796	1,300,550	1,190,728	1,145,321	1,445,495	1,518,466	1,476,954	1,398,843	1,514,864	1,526,327
School Administration		1,004,827	1,346,405	1,335,344	1,630,139	1,642,311	1,661,077	1,591,388	1,710,957	1,666,950
Central Services and Other Support Services	815,979	1,072,551	1,056,985	955,334	1,411,200	1,403,231	1,430,940	1,487,462	1,875,854	2,304,256
Plant Operations And Maintenance	552,674	755,905	666,743	577,125	2,817,602	2,775,636	2,947,619	2,651,999	2,820,052	3,206,164
Pupil Transportation					383,210	295,865	292,217	235,350	522	289,304
Debt Service										
Principal	2,061,845	2,857,779	2,275,242	2,150,000	2,235,000	2,340,000	2,435,000	2,525,000	2,600,000	2,686,467
Interest on Long Term Debt	2,093,203	1,045,206	1,593,422	1,513,044	1,425,344	1,322,144	1,227,118	1,140,094	1,060,313	1,001,115
Cost of Issuance	1,066,077	-								
Advance Refunding Escrow	1,933,239	-								
Capital Outlay	1,367,104	582,855	176,153	367,977	782,297	1,246,873	3,208,782	372,688	189,850	1,758,992
Total Expenditures	35,573,523	28,972,578	27,825,799	30,366,600	31,270,005	30,946,202	33,612,399	31,057,203	31,229,106	34,686,050
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(3,901,804)	(737,012)	1,111,005	3,368,049	1,283,325	1,723,961	(628,551)	1,450,325	(1,021,285)	(3,537,123)
Other Financing Sources (Uses)										
Proceeds of COP's	$ 43,830,000	-								
Premium on COP's	1,963,895	-								
Payment to Escrow Agent	(42,835,964)	-								
Proceeds from Capital Financing Agmts										152,979
Transfers In	798,451	$ 709,773	$ 102	$ 163	$ 14,531	$ 211	$ 6,559	$ 29,923	$ 41,084	$ 3,760
Transfers Out	(214,451)	(199,152)	(106,702)	(100,163)	(89,531)	(100,211)	(106,559)	(79,923)	(111,084)	(113,760)
Total Other Financing Sources (Uses)	3,541,931	510,621	(106,600)	(100,000)	(75,000)	(100,000)	(100,000)	(50,000)	(70,000)	42,979
Net Change In Fund Balances	$ (359,873)	$ (226,391)	$ 1,004,405	$ 3,268,049	$ 1,208,325	$ 1,623,961	$ (728,551)	$ 1,400,325	$ (1,091,285)	$ (3,494,144)
Debt Service As A Percentage Of Noncapital Expenditures	12.15%	13.75%	13.99%	12.21%	12.01%	12.33%	12.05%	11.94%	11.79%	11.20%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Interest Earned	Rentals	Member Fees	Tuition	Related Services/Program Fees	Miscellaneous	Total
2013	$ 86,569	$ 8,605	$ 25,650	$ 29,304,323		$ 64,022	$ 29,489,169
2014	83,640	2,111	25,077	26,311,313		61,324	26,483,465
2015	93,636	54,688	24,692	26,758,360		118,122	27,049,498
2016	104,638	110,872	-	27,004,552	$ 4,577,759	6,338	31,804,159
2017	150,782	102,274	-	25,484,734	4,465,520	49,371	30,252,681
2018	246,466	106,621		24,917,875	4,755,340	43,223	30,069,525
2019	428,144	123,383		23,273,021	6,151,242	66,626	30,042,416
2020	352,484	109,175		23,044,198	6,540,879	43,661	30,090,397
2021	108,710	75,498		22,052,706	5,047,462	39,432	27,323,808
2022	64,156	80,573		22,005,657	5,252,631	604	27,403,621

EXHIBIT J-6

MORRIS-UNION JOINTURE COMMISSION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

NOT APPLICABLE

EXHIBIT J-7

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)

NOT APPLICABLE

EXHIBIT J-8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

NOT APPLICABLE

EXHIBIT J-9

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

NOT APPLICABLE

MORRIS-UNION JOINTURE COMMISSION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities				
Fiscal Year Ended June 30,	Capital Financing Agreements	Certificates of Participation	Total District	Population	Per Capita
2013	$ 428,021	$ 43,830,000	$ 44,258,021	N/A	N/A
2014	200,242	41,200,000	41,400,242	N/A	N/A
2015		39,125,000	39,125,000	N/A	N/A
2016		36,975,000	36,975,000	N/A	N/A
2017		34,740,000	34,740,000	N/A	N/A
2018		32,400,000	32,400,000	N/A	N/A
2019		29,965,000	29,965,000	N/A	N/A
2020		27,440,000	27,440,000	N/A	N/A
2021		24,840,000	24,840,000	N/A	N/A
2022	131,512	22,175,000	22,306,512	N/A	N/A

Source: Commission records

N/A-Not Applicable

MORRIS-UNION JOINTURE COMMISSION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
(Unaudited)

NOT APPLICABLE

MORRIS-UNION JOINTURE COMMISSION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(Unaudited)

Net Direct Debt of Commission as of June 30, 2022	$	22,175,000
Net Overlapping Debt of Commission		-
Total Direct and Overlapping Debt	$	22,175,000

EXHIBIT J-13

MORRIS-UNION JOINTURE COMMISSION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

NOT APPLICABLE

EXHIBIT J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)

NOT APPLICABLE

EXHIBIT J-15

PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

NOT APPLICABLE

EXHIBIT J-16

MORRIS-UNION JOINTURE COMMISSION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Special Education	195.0	156.0	164.0	149.0	145.0	126.0	123.0	135.49	134.87	160.93
Support Services:										
Student & Instruction Related Services	97.0	73.0	77.0	95.0	98.0	91.0	93.0 *	99.36	73.39	99.80
General and Central Administration	13.0	14.0	17.0	13.0	13.0	17.0	17.0	16.80	19.80	19.80
School Administrative Services	14.0	13.0	12.0	16.0	16.0	12.0	11.0	11.00	12.00	11.00
Plant Operations and Maintenance	13.0	14.0	11.0	16.0	16.0	15.0	16.0	14.00	15.00	15.00
Pupil Transportation	117.0	124.0	130.0	130.0	132.0	123.0	119.0	89.19	82.19	92.46
Food Service	2.0	1.0	1.0	1.0	1.0	1.0	1.0			
Total	451.0	395.0	412.0	420.0	421.0	385.0	380.0	365.84	337.25	398.99

Source: District Personnel Records

* Included 1.3 FTE staff members for IEP Grants

EXHIBIT J-17

MORRIS-UNION JOINTURE COMMISSION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	317	$ 27,052,055	$ 85,338	-5.88%	130.91	2.42:1	317	298	-6.21%	94.01%
2014	282	24,486,738	86,832	1.75%	107.05	2.68:1	282	266	-11.04%	94.33%
2015	275	23,780,982	86,476	-0.41%	102.92	2.61:1	275	257	-2.48%	93.45%
2016	278	26,335,579	94,732	9.55%	84.68	2.60:1	279	260	1.45%	93.19%
2017	261	26,827,364	102,787	8.50%	77.72	2.60:1	261	244	-6.45%	93.49%
2018	245	26,037,185	106,274	3.39%	70.25	2.60:1	243	225	-6.90%	92.59%
2019	235	26,741,499	113,794	7.08%	66.43	2.60:1	230	213	-5.35%	92.61%
2020	233	27,019,421	115,963	1.91%	71.59	2.21:1	228	215	-0.87%	94.30%
2021	215	27,392,596	127,407	9.87%	69.80	2.42:1	218	189	-4.39%	86.70%
2022	206	29,239,476	141,939	11.41%	77.56	2.72:1	208	180	-4.59%	86.54%

Sources: District records

Note:
a Enrollment based on annual October Commission count.
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.

N/A - Not Available

EXHIBIT J-18

MORRIS-UNION JOINTURE COMMISSION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Commission Building										
Development Learning Center 1 (1953)										
Square Feet	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363
Capacity (students)	183	183	183	183	183	183	183	183	183	183
Enrollment	80	66	55	66	47	51	56	72	72	72
Development Learning Center 3										
Square Feet	185,000	185,000	185,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment	237	221	214	221	214	194	179	161	215	217

Number of Schools at June 30, 2022 = 2

Source: Commission Records

EXHIBIT J-19

MORRIS-UNION JOINTURE COMMISSION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

School Facilities	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DLC - Warren	113,351	115,679	179,503	174,119	284,603	332,687	413,850	392,569	432,642	518,160
DLC - New Providence	37,784	38,560	59,835	58,040	323,155	324,627	305,622	258,453	284,840	339,721
	$ 151,135	$ 154,239	$ 239,338	$ 232,159	$ 607,758	$ 657,314	$ 719,472	$ 651,022	$ 717,482	$ 857,881

Note: GASB required that ten years of statistical data be presented. The Commission only has seven years of information available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Source: District records.

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)

		Coverage		Deductible
School Alliance Insurance Fund				
Property & Damage (Buildings and Personal Property)	$	69,075,026	$	5,000
EDP Hardware and Software		200,043		250
Business Income		26,125		
Extra Expense		1,000,000		
Commercial Auto Coverage		5,000,000		1,000
Comprehensive General Liability		5,000,000		
Excess Liability		5,000,000		
Pollution Liability		1,000,000		
School Board Legal Liability		10,000,000		10,000
Cyper Liability		2,000,000		
Selective Insurance Company				
Public Official Bonds				
Treasurer		275,000		
Business Administrator/Board Secretary		275,000		
Employee Dishonesty		400,000		
N.J. School Boards Insurance Group				
Workers' Compensation - Section "B" Employer's Liability		3,000,000		
Fireman's Fund Insurance Company				
Catastrophic Excess - Aggregate		50,000,000		
Zurich Insurance Company				
Student Accident		5,000,000		

Source: Commissions records

SINGLE AUDIT SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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 AUDITOR'S REPORT

Honorable President and Board of Commissioners
Morris Union Jointure Commission
New Providence, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris Union Jointure Commission as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Morris Union Jointure Commission's basic financial statements and have issued our report thereon dated January 31, 2023.

Report on Internal Control Over Financial Reporting

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

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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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Morris Union Jointure Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 Morris Union Jointure Commission'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 Morris Union Jointure Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 31, 2023

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

Honorable President and Board of Commissioners
Morris Union Jointure Commission
New Providence, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Morris Union Jointure Commission's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Morris Union Jointure Commission's major state programs for the fiscal year ended June 30, 2022. The Morris Union Jointure Commission's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

We are required to be independent of the Morris Union Jointure Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Morris Union Jointure Commission'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, regulation, rules, and provisions of contracts or grant agreements applicable to the Morris Union Jointure Commission's state programs.

Auditor's 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 Morris Union Jointure Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Morris Union Jointure Commission's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement 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 Morris Union Jointure Commission'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 Morris Union Jointure Commission'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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Morris Union Jointure Commission'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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris Union Jointure Commission as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We have issued our report thereon dated January 31, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 31, 2023

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2021	Adjustment	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2022: (Accounts Receivable)	Balance June 30, 2022: Unearned Revenues	Balance June 30, 2022: Due to Grantor	MEMO: GAAP Receivable	MEMO: Cumulative Total Expenditures
General Fund														
U.S. Department of Homeland Security FEMA Reimbursement (COVID Pandemic)	97.036	NA	7/1/20-6/30/21	$ 37,148	$ (37,148)	-	$ 37,148	$ -	-	-	-	-	-	-
Total General Fund					(37,148)	-	37,148	-	-	-	-	-	-	-
Enterprise Fund														
P-EBT Administrative	10.649	2022225900941	7/1/21-6/30/22	1,242			1,242	$ 1,242						$ 1,242
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	25,613	(2,890)		2,890							
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	59,806			55,039	59,806		$ (4,767)			$ (4,767)	59,806
Covid Lunch Breakfast EMOP	10.555	221NJ304N1099	7/1/21-6/30/22	9,670			9,670	9,670						9,670
National School Lunch Program	10.555													
Cash Assistance		211NJ304N1099	7/1/20-6/30/21	58,809	(14,274)		14,274						-	-
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	115,609			106,639	115,609		(8,970)			(8,970)	115,609
Non-Cash Assistance		211NJ304N1099	7/1/20-6/30/21	8,012	2,218			2,218						2,218
Non-Cash Assistance		221NJ304N1099	7/1/21-6/30/22	13,669	-	-	13,669	11,924	-	-	$ 1,745	-	-	11,924
Total Enterprise Fund					(14,946)	-	203,423	200,469	-	(13,737)	1,745	-	(13,737)	200,469
Special Revenue Fund:														
ESSER II	84.425D	S425D200027	3/13/20-9/30/23	65,420			42,567	42,567		(22,853)	22,853		-	42,567
ARP - ESSER	84.425U	S425U200027	1/1/22-12/31/22	130,840	-	-	-	-	-	(130,840)	130,840	-	-	-
Total Special Revenue Fund					-	-	42,567	42,567	-	(153,693)	153,693	-	-	42,567
Total Federal Financial Assistance					$ (52,094)	$ -	$ 283,138	$ 243,036	$ -	$ (167,430)	$ 155,438	$ -	$ (13,737)	$ 243,036

The Federal grant programs were not subject to Single Audit in accordance with U.S. Uniform Guidance.

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

									Balance June 30, 2022			MEMO	
Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2021	Cash Received	Budgetary Expenditures	Refund Prior Year's Balance	Cancelled	(Accounts Receivable)	Deferred Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund													
School Security Grant (Alyssa's Law)		7/1/20-6/30/21	$ 20,000	$ (6,775)	$ 6,775								
Reimbursed Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	482,993	(4,445)	4,445								
Reimbursed Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	494,368		476,878	$ 494,368			$ (17,490)			$ (17,490)	$ 494,368
On-Behalf TPAF Pension Benefit Contributions	22-495-034-5094-002	7/1/21-6/30/22	2,457,464		2,457,464	2,457,464							2,457,464
On-Behalf TPAF Pension System-NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	34,671		34,671	34,671							34,671
On-Behalf TPAF Long Term Disability Ins. Premium	22-495-034-5094-004	7/1/21-6/30/22	540		540	540							540
On-Behalf TPAF Post Retirement-Medical Benefits	22-495-034-5094-001	7/1/21-6/30/22	582,264	-	582,264	582,264	-	-	-	-	-	-	582,264
Total General Fund				(11,220)	3,563,037	3,569,307	-	-	(17,490)	-	-	(17,490)	3,569,307
Schools Development Authority (SDA)													
Special Revenue Fund													
SDA Emergent and Capital Needs	NA	7/1/21-6/30/22	5,849	-	5,849	5,849	-	-	-	-	-	-	5,849
Total Special Revenue Fund				-	5,849	5,849	-	-	-	-	-	-	5,849
State Department of Agriculture													
Enterprise Fund													
National School Lunch Program State Share	21-100-010-3350-023	7/1/20-6/30/21	3,036	(757)	757							-	-
National School Lunch Program State Share	22-100-010-3350-023	7/1/21-6/30/22	2,723	-	2,517	2,723	-	-	(206)	-	-	(206)	2,723
Total Enterprise Fund				(757)	3,274	2,723	-	-	(206)	-	-	(206)	2,723
Total State Financial Assistance Subject to Single Audit Determination				(11,977)	3,572,160	3,577,879	-	-	(17,696)	-	-	(17,696)	3,577,879
State Financial Assistance Not Subject to Major Program Determination													
On-Behalf TPAF Pension Benefit Contributions	22-495-034-5094-002	7/1/21-6/30/22			(2,457,464)	(2,457,464)							(2,457,464)
On-Behalf TPAF Pension System-NCGI Prem.	22-495-034-5094-004	7/1/21-6/30/22			(34,671)	(34,671)							(34,671)
On-Behalf TPAF Pension System-Long Term Disability	22-495-034-5094-004	7/1/21-6/30/22			(540)	(540)							(540)
On-Behalf TPAF Post Retirement-Medical	22-495-034-5094-001	7/1/21-6/30/22		-	(582,264)	(582,264)	-	-	-	-	-	-	(582,264)
Total State Financial Assistance Subject to Major Program Determination				$ (11,977)	$ 497,221	$ 502,940	$ -	$ -	$ (17,696)	$ -	$ -	$ (17,696)	$ 502,940

The Notes to the Schedules of Expenditures of Federal Assistance and State Financial Assistasnce are an integral part of this statement

MORRIS UNION JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Morris Union Jointure Commission. The Board of Education is defined in Note 1(A) to the Commission's financial statements. All federal financial assistance received directly from federal 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 are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Commission's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) 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 the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis of accounting in accordance with GAAP. 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.

For the fiscal year ended June 30, 2022 there was no adjustment required to reconcile from the budgetary basis to the GAAP basis for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Commission's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund		$ 3,569,307	$ 3,569,307
Special Revenue Fund	$ 42,567	5,849	48,416
Food Service Fund	200,469	2,723	203,192
Total Financial Assistance	$ 243,036	$ 3,577,879	$ 3,820,915

MORRIS UNION JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Commission's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of $494,368 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of $2,492,135, TPAF Post-Retirement Medical Benefits Contributions in the amount of $582,264 and TPAF Long-Term Disability Insurance in the amount of $540 represents the amount paid by the State on behalf of the Commission for the fiscal year ended June 30, 2022.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Commission's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

EXHIBIT K-6

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements	Unmodified	
Internal control over financial reporting:		
1) Were material weakness(es) identified?	____ yes	X no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X None Reported
Noncompliance material to basic financial statements noted?	____ yes	X no

Federal Awards Section - NOT APPLICABLE

State Awards Section

Internal Control over major programs:		
(1) Were material weakness(es) identified?	____ yes	X no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X 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 N.J. Circular Letter 15-08	____ yes	X no

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
22-495-034-5094-003	Reimbursed Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X yes	____ no

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part 2 - Financial Statement Findings

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

THERE ARE NONE

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part 3 - Schedule of Federal and State Award Findings and Responses

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 OMB U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

EXHIBIT K-6

MORRIS-UNION JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part 3 - Schedule of Federal and State Award Findings and Responses

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 OMB U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

THERE ARE NONE

MORRIS-UNION JOINTURE COMMISSION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.