

**MORRIS-UNION JOINTURE COMMISSION**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2023**

**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, 2023**

**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

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Website Address: [www.muje.org](http://www.muje.org)

October 30, 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, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that should be read in conjunction with it. Morris-Union Jointure Commission's MD&A can be found immediately following the "Independent Auditor's Report".

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, and a list of principal officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis and basic financial statements including the Commission-Wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Commission is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

*Berkeley Heights • Bernards Township • School District of the Chathams • Clark • Clinton Township • Cranford • Florham Park •  
Harding Township • Kenilworth • Livingston • Long Hill Township • Madison • Mendham Township • Millburn • Montville Township •  
Mountainside • New Providence • Parsippany-Troy Hills Township • Roselle Park • Scotch Plains-Farmwood • Somerset Hills •  
South Orange-Maplewood • Springfield • Summit • Union Township • Warren Township • Watchung Borough • Watchung Hills Regional •  
West Orange • Westfield*

## 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 has no component units included in this report which meet the criteria of legally separate entities for which the Commission is financially accountable. In addition, the Commission is not includable in any other reporting entity as a component unit.

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 2022-2023 fiscal year with an average daily enrollment of 216 students. The following details the changes in the student enrollment of the Commission over the past 10 years.

| <u>Fiscal Year</u> | <u>Average Daily Enrollment</u> |                       |
|--------------------|---------------------------------|-----------------------|
|                    | <u>Student Enrollment</u>       | <u>Percent Change</u> |
| 2022-2023          | 216                             | 6.93%                 |
| 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%               |

## **ECONOMIC CONDITION AND OUTLOOK**

The Morris-Union Jointure Commission experienced a 6.93% increase 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.

## **RELEVANT FINANCIAL POLICES**

The administration continues to operate under the Commission's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

## **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.

## **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 reservations of fund balance at June 30, 2023.

## MAJOR INITIATIVES

The enrollment at the DLC – Warren was 133 and the DLC – New Providence was 68 as of the October 15, 2022 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 2022-2023 school year, the Commission presented approximately 50 inservice workshops. Due to the pandemic, enrollment was down. Approximately 459 participants from approximately 111 school districts and private schools attended these workshops.

The MUJC continues to provide quality transportation services through its Transportation Department to 17 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. At the beginning of the 2022-2023 school year, MUJC's 98 school buses transported approximately 559 students on 44 contracted routes. In addition, the Commission provided transportation for field, athletic, and community trips for our own member districts' students.

During the 2022-2023 school year, approximately 35 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 250 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.

## 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 4, 2023 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.

## 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.

The Honorable President and Members  
of the Board of Education  
Morris-Union Jointure Commission  
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Respectfully submitted,

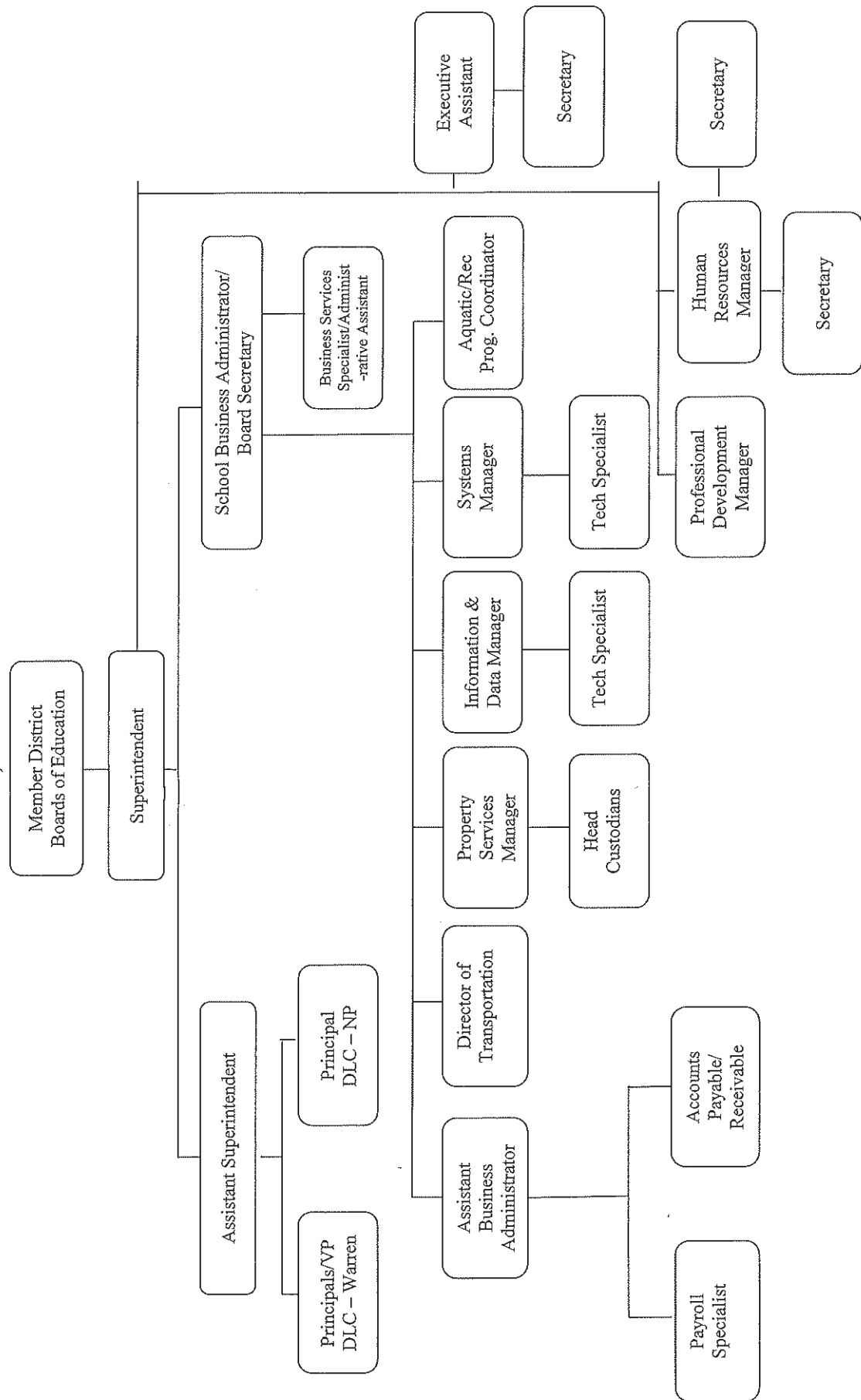
A handwritten signature in blue ink, reading "Janet L. Fike", written over a horizontal line.

Dr. Janet L. Fike  
Superintendent

A handwritten signature in blue ink, reading "Jason Parenti", written over a horizontal line.

Jason Parenti  
Business Administrator/Board Secretary

**ORGANIZATION OF THE MORRIS-UNION JOINTURE COMMISSION**  
**June 30, 2023**



**MORRIS-UNION JOINTURE COMMISSION BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
June 30, 2023**

Members of the Board of Education

Dr. Melissa Varley  
Mr. Nick Markarian  
Dr. Michael LaSusa  
Mr. Edward Grande  
Dr. Melissa Stager  
Dr. Scott Rubin  
Dr. Steven Caponegro  
Dr. Matthew Spelker  
Mr. Kyle Arlington  
Dr. Matthew Block  
Dr. Anne Mucci  
Mr. Mark Schwarz  
Dr. Salvatore Constantino  
Dr. Christine Burton  
Dr. René Rovtar  
Ms. Janet Walling  
Dr. David Miceli  
Dr. Barbara Sargent  
Mr. Pedro Garrido  
Dr. Joan Mast  
Dr. Gretchen Dempsey  
Dr. Ronald Taylor  
Dr. Rachel Goldberg  
Mr. Scott Hough  
Dr. Scott Taylor  
Dr. Matthew Mingle, President  
Mr. George Alexis  
Dr. Elizabeth Jewett  
Dr. Lauren Schoen  
Dr. Raymond Gonzalez

Superintendent/Board

Berkeley Heights  
Bernards Township  
School District of the Chathams  
Clark  
Clinton Township  
Cranford  
Florham Park  
Harding Township  
Kenilworth  
Livingston  
Long Hill Township  
Madison  
Mendham Township  
Millburn  
Montville Township  
Mountainside  
New Providence  
Parsippany-Troy Hills Township  
Roselle Park  
Scotch Plains/Fanwood  
Somerset Hills  
South Orange-Maplewood  
Springfield  
Summit  
Union Township  
Warren Township  
Watchung Borough  
Watchung Hills Regional High School  
West Orange  
Westfield

Other Officials

Dr. Janet Fike  
Ms. Denise Smallcomb  
Mr. Jason Parenti  
  
Ms. Kerry Keane

Title

Superintendent  
Assistant Superintendent  
School Business Administrator/Board  
Secretary  
Treasurer

**MORRIS-UNION JOINTURE COMMISSION**  
**Consultants and Advisors**  
**2023**

**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**

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, PSA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members of the Board of Education  
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, 2023 and the related notes to the financial statements, which collectively comprise the Commission 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.

### ***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 Commission who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morris-Union Jointure Commission's basic financial statements. The accompanying 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 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 October 30, 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

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MORRIS-UNION JOINTURE COMMISSION**

### **Management's Discussion and Analysis**

This section of Morris-Union Jointure Commission's annual comprehensive financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-2023 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 \$36,373,675 (net position). Of this amount, \$5,499,444 (unrestricted net position) may be used to meet the Commission's ongoing obligations.
- Overall Commission revenues were \$42,632,438. Program specific revenues in the form of charges for services and grants and contributions accounted for \$42,297,328 of total revenues or more than 99% of total revenue. General revenues accounted for \$335,110.
- The Commission had \$32,905,381 in expenses for governmental activities; these expenses were offset by program specific charges, grants or contributions of \$34,602,330. General revenues (predominantly interest) were \$335,110.
- The Commission had \$7,104,827 in expenses for business-type activities and \$7,694,998 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 a combined ending fund balance of \$18,753,105 an increase of \$415,857 when compared to the ending fund balance at June 30, 2022 of \$18,337,248. Of this amount, \$10,393,692 (55%) is available for spending at the Commission's discretion (unassigned fund balance – General Fund).

# MORRIS-UNION JOINTURE COMMISSION

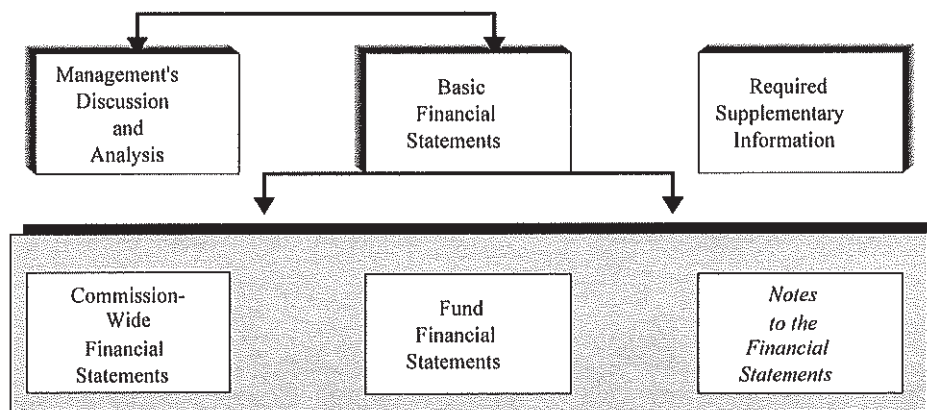
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's 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:

- 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 table below shows how the various parts of this annual report are arranged and related to one another.



# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. 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<br>Statements                                                                                      | Fund Financial Statements                                                                                                                                                          |                                                                                                                            |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                    | Governmental Funds                                                                                                                                                                 | Proprietary Funds                                                                                                          |
| Scope                                  | Entire Commission                                                                                                  | The activities of the Commission that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education                       | Activities the Commission operates similar to private businesses: Enterprise funds                                         |
| Required financial statements          | Statements of Net Position<br>Statement of Activities                                                              | Balance Sheet<br>Statement of Revenues,<br>Expenditures and Changes in<br>Fund Balances                                                                                            | Statement of Net Position<br>Statement of Revenues,<br>Expenses, and Changes in<br>Net Position<br>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 information    | All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included                     | All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term     |
| Type of inflow/outflow information     | All revenues and expenses during year, regardless of when cash is received or Paid                                 | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid.                                    |

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### Commission-Wide Financial 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, deferred outflows of resources, liabilities and deferred 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 it has 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 position

- Over time, increases or decreases in the Commission's net position are an indicator of whether its financial position 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 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, transportation, administration, and plant operation and maintenance. Tuition and other program fees charged to other school districts finance most of these activities.
- *Business-Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Commission charges fees to cover the costs of certain services it provides. The Commission's Special Programs Fund and Food Service Fund 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 and bond covenants.
- The Commission establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

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 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 the students on a continuing basis are financed or recovered primarily through user charges. The Commission currently has two enterprise funds – one for its special programs and one for its food service (cafeteria) program.

### 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 fund 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. 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. The required supplementary information can be found following the notes to the financial statements.

The Commission also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### COMMISSION-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Commission's financial position. The Commission's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36,373,675 and \$33,751,445 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the Commission's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The Commission uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Net Position as of June 30, 2023 and 2022

|                                               | <u>Governmental</u><br><u>Activities</u> |                      | <u>Business-Type</u><br><u>Activities</u> |                      | <u>Total</u>         |                      |
|-----------------------------------------------|------------------------------------------|----------------------|-------------------------------------------|----------------------|----------------------|----------------------|
|                                               | <u>2023</u>                              | <u>2022</u>          | <u>2023</u>                               | <u>2022</u>          | <u>2023</u>          | <u>2022</u>          |
| <b>Assets</b>                                 |                                          |                      |                                           |                      |                      |                      |
| Current and Other Assets                      | \$ 21,375,666                            | \$ 20,687,084        | \$ 12,641,896                             | \$ 12,752,335        | \$ 34,017,562        | \$ 33,439,419        |
| Capital Assets                                | 42,681,715                               | 46,295,586           | 5,547,813                                 | 5,320,329            | 48,229,528           | 51,615,915           |
| <b>Total Assets</b>                           | <u>64,057,381</u>                        | <u>66,982,670</u>    | <u>18,189,709</u>                         | <u>18,072,664</u>    | <u>82,247,090</u>    | <u>85,055,334</u>    |
| <b>Deferred Outflows of Resources</b>         |                                          |                      |                                           |                      |                      |                      |
| Deferred Amounts on Net Pension Liability     | 1,245,533                                | 917,781              | 380,489                                   | 461,052              | 1,626,022            | 1,378,833            |
| Deferred Amounts on Refunding of Debt         | 502,414                                  | 603,670              | -                                         | -                    | 502,414              | 603,670              |
| <b>Total Deferred Outflows</b>                | <u>1,747,947</u>                         | <u>1,521,451</u>     | <u>380,489</u>                            | <u>461,052</u>       | <u>2,128,436</u>     | <u>1,982,503</u>     |
| <b>Total Assets and Deferred Outflows</b>     | <u>65,805,328</u>                        | <u>68,504,121</u>    | <u>18,570,198</u>                         | <u>18,533,716</u>    | <u>84,375,526</u>    | <u>87,037,837</u>    |
| <b>Liabilities</b>                            |                                          |                      |                                           |                      |                      |                      |
| Long-Term Liabilities                         | 35,501,515                               | 35,712,431           | 4,510,665                                 | 3,965,902            | 40,012,180           | 39,678,333           |
| Other Liabilities                             | 2,255,557                                | 2,452,618            | 1,247,547                                 | 568,191              | 3,503,104            | 3,020,809            |
| <b>Total Liabilities</b>                      | <u>37,757,072</u>                        | <u>38,165,049</u>    | <u>5,758,212</u>                          | <u>4,534,093</u>     | <u>43,515,284</u>    | <u>42,699,142</u>    |
| <b>Deferred Inflows of Resources</b>          |                                          |                      |                                           |                      |                      |                      |
| Deferred Amounts on Net Pension Liability     | 3,433,799                                | 7,636,674            | 1,048,967                                 | 2,948,831            | 4,482,766            | 10,585,505           |
| Deferred Commodities Revenue                  | -                                        | -                    | 3,801                                     | 1,745                | 3,801                | 1,745                |
| <b>Total Deferred Inflows</b>                 | <u>3,433,799</u>                         | <u>7,636,674</u>     | <u>1,052,768</u>                          | <u>2,950,576</u>     | <u>4,486,567</u>     | <u>10,587,250</u>    |
| <b>Total Liabilities and Deferred Inflows</b> | <u>41,190,871</u>                        | <u>45,801,723</u>    | <u>6,810,980</u>                          | <u>7,484,669</u>     | <u>48,001,851</u>    | <u>53,286,392</u>    |
| <b>Net Position</b>                           |                                          |                      |                                           |                      |                      |                      |
| Net Investment in Capital Assets              | 23,254,677                               | 24,091,286           | 5,538,206                                 | 5,307,955            | 28,792,883           | 29,399,241           |
| Restricted                                    | 2,081,348                                | 2,019,785            |                                           |                      | 2,081,348            | 2,019,785            |
| Unrestricted                                  | (721,568)                                | (3,408,673)          | 6,221,012                                 | 5,741,092            | 5,499,444            | 2,332,419            |
| <b>Total Net Position</b>                     | <u>\$ 24,614,457</u>                     | <u>\$ 22,702,398</u> | <u>\$ 11,759,218</u>                      | <u>\$ 11,049,047</u> | <u>\$ 36,373,675</u> | <u>\$ 33,751,445</u> |

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

|                                                                 | <b>Governmental<br/>Activities</b> |                             | <b>Business-Type<br/>Activities</b> |                             | <b>Total</b>                |                             |
|-----------------------------------------------------------------|------------------------------------|-----------------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                 | <b><u>2023</u></b>                 | <b><u>2022</u></b>          | <b><u>2023</u></b>                  | <b><u>2022</u></b>          | <b><u>2023</u></b>          | <b><u>2022</u></b>          |
| <b>Revenues</b>                                                 |                                    |                             |                                     |                             |                             |                             |
| Program Revenues                                                |                                    |                             |                                     |                             |                             |                             |
| Charges for Services                                            | \$ 30,181,979                      | \$ 27,569,225               | \$ 6,155,976                        | \$ 5,969,753                | \$ 36,337,955               | \$ 33,538,978               |
| Operating Grants and Contributions                              | 4,379,046                          | 5,978,296                   | 1,498,894                           | 2,161,307                   | 5,877,940                   | 8,139,603                   |
| Capital Grants and Contributions                                | 41,305                             | 46,202                      | 40,128                              |                             | 81,433                      | 46,202                      |
| General Revenues                                                |                                    |                             |                                     |                             |                             |                             |
| Interest                                                        | 324,353                            | 65,332                      |                                     |                             | 324,353                     | 65,332                      |
| Other                                                           | 10,757                             | 604                         | -                                   | -                           | 10,757                      | 604                         |
| <b>Total Revenues</b>                                           | <b><u>34,937,440</u></b>           | <b><u>33,659,659</u></b>    | <b><u>7,694,998</u></b>             | <b><u>8,131,060</u></b>     | <b><u>42,632,438</u></b>    | <b><u>41,790,719</u></b>    |
| <b>Expenses</b>                                                 |                                    |                             |                                     |                             |                             |                             |
| Instruction                                                     |                                    |                             |                                     |                             |                             |                             |
| Special Education                                               | 14,145,963                         | 14,504,178                  |                                     |                             | 14,145,963                  | 14,504,178                  |
| Support Services                                                |                                    |                             |                                     |                             |                             |                             |
| Student and Instruction Related Services                        | 8,615,816                          | 9,625,076                   |                                     |                             | 8,615,816                   | 9,625,076                   |
| General Administration Services                                 | 1,498,791                          | 1,529,085                   |                                     |                             | 1,498,791                   | 1,529,085                   |
| School Administration Services                                  | 1,516,407                          | 1,678,235                   |                                     |                             | 1,516,407                   | 1,678,235                   |
| Central Administrative Services                                 | 2,432,214                          | 2,427,011                   |                                     |                             | 2,432,214                   | 2,427,011                   |
| Plant Operation and Maintenance                                 | 3,475,806                          | 3,363,953                   |                                     |                             | 3,475,806                   | 3,363,953                   |
| Pupil Transportation                                            | 361,854                            | 289,304                     |                                     |                             | 361,854                     | 289,304                     |
| Interest and Other Chgs on Long-Term Debt                       | 858,530                            | 992,956                     |                                     |                             | 858,530                     | 992,956                     |
| Special Programs                                                |                                    |                             | 6,812,463                           | 7,127,137                   | 6,812,463                   | 7,127,137                   |
| Food Service                                                    | -                                  | -                           | 292,364                             | 312,462                     | 292,364                     | 312,462                     |
| <b>Total Expenses</b>                                           | <b><u>32,905,381</u></b>           | <b><u>34,409,798</u></b>    | <b><u>7,104,827</u></b>             | <b><u>7,439,599</u></b>     | <b><u>40,010,208</u></b>    | <b><u>41,849,397</u></b>    |
| <b>Increase (Decrease) In Net Position<br/>Before Transfers</b> | <b>2,032,059</b>                   | <b>(750,139)</b>            | <b>590,171</b>                      | <b>691,461</b>              | <b>2,622,230</b>            | <b>(58,678)</b>             |
| <b>Transfers</b>                                                | <b><u>(120,000)</u></b>            | <b><u>(110,000)</u></b>     | <b><u>120,000</u></b>               | <b><u>110,000</u></b>       | <b><u>-</u></b>             | <b><u>-</u></b>             |
| <b>Change in Net Position</b>                                   | <b>1,912,059</b>                   | <b>(860,139)</b>            | <b>710,171</b>                      | <b>801,461</b>              | <b>2,622,230</b>            | <b>(58,678)</b>             |
| <b>Net Position, Beginning of Year</b>                          | <b><u>22,702,398</u></b>           | <b><u>23,562,537</u></b>    | <b><u>11,049,047</u></b>            | <b><u>10,247,586</u></b>    | <b><u>33,751,445</u></b>    | <b><u>33,810,123</u></b>    |
| <b>Net Position, End of Year</b>                                | <b><u>\$ 24,614,457</u></b>        | <b><u>\$ 22,702,398</u></b> | <b><u>\$ 11,759,218</u></b>         | <b><u>\$ 11,049,047</u></b> | <b><u>\$ 36,373,675</u></b> | <b><u>\$ 33,751,445</u></b> |

## MORRIS-UNION JOINTURE COMMISSION

### Management's Discussion and Analysis

#### Governmental Activities

As discussed elsewhere in this commentary, the financial position of the Commission improved. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in Commission health benefits costs places a great demand on the Commission's resources. As a result, careful management of expenses remains essential for the Commission to sustain its financial health.

**Total and Net Cost of Governmental Activities.** The following schedule presents the Commission's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

|                                              | <u>Total Cost<br/>of Services</u> |                             | <u>Net Cost (Revenue)<br/>of Services</u> |                          |
|----------------------------------------------|-----------------------------------|-----------------------------|-------------------------------------------|--------------------------|
|                                              | <u>2023</u>                       | <u>2022</u>                 | <u>2023</u>                               | <u>2022</u>              |
| Instruction                                  |                                   |                             |                                           |                          |
| Special Education                            | 14,145,963                        | 14,504,178                  | (12,279,551)                              | (10,002,207)             |
| Support Services                             |                                   |                             |                                           |                          |
| Student and Instruction Related Services     | 8,615,816                         | 9,625,076                   | 1,541,157                                 | 2,079,019                |
| General Administration Services              | 1,498,791                         | 1,529,085                   | 1,269,791                                 | 1,200,280                |
| School Administration Services               | 1,516,407                         | 1,678,235                   | 1,206,859                                 | 1,265,693                |
| Central Administrative Services              | 2,432,214                         | 2,427,011                   | 2,171,553                                 | 2,103,394                |
| Plant Operation and Maintenance              | 3,475,806                         | 3,363,953                   | 3,172,858                                 | 2,887,636                |
| Pupil Transportation                         | 361,854                           | 289,304                     | 361,854                                   | 289,304                  |
| Interest and Other Charges on Long-Term Debt | <u>858,530</u>                    | <u>992,956</u>              | <u>858,530</u>                            | <u>992,956</u>           |
| <b>Total</b>                                 | <b><u>\$ 32,905,381</u></b>       | <b><u>\$ 34,409,798</u></b> | <b><u>\$ (1,696,949)</u></b>              | <b><u>\$ 816,075</u></b> |

#### FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

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 \$18,753,105, an increase of \$415,857 from last year's fund balance of \$18,337,248.

Revenues for the Commission's governmental funds were \$33,719,780 and total expenditures were \$33,316,493. In additions, the Commission had other financing sources of \$132,570 due to financing agreements entered into during 2022-2023.

## MORRIS-UNION JOINTURE COMMISSION

### Management's Discussion and Analysis

**General Fund** - The General Fund is the chief operating fund of the Commission and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$33,535,238 for the fiscal year ended June 30, 2023. Local sources, including tuition and other program fees accounted for 90% of total revenue. State sources in the amount of \$3,500,212 accounted for the remaining 10% of the revenue.

Expenditures of the General Fund were \$33,201,832. Instructional expenditures were \$10,949,678, expenditures for support services (including administrative costs) were \$18,381,199 and capital and debt service expenditures totaled \$3,870,955 for the fiscal year ended June 30, 2023.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local grants and donations utilized in the operations of the Commission (except those for the school lunch program).

Revenues of the Special Revenue Fund were \$114,661 for the fiscal year ended June 30, 2023. State sources in the amount \$11,707 accounted for 10% of the revenue, federal sources of \$64,158 accounted for 56% of the revenue, and local sources accounted for \$38,796 or 34% of the total revenue in the Special Revenue Fund.

Expenditures of the Special Revenue Fund were \$114,661. Instructional expenditures were \$37,267, expenditures for support services were \$36,089 and capital expenditures totaled \$41,305 for the fiscal year ended June 30, 2023.

**Capital Projects** - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$69,543 increasing the fund balance from \$1,875,763 at June 30, 2022 to \$1,945,306 at June 30, 2023.

### Proprietary Funds

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

**Enterprise Fund** - The Commission uses Enterprise Funds to report activities related to the Special Programs fund and the Food Services program fund. The Commission's Enterprise Fund provides the same type of information found in the commission-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the Commission's business-type activities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Commission revised its annual operating budget to reflect the reappropriation of June 30, 2022 encumbrances and the appropriation of additional revenues to fund unbudgeted expenditures.

## MORRIS-UNION JOINTURE COMMISSION

### Management's Discussion and Analysis

#### CAPITAL ASSETS

The Commission's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$48,229,528 and \$51,615,915 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$3,832,735 for governmental activities and \$524,158 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

|                            | <u>Governmental</u>  |                      | <u>Business- Type</u> |                     | <u>Total</u>         |                      |
|----------------------------|----------------------|----------------------|-----------------------|---------------------|----------------------|----------------------|
|                            | <u>Activities</u>    |                      | <u>Activities</u>     |                     |                      |                      |
|                            | <u>2023</u>          | <u>2022</u>          | <u>2023</u>           | <u>2022</u>         | <u>2023</u>          | <u>2022</u>          |
| Land                       | \$ 7,184,000         | \$ 7,184,000         | \$ 3,064,300          | \$ 3,064,300        | \$ 10,248,300        | \$ 10,248,300        |
| Construction in Progress   | 56,988               |                      | 51,187                | 51,187              | 108,175              | 51,187               |
| Site Improvements          | 364,675              | 427,169              |                       |                     | 364,675              | 427,169              |
| Buildings and Improvements | 32,953,625           | 36,520,813           | 253,174               | 415,812             | 33,206,799           | 36,936,625           |
| Machinery and Equipment    | <u>2,122,427</u>     | <u>2,163,604</u>     | <u>2,179,152</u>      | <u>1,789,030</u>    | <u>4,301,579</u>     | <u>3,952,634</u>     |
| Total                      | <u>\$ 42,681,715</u> | <u>\$ 46,295,586</u> | <u>\$ 5,547,813</u>   | <u>\$ 5,320,329</u> | <u>\$ 48,229,528</u> | <u>\$ 51,615,915</u> |

Additional information on the Commission's capital assets are presented in the Notes to the Financial Statements.

#### LONG TERM LIABILITIES

At June 30, 2023, the Commission's long-term liabilities of Governmental Activities consisted of compensated absences payable of \$705,260, certificates of participation (COP'S) of \$19,827,347 (including unamortized premium), capital financing agreements of \$102,105, other financing agreements of \$132,570 and net pension liability of \$14,734,233 totaling \$35,501,515. This is in comparison to long-term liabilities at June 30, 2022 of \$35,712,431 or an increase of \$210,916. The Commission also had long-term liabilities it's Business-Type activities totaling \$4,510,665 at June 30, 2023 consisting of capital financing agreements of \$9,607 and net pension liability of \$4,501,058.

Additional information on the Commission's long-term liabilities are presented in the Notes to the Financial Statements.

#### 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 2022-2023 budget. The primary factors were the Commission's projected student population, demand for program services as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the Commission's aging facilities.

## **MORRIS-UNION JOINTURE COMMISSION**

### **Management's Discussion and Analysis**

#### **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, 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 School Business Administrator, Morris-Union Jointure Commission, 340 Central Avenue, New Providence, NJ 07974.

## **FINANCIAL STATEMENTS**

## **COMMISSION-WIDE FINANCIAL STATEMENTS**

**MORRIS-UNION JOINTURE COMMISSION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

|                                                     | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>         |
|-----------------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                       |                                    |                                     |                      |
| Assets                                              |                                    |                                     |                      |
| Cash and Cash Equivalents                           | \$ 13,528,124                      | \$ 11,136,424                       | \$ 24,664,548        |
| Receivables                                         | 5,902,236                          | 1,488,011                           | 7,390,247            |
| Inventories                                         |                                    | 17,461                              | 17,461               |
| Restricted Assets:                                  |                                    |                                     | -                    |
| Cash and Cash Equivalents with Fiscal Agent         | 1,945,306                          |                                     | 1,945,306            |
| Capital Assets, Not Being Depreciated               | 7,240,988                          | 3,115,487                           | 10,356,475           |
| Capital Assets, Being Depreciated                   | <u>35,440,727</u>                  | <u>2,432,326</u>                    | <u>37,873,053</u>    |
| Total Assets                                        | <u>64,057,381</u>                  | <u>18,189,709</u>                   | <u>82,247,090</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                                    |                                     |                      |
| Deferred Amounts on Net Pension Liability           | 1,245,533                          | 380,489                             | 1,626,022            |
| Deferred Charge on Refunding of Debt                | <u>502,414</u>                     | <u>-</u>                            | <u>502,414</u>       |
| Total Deferred Outflows of Resources                | <u>1,747,947</u>                   | <u>380,489</u>                      | <u>2,128,436</u>     |
| Total Assets and Deferred Outflows of Resources     | <u>65,805,328</u>                  | <u>18,570,198</u>                   | <u>84,375,526</u>    |
| <b>LIABILITIES</b>                                  |                                    |                                     |                      |
| Accounts Payable and Other Current Liabilities      | 1,900,039                          | 1,244,738                           | 3,144,777            |
| Accrued Interest Payable                            | 344,258                            |                                     | 344,258              |
| Unearned Revenue                                    | 11,260                             | 2,809                               | 14,069               |
| Noncurrent Liabilities                              |                                    |                                     |                      |
| Due Within One Year                                 | 2,977,371                          | 2,853                               | 2,980,224            |
| Due Beyond One Year                                 | <u>32,524,144</u>                  | <u>4,507,812</u>                    | <u>37,031,956</u>    |
| Total Liabilities                                   | <u>37,757,072</u>                  | <u>5,758,212</u>                    | <u>43,515,284</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |                                     |                      |
| Deferred Amounts on Net Pension Liability           | 3,433,799                          | 1,048,967                           | 4,482,766            |
| Deferred Commodities Revenue                        | <u>-</u>                           | <u>3,801</u>                        | <u>3,801</u>         |
| Total Deferred Inflows of Resources                 | <u>3,433,799</u>                   | <u>1,052,768</u>                    | <u>4,486,567</u>     |
| Total Liabilities and Deferred Inflows of Resources | <u>41,190,871</u>                  | <u>6,810,980</u>                    | <u>48,001,851</u>    |
| <b>NET POSITION</b>                                 |                                    |                                     |                      |
| Net Investment in Capital Assets                    | 23,254,677                         | 5,538,206                           | 28,792,883           |
| Restricted                                          |                                    |                                     |                      |
| Other Purposes                                      | 136,042                            |                                     | 136,042              |
| Capital Financing Agreements                        | 1,945,306                          |                                     | 1,945,306            |
| Unrestricted                                        | <u>(721,568)</u>                   | <u>6,221,012</u>                    | <u>5,499,444</u>     |
| Total Net Position                                  | <u>\$ 24,614,457</u>               | <u>\$ 11,759,218</u>                | <u>\$ 36,373,675</u> |

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, 2023**

| Functions/Programs                          | Program Revenues     |                         |                                          | Net (Expense) Revenue and<br>Changes in Net Assets |                            |                             |
|---------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------------------|----------------------------|-----------------------------|
|                                             | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions             | Governmental<br>Activities | Business Type<br>Activities |
| <b>Governmental Activities</b>              |                      |                         |                                          |                                                    |                            |                             |
| Instruction:                                | \$ 14,145,963        | \$ 24,767,335           | \$ 1,658,179                             |                                                    | \$ 12,279,551              | \$ 12,279,551               |
| Special Education                           |                      |                         |                                          |                                                    |                            |                             |
| Support Services:                           |                      |                         |                                          |                                                    |                            |                             |
| Student and Instruction Related Services    | 8,615,816            | 5,326,211               | 1,748,448                                |                                                    | (1,541,157)                | (1,541,157)                 |
| General Administration Services             | 1,498,791            |                         | 229,000                                  |                                                    | (1,269,791)                | (1,269,791)                 |
| School Administration Services              | 1,516,407            |                         | 309,548                                  |                                                    | (1,206,859)                | (1,206,859)                 |
| Central and Other Support Services          | 2,432,214            |                         | 260,661                                  |                                                    | (2,171,553)                | (2,171,553)                 |
| Plant Operations and Maintenance            | 3,475,806            | 88,433                  | 173,210                                  | \$ 41,305                                          | (3,172,858)                | (3,172,858)                 |
| Pupil Transportation                        | 361,854              |                         |                                          |                                                    | (361,854)                  | (361,854)                   |
| Interest on Debt                            | 858,530              | -                       | -                                        | -                                                  | (858,530)                  | (858,530)                   |
| Total Governmental Activities               | 32,905,381           | 30,181,979              | 4,379,046                                | 41,305                                             | 1,696,949                  | 1,696,949                   |
| <b>Business - Type Activities</b>           |                      |                         |                                          |                                                    |                            |                             |
| Special Programs                            | 6,812,463            | 6,077,492               | 1,369,704                                | 40,128                                             | -                          | \$ 674,861                  |
| Food Service                                | 292,364              | 78,484                  | 129,190                                  | -                                                  | -                          | (84,690)                    |
| Total Business Type Activities              | 7,104,827            | 6,155,976               | 1,498,894                                | 40,128                                             | -                          | 590,171                     |
| <b>Total Primary Government</b>             | <u>\$ 40,010,208</u> | <u>\$ 36,337,955</u>    | <u>\$ 5,877,940</u>                      | <u>\$ 81,433</u>                                   | <u>1,696,949</u>           | <u>2,287,120</u>            |
| General Revenues:                           |                      |                         |                                          |                                                    |                            |                             |
| Investment Earnings                         |                      |                         |                                          |                                                    | 324,353                    | 324,353                     |
| Miscellaneous Transfers                     |                      |                         |                                          |                                                    | 10,757                     | 10,757                      |
| Total General Revenues and Transfers        |                      |                         |                                          |                                                    | (120,000)                  | -                           |
| Change in Net Position                      |                      |                         |                                          |                                                    | 215,110                    | 335,110                     |
| Net Position - Beginning of Year (Restated) |                      |                         |                                          |                                                    | 1,912,059                  | 2,622,230                   |
| Net Position - End of Year                  |                      |                         |                                          |                                                    | 22,702,398                 | 33,751,445                  |
|                                             |                      |                         |                                          |                                                    | <u>\$ 24,614,457</u>       | <u>\$ 11,759,218</u>        |
|                                             |                      |                         |                                          |                                                    |                            | <u>\$ 36,373,675</u>        |

## **FUND FINANCIAL STATEMENTS**

MORRIS-UNION JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023

|                                                     | <u>General<br/>Fund</u> | <u>Special Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-----------------------------------------------------|-------------------------|---------------------------------|--------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                                       |                         |                                 |                                      |                                         |
| Assets                                              |                         |                                 |                                      |                                         |
| Cash and Cash Equivalents                           | \$ 13,528,124           |                                 |                                      | \$ 13,528,124                           |
| Intergovernmental Receivables                       | 5,860,931               | \$ 41,305                       |                                      | 5,902,236                               |
| Due from Other Funds                                | 23,684                  |                                 |                                      | 23,684                                  |
| Restricted Assets:                                  |                         |                                 |                                      |                                         |
| Cash and Cash Equivalents with Fiscal Agent         | -                       | -                               | \$ 1,945,306                         | 1,945,306                               |
| Total Assets                                        | <u>\$ 19,412,739</u>    | <u>\$ 41,305</u>                | <u>\$ 1,945,306</u>                  | <u>\$ 21,399,350</u>                    |
| <b>LIABILITIES</b>                                  |                         |                                 |                                      |                                         |
| Liabilities                                         |                         |                                 |                                      |                                         |
| Accounts Payable                                    | \$ 116,434              | \$ 6,361                        |                                      | \$ 122,795                              |
| Payroll Deductions and Withholdings Payable         | 11,910                  |                                 |                                      | 11,910                                  |
| Accrued Liability for Insurance Claims              | 1,765,213               |                                 |                                      | 1,765,213                               |
| Other Liabilities                                   | 121                     |                                 |                                      | 121                                     |
| Due to Other Funds                                  |                         | 23,684                          |                                      | 23,684                                  |
| Unearned Revenue                                    | -                       | 11,260                          | -                                    | 11,260                                  |
| Total Liabilities                                   | <u>1,893,678</u>        | <u>41,305</u>                   | <u>-</u>                             | <u>1,934,983</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                         |                                 |                                      |                                         |
| Unavailable Revenue - Tuition and Fees              | 711,262                 | -                               | -                                    | 711,262                                 |
| Total Deferred Inflows of Resources                 | <u>711,262</u>          | <u>-</u>                        | <u>-</u>                             | <u>711,262</u>                          |
| Total Liabilities and Deferred Inflows of Resources | <u>2,604,940</u>        | <u>41,305</u>                   | <u>-</u>                             | <u>2,646,245</u>                        |
| <b>FUND BALANCES</b>                                |                         |                                 |                                      |                                         |
| Restricted                                          |                         |                                 |                                      |                                         |
| Unemployment Compensation Reserve                   | 136,042                 |                                 |                                      | 136,042                                 |
| Capital Financing Agreements                        |                         |                                 | \$ 1,945,306                         | 1,945,306                               |
| Committed                                           |                         |                                 |                                      |                                         |
| Encumbrances                                        | 142,968                 |                                 |                                      | 142,968                                 |
| Assigned                                            |                         |                                 |                                      |                                         |
| Encumbrances                                        | 136,240                 |                                 |                                      | 136,240                                 |
| Designated for Subsequent Year's Budget             | 5,998,857               |                                 |                                      | 5,998,857                               |
| Unassigned                                          | 10,393,692              | -                               | -                                    | 10,393,692                              |
| Total Fund Balances                                 | <u>16,807,799</u>       | <u>-</u>                        | <u>1,945,306</u>                     | <u>18,753,105</u>                       |
| Total Liabilities and Fund Balances                 | <u>\$ 19,412,739</u>    | <u>\$ 41,305</u>                | <u>\$ 1,945,306</u>                  | <u>\$ 21,399,350</u>                    |

Continued

**MORRIS-UNION JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** **\$ 18,753,105**

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 \$86,685,205 and the accumulated depreciation is \$44,003,490.

42,681,715

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds

711,262

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

502,414

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 amortized over future years.

Deferred Outflows of Resources  
Deferred Inflows of Resources

\$ 1,245,533  
(3,433,799)

(2,188,266)

The District has financed capital assets through the issuance of Certificates of Participation (COP'S). The interest accrual at year end is:

(344,258)

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)  
Capital Financing Agreement  
Other Financing Agreement  
Compensated Absences  
Net Pension Liability

(19,827,347)  
(102,105)  
(132,570)  
(705,260)  
(14,734,233)

(35,501,515)

**Net Position of Governmental Activities (A-1)**

**\$ 24,614,457**

**MORRIS-UNION JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                           | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-----------------------------------------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                           |                         |                                     |                                      |                                         |
| Local Sources                                             |                         |                                     |                                      |                                         |
| Tuition                                                   | \$ 24,595,519           |                                     |                                      | \$ 24,595,519                           |
| Related Services and Program Fees                         | 5,077,645               |                                     |                                      | 5,077,645                               |
| Rents                                                     | 96,633                  |                                     |                                      | 96,633                                  |
| Interest                                                  | 254,472                 |                                     | \$ 69,881                            | 324,353                                 |
| Miscellaneous                                             | 10,757                  | \$ 38,796                           | -                                    | 49,553                                  |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Total Local Sources                                       | 30,035,026              | 38,796                              | 69,881                               | 30,143,703                              |
| State Sources                                             | 3,500,212               | 11,707                              | -                                    | 3,511,919                               |
| Federal Sources                                           | -                       | 64,158                              | -                                    | 64,158                                  |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Total Revenues                                            | 33,535,238              | 114,661                             | 69,881                               | 33,719,780                              |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| <b>EXPENDITURES</b>                                       |                         |                                     |                                      |                                         |
| Instruction                                               |                         |                                     |                                      |                                         |
| Special Education                                         | 10,949,678              | 37,267                              |                                      | 10,986,945                              |
| Support Services                                          |                         |                                     |                                      |                                         |
| Student and Instruction Related Services                  | 8,976,447               | 36,089                              |                                      | 9,012,536                               |
| General Administrative Services                           | 1,552,056               |                                     |                                      | 1,552,056                               |
| School Administrative Services                            | 1,588,622               |                                     |                                      | 1,588,622                               |
| Central and Other Support Services                        | 2,431,290               |                                     |                                      | 2,431,290                               |
| Plant Operations and Maintenance                          | 3,470,930               | -                                   |                                      | 3,470,930                               |
| Pupil Transportation                                      | 361,854                 |                                     |                                      | 361,854                                 |
| Debt Service                                              |                         |                                     |                                      |                                         |
| Principal                                                 | 2,794,407               |                                     |                                      | 2,794,407                               |
| Interest                                                  | 898,989                 |                                     |                                      | 898,989                                 |
| Capital Outlay                                            | 177,559                 | 41,305                              | -                                    | 218,864                                 |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Total Expenditures                                        | 33,201,832              | 114,661                             | -                                    | 33,316,493                              |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Excess (Deficiency) of Revenues over (under) Expenditures | 333,406                 | -                                   | 69,881                               | 403,287                                 |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                                     |                                      |                                         |
| Proceeds from Other Financing Agreement                   | 132,570                 |                                     |                                      | 132,570                                 |
| Transfers In                                              | 338                     |                                     |                                      | 338                                     |
| Transfers Out                                             | (120,000)               | -                                   | (338)                                | (120,338)                               |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Total Other Financing Sources (Uses)                      | 12,908                  | -                                   | (338)                                | 12,570                                  |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Net Change in Fund Balances                               | 346,314                 |                                     | 69,543                               | 415,857                                 |
| Fund Balance - Beginning of Year                          | 16,461,485              | -                                   | 1,875,763                            | 18,337,248                              |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |
| Fund Balance - End of Year                                | \$ 16,807,799           | \$ -                                | \$ 1,945,306                         | \$ 18,753,105                           |
|                                                           | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                                   |

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ 415,857

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      | \$ 218,864         |             |
| Depreciation Expense | <u>(3,832,735)</u> |             |
|                      |                    | (3,613,871) |

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 (Decrease) in Unavailable Revenue | 412,182 |
|--------------------------------------------|---------|

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 | 81,478           |           |
| Decrease in Pension Expense      | <u>1,914,117</u> |           |
|                                  |                  | 1,995,595 |

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                               | (101,256)        |           |
| Deferred Charges - Original Issue Premium                           | <u>84,111</u>    |           |
|                                                                     |                  | (17,145)  |
| Issuance of Long-Term Debt                                          |                  |           |
| Other Financing Agreement                                           |                  | (132,570) |
| Repayments of Principal                                             |                  |           |
| Capital Financing Agreement                                         | 29,407           |           |
| Capital Financing Agreements - Certificates of Participation (COPS) | <u>2,765,000</u> |           |
|                                                                     |                  | 2,794,407 |

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 | <u>57,604</u> |
|------------------------------|---------------|

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Change in Net Position of Governmental Activities | <u>\$ 1,912,059</u> |
|---------------------------------------------------|---------------------|

**MORRIS-UNION JOINTURE COMMISSION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

|                                                     | <b>Business Type Activities-Enterprise Funds</b> |                                            |               |
|-----------------------------------------------------|--------------------------------------------------|--------------------------------------------|---------------|
|                                                     | <b>Special<br/>Programs Fund</b>                 | <b>Non-Major<br/>Food<br/>Service Fund</b> | <b>Total</b>  |
| <b>ASSETS</b>                                       |                                                  |                                            |               |
| Current Assets                                      |                                                  |                                            |               |
| Cash and Cash Equivalents                           | \$ 11,099,439                                    | \$ 36,985                                  | \$ 11,136,424 |
| Intergovernmental Accounts Receivable               | 1,447,946                                        | 16,354                                     | 1,464,300     |
| Other Accounts Receivable                           | -                                                | 23,711                                     | 23,711        |
| Inventories                                         | -                                                | 17,461                                     | 17,461        |
| Total Current Assets                                | 12,547,385                                       | 94,511                                     | 12,641,896    |
| Capital Assets                                      |                                                  |                                            |               |
| Land                                                | 3,064,300                                        |                                            | 3,064,300     |
| Construction in Progress                            | 51,187                                           |                                            | 51,187        |
| Buildings and Improvements                          | 3,252,773                                        |                                            | 3,252,773     |
| Furniture, Machinery & Equipment                    | 7,278,615                                        | 217,543                                    | 7,496,158     |
| Less: Accumulated Depreciation                      | (8,143,536)                                      | (173,069)                                  | (8,316,605)   |
| Total Capital Assets, Net                           | 5,503,339                                        | 44,474                                     | 5,547,813     |
| Total Assets                                        | 18,050,724                                       | 138,985                                    | 18,189,709    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                |                                                  |                                            |               |
| Deferred Amounts on Net Pension Liability           | 380,489                                          | -                                          | 380,489       |
| Total Assets and Deferred Outflow<br>of Resources   | 18,431,213                                       | 138,985                                    | 18,570,198    |
| <b>LIABILITIES</b>                                  |                                                  |                                            |               |
| Current Liabilities                                 |                                                  |                                            |               |
| Accounts Payable                                    | 863,361                                          | 17,555                                     | 880,916       |
| Accrued Salaries and Wages                          | 100,054                                          |                                            | 100,054       |
| Accrued Liabilities For Insurance Claims            | 263,768                                          |                                            | 263,768       |
| Capital Financing Agreement                         | 2,986                                            |                                            | 2,986         |
| Unearned Revenue                                    | -                                                | 2,809                                      | 2,809         |
| Total Current Liabilities                           | 1,230,169                                        | 20,364                                     | 1,250,533     |
| Noncurrent Liabilities                              |                                                  |                                            |               |
| Capital Financing Agreement                         | 6,621                                            |                                            | 6,621         |
| Net Pension Liability                               | 4,501,058                                        | -                                          | 4,501,058     |
| Total Noncurrent Liabilities                        | 4,507,679                                        | -                                          | 4,507,679     |
| Total Liabilities                                   | 5,737,848                                        | 20,364                                     | 5,758,212     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                                  |                                            |               |
| Deferred Amounts on Net Pension Liability           | 1,048,967                                        |                                            | 1,048,967     |
| Deferred Commodities Revenue                        | -                                                | 3,801                                      | 3,801         |
| Total Deferred Inflows of Resources                 | 1,048,967                                        | 3,801                                      | 1,052,768     |
| Total Liabilities and Deferred Inflows of Resources | 6,786,815                                        | 24,165                                     | 6,810,980     |
| <b>NET POSITION</b>                                 |                                                  |                                            |               |
| Net Investment in Capital Assets                    | 5,493,732                                        | 44,474                                     | 5,538,206     |
| Unrestricted                                        | 6,150,666                                        | 70,346                                     | 6,221,012     |
| Total Net Position                                  | \$ 11,644,398                                    | \$ 114,820                                 | \$ 11,759,218 |

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

**MORRIS-UNION JOINTURE COMMISSION**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                          | <b>Business Type Activities-Enterprise Funds</b> |                                            |                      |
|----------------------------------------------------------|--------------------------------------------------|--------------------------------------------|----------------------|
|                                                          | <b>Special<br/>Programs Fund</b>                 | <b>Non-Major<br/>Food<br/>Service Fund</b> | <b>Total</b>         |
| <b>OPERATING REVENUES</b>                                |                                                  |                                            |                      |
| Charges for Services                                     |                                                  |                                            |                      |
| Daily Sales - Reimbursable Programs                      |                                                  | \$ 73,255                                  | \$ 73,255            |
| Daily Sales - Non-Reimbursable Programs                  |                                                  | 5,229                                      | 5,229                |
| Program Charges and Fees                                 | \$ 6,000,701                                     |                                            | 6,000,701            |
| Miscellaneous Fees                                       | 74,346                                           |                                            | 74,346               |
| Other                                                    | 2,445                                            | -                                          | 2,445                |
| Net PERS Pension Credit                                  | 895,337                                          |                                            | 895,337              |
| State - On Behalf OPEB Contribution                      | 474,367                                          | -                                          | 474,367              |
| <b>Total Operating Revenues</b>                          | <b>7,447,196</b>                                 | <b>78,484</b>                              | <b>7,525,680</b>     |
| <b>OPERATING EXPENSES</b>                                |                                                  |                                            |                      |
| Support Services                                         |                                                  |                                            |                      |
| Cost of Food - Reimbursable Programs                     |                                                  | 68,901                                     | 68,901               |
| Cost of Food - Non-Reimbursable Programs                 |                                                  | 46,055                                     | 46,055               |
| Salaries                                                 | 3,676,651                                        | 118,543                                    | 3,795,194            |
| Employee Benefits                                        | 1,634,405                                        | 15,057                                     | 1,649,462            |
| Purchased Professional /Technical Services               | 57,885                                           | 18,796                                     | 76,681               |
| Other Purchased Services                                 | 108,841                                          | -                                          | 108,841              |
| Cleaning, Repairs, Maintenance and Utilities             | 609,424                                          | 6,066                                      | 615,490              |
| Supplies and Materials                                   | 200,984                                          |                                            | 200,984              |
| Miscellaneous                                            | 12,793                                           | 4,868                                      | 17,661               |
| Depreciation                                             | 511,480                                          | 12,678                                     | 524,158              |
| <b>Total Operating Expenses</b>                          | <b>6,812,463</b>                                 | <b>290,964</b>                             | <b>7,103,427</b>     |
| <b>Operating Income (Loss)</b>                           | <b>634,733</b>                                   | <b>(212,480)</b>                           | <b>422,253</b>       |
| <b>Nonoperating Revenues (Expenses)</b>                  |                                                  |                                            |                      |
| State Sources                                            |                                                  |                                            |                      |
| State School Lunch Program                               |                                                  | 2,131                                      | 2,131                |
| State Breakfast                                          |                                                  | 359                                        | 359                  |
| After the Bell                                           |                                                  | 2,071                                      | 2,071                |
| Federal Sources                                          |                                                  |                                            |                      |
| National School Breakfast Program                        |                                                  | 28,155                                     | 28,155               |
| National School Lunch Program                            |                                                  | 57,024                                     | 57,024               |
| Food Distribution Program                                |                                                  | 15,320                                     | 15,320               |
| Covid Supply Chain Assistance                            |                                                  | 24,130                                     | 24,130               |
| Gain (Loss) on Disposal of Capital Assets                | 40,128                                           | (1,400)                                    | 38,728               |
| <b>Total Non-Operating Revenues (Expenses)</b>           | <b>40,128</b>                                    | <b>127,790</b>                             | <b>167,918</b>       |
| <b>Income (Loss) Before Transfers</b>                    | <b>674,861</b>                                   | <b>(84,690)</b>                            | <b>590,171</b>       |
| <b>Transfers In</b>                                      | <b>-</b>                                         | <b>120,000</b>                             | <b>120,000</b>       |
| <b>Change in Net Position</b>                            | <b>674,861</b>                                   | <b>35,310</b>                              | <b>710,171</b>       |
| <b>Total Net Position - Beginning of Year (Restated)</b> | <b>10,969,537</b>                                | <b>79,510</b>                              | <b>11,049,047</b>    |
| <b>Total Net Position - Ending of Year</b>               | <b>\$ 11,644,398</b>                             | <b>\$ 114,820</b>                          | <b>\$ 11,759,218</b> |

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

**MORRIS-UNION JOINTURE COMMISSION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                                                                              | <b>Business Type Activities-Enterprise Funds</b> |                                            |               |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------|---------------|
|                                                                                                              | <b>Special<br/>Programs Fund</b>                 | <b>Non-Major<br/>Food<br/>Service Fund</b> | <b>Total</b>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                  |                                                  |                                            |               |
| Receipts from Customers                                                                                      | \$ 5,882,144                                     | \$ 52,022                                  | \$ 5,934,166  |
| Payments to Employees for Salaries and Benefits                                                              | (5,302,255)                                      | (133,600)                                  | (5,435,855)   |
| Payments to Suppliers For Goods and Services                                                                 | (1,003,210)                                      | (146,804)                                  | (1,150,014)   |
| Net Cash Provided by(Used for) Operating Activities                                                          | (423,321)                                        | (228,382)                                  | (651,703)     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                                       |                                                  |                                            |               |
| Cash Received From State and Federal Subsidy Reimbursements                                                  |                                                  | 111,459                                    | 111,459       |
| Cash Received from Other Funds                                                                               | -                                                | 120,000                                    | 120,000       |
| Net Cash Provided by (Used For) Noncapital Financing Activities                                              | -                                                | 231,459                                    | 231,459       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING<br/>ACTIVITIES</b>                                          |                                                  |                                            |               |
| Principal Payment on Capital Financing Agreement                                                             | (2,767)                                          |                                            | (2,767)       |
| Proceeds from Insurance Reimbursements                                                                       | 105,409                                          |                                            | 105,409       |
| Purchases of Capital Assets                                                                                  | (13,799)                                         | (8,976)                                    | (22,775)      |
| Net Cash Provided by (Used For) Capital and Related Financing Activities                                     | 88,843                                           | (8,976)                                    | 79,867        |
| Net Increase (Decrease) in Cash and Cash Equivalents                                                         | (334,478)                                        | (5,899)                                    | (340,377)     |
| Cash and Cash Equivalents- Beginning of Year                                                                 | 11,433,917                                       | 42,884                                     | 11,476,801    |
| Cash and Cash Equivalents- End of Year                                                                       | \$ 11,099,439                                    | \$ 36,985                                  | \$ 11,136,424 |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH<br/>PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b> |                                                  |                                            |               |
| Operating Income(Loss)                                                                                       | \$ 634,733                                       | \$ (212,480)                               | \$ 422,253    |
| Adjustments to Reconcile Operating Income(loss) to Net Cash Provided<br>by (Used For) Operating Activities   |                                                  |                                            |               |
| Depreciation Expense                                                                                         | 511,480                                          | 12,678                                     | 524,158       |
| Non-Cash Federal Assistance-Food Distribution Program                                                        |                                                  | 15,320                                     | 15,320        |
| Change in Assets, Liabilities and Deferred Outflows and Inflows:                                             |                                                  |                                            |               |
| (Increase) Decrease in Accounts Receivable                                                                   | (192,903)                                        | (23,711)                                   | (216,614)     |
| (Increase) Decrease in Inventories                                                                           | -                                                | (10,913)                                   | (10,913)      |
| (Increase) Decrease in Deferred Outflows - Net Pension Liability                                             | 80,563                                           |                                            | 80,563        |
| Increase (Decrease) in Deferred Inflows - Net Pension Liability                                              | (1,899,864)                                      |                                            | (1,899,864)   |
| Increase (Decrease) in Accounts Payable                                                                      | (13,283)                                         | (8,581)                                    | (21,864)      |
| Increase (Decrease) in Accrued Salaries and Wages                                                            | (1,637)                                          |                                            | (1,637)       |
| Increase (Decrease) in Accrued Liability for Insurance Claims                                                | (89,940)                                         |                                            | (89,940)      |
| Increase (Decrease) in Unearned Revenue                                                                      |                                                  | (2,751)                                    | (2,751)       |
| Increase (Decrease) in Net Pension Liability                                                                 | 547,530                                          |                                            | 547,530       |
| Increase (Decrease) in Deferred Commodities Revenue                                                          | -                                                | 2,056                                      | 2,056         |
| Total Adjustments                                                                                            | (1,058,054)                                      | (15,902)                                   | (1,073,956)   |
| Net Cash Provided by (Used For) Operating Activities                                                         | \$ (423,321)                                     | \$ (228,382)                               | \$ (651,703)  |
| Non-Cash Financing Activities                                                                                |                                                  |                                            |               |
| Valued Received - Food Distribution Program                                                                  |                                                  | \$ 17,376                                  | \$ 17,376     |
| Capital and Related Financing Activities                                                                     |                                                  |                                            |               |
| Capital Assets Purchased on Account                                                                          | \$ 795,548                                       |                                            | 795,548       |

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Morris-Union Jointure Commission Board of Education (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 Commission 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 2023, the Commission adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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 of 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- 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 Commission 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 Commission. 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Commissions.

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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Commission 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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets 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 Commission'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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Commission 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:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Land Improvements              | 20           |
| Buildings                      | 20-50        |
| Building Improvements          | 5-25         |
| Heavy Equipment                | 10-20        |
| Office Equipment and Furniture | 5-10         |
| Computer Equipment             | 8            |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Commission 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 Commission 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 Commission'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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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. *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 Commission 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.

**10. *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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***11. 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 capital financing agreement certificates of participation held by the Trustee to offset final principal payments due on the certificates.

**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 Commission 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 2023/2024 Commission budget.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***11. Net Position/Fund Balance (Continued)***

**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.

***12. 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 Commission of Trustees is the highest level of decision-making authority for the Commission that can, by adoption of a resolution or formal Commission 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 Commission has authorized the School Business Administrator/Commission Secretary to assign fund balance. The Commission 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.

**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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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.

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 Commissioners 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 Commission approved several budget transfers during 2022/2023. Also, during 2022/2023 the Commission increased the original budget of the General Fund by \$900,722 and the Special Revenue Fund by \$215,232. The increases were funded by additional tuition 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.

**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.

|                             | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Unfavorable<br/>Variance</u> |
|-----------------------------|-------------------------|---------------|---------------------------------|
| General Fund                |                         |               |                                 |
| Central Services            |                         |               |                                 |
| Interest on Lease Purchases | \$895,022               | \$895,344     | \$ 322                          |
| Unallocated Benefits        |                         |               |                                 |
| Health Benefits             | 333,889                 | 532,953       | 199,064                         |

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Commission'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 Commission 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Commission's deposits was \$24,663,444 and bank and brokerage firm balances of the Commission's deposits amounted to \$25,726,210. The Commission's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

|                              |                      |
|------------------------------|----------------------|
| Insured                      | \$ 25,148,692        |
| Uninsured and Collateralized | <u>577,518</u>       |
|                              | <u>\$ 25,726,210</u> |

**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 Commission does not have a policy for custodial credit risk. As of June 30, 2023 the Commission's bank balance of \$577,518 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 Commission's name

|                   |
|-------------------|
| \$ 577,518        |
| <u>\$ 577,518</u> |

**Investments**

The Commission 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

As of June 30, 2023, the Commission had the following investments:

| <b><u>Investment Type:</u></b>                 | <b><u>Fair Value</u></b> |
|------------------------------------------------|--------------------------|
| U.S. Government Securities - Money Market Fund | \$ 1,945,306             |
| N.J. Cash Management Fund                      | <u>1,104</u>             |
|                                                | <u>\$ 1,946,410</u>      |

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Commission does not have a policy for custodial credit risk. As of June 30, 2023, \$1,946,410 of the Commission's investments was exposed to custodial credit risk as follows:

|                                                                                                                | <b><u>Fair Value</u></b> |
|----------------------------------------------------------------------------------------------------------------|--------------------------|
| Uninsured and Collateralized:                                                                                  |                          |
| Collateral held by pledging financial institutions' trust department or agent but not in the Commission's name | \$ <u>1,946,410</u>      |
|                                                                                                                | <u>\$ 1,946,410</u>      |

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 Commission 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.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Commission's investment in a single issuer. The Commission 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.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by the Fiscal Agent and the NJ Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the Commission at June 30, 2023 are categorized as Level 2.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2023 for the Commission's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

|                                       | <u>Enterprise Funds</u> |                            |                             |                         |                     |
|---------------------------------------|-------------------------|----------------------------|-----------------------------|-------------------------|---------------------|
|                                       | <u>General</u>          | <u>Special<br/>Revenue</u> | <u>Special<br/>Programs</u> | <u>Food<br/>Service</u> | <u>Total</u>        |
| Receivables:                          |                         |                            |                             |                         |                     |
| Intergovernmental                     |                         |                            |                             |                         |                     |
| Local                                 | \$ 5,820,408            |                            | \$ 1,447,946                |                         | \$ 7,268,354        |
| State                                 | 40,523                  |                            |                             | \$ 816                  | 41,339              |
| Federal                               | -                       | \$ 41,305                  | -                           | 15,538                  | 56,843              |
| Accounts                              | -                       | -                          | -                           | 23,711                  | 23,711              |
| Gross Receivables                     | 5,860,931               | 41,305                     | 1,447,946                   | 40,065                  | 7,390,247           |
| Less: Allowance for<br>Uncollectibles | -                       | -                          | -                           | -                       | -                   |
| Net Total Receivables                 | <u>\$ 5,860,931</u>     | <u>\$ 41,305</u>           | <u>\$ 1,447,946</u>         | <u>\$ 40,065</u>        | <u>\$ 7,390,247</u> |

**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:

|                                               | <u>Total</u>     |
|-----------------------------------------------|------------------|
| Special Revenue Fund                          |                  |
| Grant Draw Downs for Encumbrances             | \$ 2,293         |
| Unencumbered Grant Drawdowns                  | <u>8,967</u>     |
| Total Unearned Revenue for Governmental Funds | <u>\$ 11,260</u> |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

|                                              | Balance,<br><u>July 1, 2022</u><br>(Restated) | <u>Increases</u>      | <u>Decreases</u>  | Balance,<br><u>June 30, 2023</u> |
|----------------------------------------------|-----------------------------------------------|-----------------------|-------------------|----------------------------------|
| <b>Governmental Activities:</b>              |                                               |                       |                   |                                  |
| Capital Assets, Not Being Depreciated:       |                                               |                       |                   |                                  |
| Land                                         | \$ 7,184,000                                  |                       |                   | \$ 7,184,000                     |
| Construction in Progress                     | -                                             | \$ 56,988             | -                 | 56,988                           |
| Total Capital Assets, Not Being Depreciated  | <u>7,184,000</u>                              | <u>56,988</u>         | <u>-</u>          | <u>7,240,988</u>                 |
| Capital Assets, Being Depreciated:           |                                               |                       |                   |                                  |
| Land Improvements                            | 870,477                                       |                       |                   | 870,477                          |
| Buildings                                    | 74,797,853                                    |                       |                   | 74,797,853                       |
| Machinery and Equipment                      | <u>3,616,467</u>                              | <u>161,876</u>        | \$ <u>(2,456)</u> | <u>3,775,887</u>                 |
| Total Capital Assets Being Depreciated       | <u>79,284,797</u>                             | <u>161,876</u>        | <u>(2,456)</u>    | <u>79,444,217</u>                |
| Less Accumulated Depreciation for:           |                                               |                       |                   |                                  |
| Land Improvements                            | (443,308)                                     | (62,494)              |                   | (505,802)                        |
| Buildings                                    | (38,277,040)                                  | (3,567,188)           |                   | (41,844,228)                     |
| Machinery and Equipment                      | <u>(1,452,863)</u>                            | <u>(203,053)</u>      | <u>2,456</u>      | <u>(1,653,460)</u>               |
| Total Accumulated Depreciation               | <u>(40,173,211)</u>                           | <u>(3,832,735)</u>    | <u>2,456</u>      | <u>(44,003,490)</u>              |
| Total Capital Assets, Being Depreciated, Net | <u>39,111,586</u>                             | <u>(3,670,859)</u>    | <u>-</u>          | <u>35,440,727</u>                |
| Governmental Activities Capital Assets, Net  | <u>\$ 46,295,586</u>                          | <u>\$ (3,613,871)</u> | <u>\$ -</u>       | <u>\$ 42,681,715</u>             |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

|                                              | Balance,<br>July 1, 2022<br>(Restated) | Increases         | Decreases          | Balance,<br>June 30, 2023 |
|----------------------------------------------|----------------------------------------|-------------------|--------------------|---------------------------|
| <b>Business-Type Activities:</b>             |                                        |                   |                    |                           |
| Capital Assets, Not Being Depreciated:       |                                        |                   |                    |                           |
| Land                                         | \$ 3,064,300                           | -                 | -                  | \$ 3,064,300              |
| Construction in Progress                     | 51,187                                 | -                 | -                  | 51,187                    |
| Total Capital Assets, Not Being Depreciated  | <u>3,115,487</u>                       | <u>-</u>          | <u>-</u>           | <u>3,115,487</u>          |
| Capital Assets, Being Depreciated:           |                                        |                   |                    |                           |
| Buildings                                    | 3,252,773                              |                   |                    | 3,252,773                 |
| Machinery and Equipment                      | 6,760,068                              | \$ 818,323        | \$ (82,233)        | 7,496,158                 |
| Total Capital Assets Being Depreciated       | <u>10,012,841</u>                      | <u>818,323</u>    | <u>(82,233)</u>    | <u>10,748,931</u>         |
| Less Accumulated Depreciation for:           |                                        |                   |                    |                           |
| Buildings                                    | (2,836,961)                            | (162,638)         |                    | (2,999,599)               |
| Machinery and Equipment                      | (4,971,038)                            | (361,520)         | 15,552             | (5,317,006)               |
| Total Accumulated Depreciation               | <u>(7,807,999)</u>                     | <u>(524,158)</u>  | <u>15,552</u>      | <u>(8,316,605)</u>        |
| Total Capital Assets, Being Depreciated, Net | <u>2,204,842</u>                       | <u>294,165</u>    | <u>(66,681)</u>    | <u>2,432,326</u>          |
| Business-Type Activities Capital Assets, Net | <u>\$ 5,320,329</u>                    | <u>\$ 294,165</u> | <u>\$ (66,681)</u> | <u>\$ 5,547,813</u>       |

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

**Governmental Activities:**

|                                                      |                     |
|------------------------------------------------------|---------------------|
| Instruction                                          |                     |
| Special Education                                    | \$ 3,643,008        |
| Total Instruction                                    | <u>3,643,008</u>    |
| Support Services                                     |                     |
| Student and Instruction Related Services             | 16,368              |
| Central and Other Support Services                   | 88,020              |
| Plant Operations and Maintenance                     | 85,339              |
| Total Support Services                               | <u>189,727</u>      |
| Total Depreciation Expense - Governmental Activities | <u>\$ 3,832,735</u> |

**Business-Type Activities:**

|                                                       |                   |
|-------------------------------------------------------|-------------------|
| Special Programs Fund                                 | \$ 511,480        |
| Food Service Fund                                     | <u>12,678</u>     |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 524,158</u> |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Insurance Proceeds**

The Commission had insurance policies in effect during 2022/2023 to cover any incidents involving their buses. As of June 30, 2023, the insurers have remitted \$105,409. These funds are recorded as other financing sources in the Special Programs Enterprise Fund as of June 30, 2023. These funds have been committed by the Commission to be used for the replacement of the buses involved in the incidents.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, is as follows:

**Due To/From Other Funds**

| <u>Receivable Fund</u> | <u>Payable Fund</u>  | <u>Amount</u>    |
|------------------------|----------------------|------------------|
| General Fund           | Special Revenue Fund | \$ <u>23,684</u> |

The above balances are to cover cash balances which were in an overdraft position.

The Commission expects all interfund balances to be liquidated within one year.

**F. Interfund Transfers**

The composition of interfund transfers is as follows:

|                       | <u>Transfer In:</u> |                                                |                   |
|-----------------------|---------------------|------------------------------------------------|-------------------|
|                       | <u>General Fund</u> | <u>Enterprise Funds</u><br><u>Food Service</u> | <u>Total</u>      |
| Transfer Out:         |                     |                                                |                   |
| General Fund          |                     | \$ 120,000                                     | \$ 120,000        |
| Capital Projects Fund | \$ 338              | -                                              | 338               |
| Total Transfers       | \$ <u>338</u>       | \$ <u>120,000</u>                              | \$ <u>120,338</u> |

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreements to finance capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

|                                                                                                                                                                                                               |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| \$167,373, fiscal year 2022 Agreement for<br>the acquisition of copiers for a term<br>of 5 years due in monthly principal installments<br>of \$2,728 to \$3,007 through September, 2026<br>interest at 3.101% | \$ 111,712        |
| Governmental Activities                                                                                                                                                                                       | \$ 102,105        |
| Business-Type Activities                                                                                                                                                                                      | 9,607             |
|                                                                                                                                                                                                               | <u>\$ 111,712</u> |

The Commission entered into a capital financing 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.

Certificates of Participation Agreement at June 30, 2023 is comprised of the following

|                                                                                                                                                                                                                                                        |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| \$43,830,000, Fiscal Year 2013 Agreement<br>to Refund 2004 Certificates of Participation<br>for a term of sixteen years due in annual<br>principal installments of \$2,765,000 to \$3,540,000<br>through August 1, 2028<br>interest at 3.125% to 5.00% | <u>\$19,410,000</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

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, 2023:

|                              |                    |
|------------------------------|--------------------|
| Interest Account             | \$ 6,879           |
| Principal Account            | 2,538              |
| Debt Service Reserve Account | <u>1,935,889</u>   |
|                              | <u>\$1,945,306</u> |

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, 2023.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements (Continued)**

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

| Fiscal<br>Year Ending<br>June 30, | <u>Governmental Activities</u> |                     | <u>Business-Type Activities</u> |                 | <u>Total</u>         |
|-----------------------------------|--------------------------------|---------------------|---------------------------------|-----------------|----------------------|
|                                   | <u>Principal</u>               | <u>Interest</u>     | <u>Principal</u>                | <u>Interest</u> |                      |
| 2024                              | \$ 2,935,327                   | \$ 756,336          | \$ 2,853                        | \$ 258          | \$ 3,694,774         |
| 2025                              | 3,056,284                      | 635,487             | 2,944                           | 168             | 3,694,883            |
| 2026                              | 3,187,269                      | 508,363             | 3,036                           | 75              | 3,698,743            |
| 2027                              | 3,328,225                      | 345,731             | 774                             | 4               | 3,674,734            |
| 2028                              | 3,465,000                      | 197,719             |                                 |                 | 3,662,719            |
| 2029                              | 3,540,000                      | 66,375              | -                               | -               | 3,606,375            |
|                                   | <u>\$ 19,512,105</u>           | <u>\$ 2,510,011</u> | <u>\$ 9,607</u>                 | <u>\$ 505</u>   | <u>\$ 22,032,228</u> |

**Other Financing Agreements**

The Commission entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the Commission's approved budget.

Other financing agreements at June 30, 2023 are comprised of the following:

\$132,570, Fiscal year 2023 Agreement for  
the purchase of computers for a term  
of three years due in annual principal installments  
of \$42,044 to \$46,371 through July 2026  
interest at 5.02%

\$ 132,570

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

**Governmental Activities:**

| Ending<br>June 30, | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|--------------------|-------------------|------------------|-------------------|
| 2024               | \$ 42,044         | \$ 6,655         | \$ 48,699         |
| 2025               | 44,155            | 4,544            | 48,699            |
| 2026               | <u>46,371</u>     | <u>2,328</u>     | <u>48,699</u>     |
| Total              | <u>\$ 132,570</u> | <u>\$ 13,527</u> | <u>\$ 146,097</u> |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

|                                     | Balance,<br>July 1,<br><u>2022</u> | <u>Additions</u>    | <u>Reductions</u>   | Balance,<br>June 30,<br><u>2023</u> | Due<br>Within<br><u>One Year</u> |
|-------------------------------------|------------------------------------|---------------------|---------------------|-------------------------------------|----------------------------------|
| <b>Governmental Activities:</b>     |                                    |                     |                     |                                     |                                  |
| Capital Financing Agreement (COP's) |                                    |                     |                     |                                     |                                  |
| Certificates of Participation       | \$ 22,175,000                      |                     | \$ 2,765,000        | \$ 19,410,000                       | \$ 2,905,000                     |
| Original Issue Premium              | 501,458                            | -                   | 84,111              | 417,347                             | -                                |
|                                     | <u>22,676,458</u>                  | <u>-</u>            | <u>2,849,111</u>    | <u>19,827,347</u>                   | <u>2,905,000</u>                 |
| Capital Financing Agreement         | 131,512                            |                     | 29,407              | 102,105                             | 30,327                           |
| Other Financing Agreement           |                                    | \$ 132,570          |                     | 132,570                             | 42,044                           |
| Compensated Absences                | 786,738                            |                     | 81,478              | 705,260                             |                                  |
| Net Pension Liability               | <u>12,117,723</u>                  | <u>2,616,510</u>    | <u>-</u>            | <u>14,734,233</u>                   | <u>-</u>                         |
| Governmental Activity               |                                    |                     |                     |                                     |                                  |
| Long-term liabilities               | <u>\$ 35,712,431</u>               | <u>\$ 2,749,080</u> | <u>\$ 2,959,996</u> | <u>\$ 35,501,515</u>                | <u>\$ 2,977,371</u>              |
| <b>Business-Type Activities:</b>    |                                    |                     |                     |                                     |                                  |
| Capital Financing Agreement         | \$ 12,374                          |                     | \$ 2,767            | \$ 9,607                            | \$ 2,853                         |
| Net Pension Liability               | <u>3,953,528</u>                   | <u>547,530</u>      | <u>-</u>            | <u>4,501,058</u>                    | <u>-</u>                         |
| Business-Type Activity              |                                    |                     |                     |                                     |                                  |
| Long-term liabilities               | <u>\$ 3,965,902</u>                | <u>\$ 547,530</u>   | <u>\$ 2,767</u>     | <u>\$ 4,510,665</u>                 | <u>\$ 2,853</u>                  |

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 Commission has obtained 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Estimates of claims incurred, but not reported (IBNR) at June 30, 2023, 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 \$2,028,981 reported at June 30, 2023 is based on the requirements of the Governmental Accounting Standards Commission 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, 2023 and 2022 are as follows:

| <b>Governmental and Business Type Activities:</b> | <b>Fiscal Year Ended June 30,</b> |                     |
|---------------------------------------------------|-----------------------------------|---------------------|
|                                                   | <b><u>2023</u></b>                | <b><u>2022</u></b>  |
| Unpaid claims, beginning of fiscal year           | \$ 1,861,621                      | \$ 1,658,131        |
| Incurred claims (including IBNR's)                | 5,955,366                         | 5,789,693           |
| Claim Payments                                    | (5,788,006)                       | (5,586,203)         |
| Unpaid claims, end of fiscal year                 | <u>\$ 2,028,981</u>               | <u>\$ 1,861,621</u> |
| <b>Governmental Activities:</b>                   |                                   |                     |
| General Fund                                      |                                   |                     |
| Accrued Liability for Insurance Claims            | \$ 1,765,213                      | \$ 1,507,913        |
| <b>Business Type Activities:</b>                  |                                   |                     |
| Special Programs Enterprise Fund                  |                                   |                     |
| Accrued Liability for Insurance Claims            | <u>263,768</u>                    | <u>353,708</u>      |
|                                                   | <u>\$ 2,028,981</u>               | <u>\$ 1,861,621</u> |

The Commission is a member of the New Jersey School Commission 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 Commission and the Groups is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Commission 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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:

| <u>Fiscal<br/>Year Ended<br/>June 30,</u> | <u>Commission<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-------------------------------------------|-------------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2023                                      | \$ 121,367                          | \$ 39,987                         | \$ 234,190                   | \$ 136,042                |
| 2022                                      |                                     | 58,857                            | 9,773                        | 144,022                   |
| 2021                                      | 115,000                             | 36,447                            | 20,676                       | 144,022                   |

**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 Commission'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 Commission 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 Commission may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Commission 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, 2023, the Commission had no estimated arbitrage earnings due to the IRS.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Commission, 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](http://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:

| <b>Tier</b> | <b>Definition</b>                                                                          |
|-------------|--------------------------------------------------------------------------------------------|
| 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<sup>th</sup> 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<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

The following represent the membership tiers for TPAF:

| <b>Tier</b> | <b>Definition</b>                                                                          |
|-------------|--------------------------------------------------------------------------------------------|
| 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<sup>th</sup> 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<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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 Commission 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.

**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](http://www.state.nj.us/treasury/pensions).

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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 Commission (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.

**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](http://www.state.nj.us/treasury/doinvest).

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 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 2023.

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, 2023 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 more 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 Commission for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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:

| <u>Fiscal<br/>Year Ended<br/>June 30,</u> | <u>PERS</u>  | <u>On-Behalf<br/>TPAF</u> | <u>DCRP</u> |
|-------------------------------------------|--------------|---------------------------|-------------|
| 2023                                      | \$ 1,607,317 | \$ 2,410,907              | \$ 10,903   |
| 2022                                      | 1,588,765    | 2,492,135                 | 14,768      |
| 2021                                      | 1,448,899    | 1,780,315                 | 19,840      |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$476, \$540 and \$365, 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 commission-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 \$455,490 during the fiscal year ended June 30, 2023 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.

**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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the Commission reported in the statement of net position (accrual basis) a liability of \$19,235,291 for its proportionate share of the PERS net pension liability. Of this amount, \$14,734,233 is reported as governmental activities and \$4,501,058 is reported as business-type activities in the statements of net position. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the Commission's proportionate share was .12746 percent, which was a decrease of .0082 percent from its proportionate share measured as of June 30, 2021 of .13566 percent.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2023, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension benefit of \$1,578,571 for PERS. Of this amount a pension benefit \$1,016,652 is reported as governmental activities in the statement of activities and \$561,919 is reported as business-type activities in both the statement of activities and statement of revenues, expenses and changes in net position. The pension contribution made by the Commission during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

|                                                                                                                 | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Difference Between Expected and Actual Experience                                                               | \$ 138,831                                           | \$ 122,430                                          |
| Changes of Assumptions                                                                                          | 59,597                                               | 2,880,285                                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                                | 796,131                                              |                                                     |
| Changes in Proportion and Differences Between Commission Contributions and Proportionate Share of Contributions | <u>631,463</u>                                       | <u>1,480,051</u>                                    |
| Total                                                                                                           | <u>\$ 1,626,022</u>                                  | <u>\$ 4,482,766</u>                                 |
| Governmental Activities                                                                                         | \$ 1,245,533                                         | \$ 3,433,799                                        |
| Business-Type Activities                                                                                        | <u>380,489</u>                                       | <u>1,048,967</u>                                    |
|                                                                                                                 | <u>\$ 1,626,022</u>                                  | <u>\$ 4,482,766</u>                                 |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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)**

At June 30, 2023, 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:

| <u>Year<br/>Ending<br/>June 30,</u> | <u>Total</u>          |
|-------------------------------------|-----------------------|
| 2023                                | \$ (1,240,975)        |
| 2024                                | (1,240,975)           |
| 2025                                | (1,240,973)           |
| 2026                                | 865,027               |
| 2027                                | 1,152                 |
| Thereafter                          | -                     |
|                                     | <u>\$ (2,856,744)</u> |

***Actuarial Assumptions***

The Commission's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                           |                              |
|---------------------------|------------------------------|
| Inflation Rate:           |                              |
| Price                     | 2.75%                        |
| Wage                      | 3.25%                        |
| Salary Increases:         | 2.75-6.55%                   |
|                           | Based on Years<br>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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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)**

***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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Commission 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, 2022 are summarized in the following table:

| <u>Asset Class</u>              | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|-----------------------------------------------|
| Risk Mitigation Strategies      | 3.00%                    | 4.91%                                         |
| Cash Equivalents                | 4.00%                    | 1.75%                                         |
| U.S. Treasuries                 | 4.00%                    | 1.75%                                         |
| Investment Grade Credit         | 7.00%                    | 3.38%                                         |
| US Equity                       | 27.00%                   | 8.12%                                         |
| Non-US Developed Markets Equity | 13.50%                   | 8.38%                                         |
| Emerging Markets Equity         | 5.50%                    | 10.33%                                        |
| High Yield                      | 4.00%                    | 4.95%                                         |
| Real Assets                     | 3.00%                    | 7.60%                                         |
| Private Credit                  | 8.00%                    | 8.10%                                         |
| Real Estate                     | 8.00%                    | 11.19%                                        |
| Private Equity                  | 13.00%                   | 11.80%                                        |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2022. 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 percent, 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:

|                                                                       | <b>1%<br/>Decrease<br/><u>6.00%</u></b> | <b>Current<br/>Discount Rate<br/><u>7.00%</u></b> | <b>1%<br/>Increase<br/><u>8.00%</u></b> |
|-----------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------|-----------------------------------------|
| Commission's Proportionate Share of<br>the PERS Net Pension Liability | <u>\$ 24,711,714</u>                    | <u>\$ 19,235,291</u>                              | <u>\$ 14,574,634</u>                    |
| Governmental Activities                                               | \$ 18,929,173                           | \$ 14,734,233                                     | \$ 11,164,170                           |
| Business-Type Activities                                              | <u>5,782,541</u>                        | <u>4,501,058</u>                                  | <u>3,410,464</u>                        |
|                                                                       | <u>\$ 24,711,714</u>                    | <u>\$ 19,235,291</u>                              | <u>\$ 14,574,634</u>                    |

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability at as of the measurement date of June 30, 2022. A sensitivity analysis specific to the Commission's net pension liability at June 30, 2022 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](http://www.state.nj.us/treasury/pensions).

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$828,903 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, 2023 the State's proportionate share of the net pension liability attributable to the Commission is \$30,799,604. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the Commission was .05970 percent, which was a decrease of .00040 percent from its proportionate share measured as of June 30, 2021 of .06010 percent.

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                           |                              |
|---------------------------|------------------------------|
| Inflation Rate:           |                              |
| Price                     | 2.75%                        |
| Wage                      | 3.25%                        |
| Salary Increases:         | 2.75-5.65%                   |
|                           | Based on Years<br>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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Commission 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, 2022 are summarized in the following table:

| <u>Asset Class</u>              | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|-----------------------------------------------|
| Risk Mitigation Strategies      | 3.00%                    | 4.91%                                         |
| Cash Equivalents                | 4.00%                    | 1.75%                                         |
| U.S. Treasuries                 | 4.00%                    | 1.75%                                         |
| Investment Grade Credit         | 7.00%                    | 3.38%                                         |
| US Equity                       | 27.00%                   | 8.12%                                         |
| Non-US Developed Markets Equity | 13.50%                   | 8.38%                                         |
| Emerging Markets Equity         | 5.50%                    | 10.33%                                        |
| High Yield                      | 4.00%                    | 4.95%                                         |
| Real Assets                     | 3.00%                    | 7.60%                                         |
| Private Credit                  | 8.00%                    | 8.10%                                         |
| Real Estate                     | 8.00%                    | 11.19%                                        |
| Private Equity                  | 13.00%                   | 11.80%                                        |

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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)**

***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:

| <b>Governmental Activities:</b>                                                                    | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|----------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|------------------------------------|
| State's Proportionate Share of<br>the TPAF Net Pension Liability<br>Attributable to the Commission | <u>\$ 36,113,190</u>               | <u>\$ 30,799,604</u>                         | <u>\$ 26,323,575</u>               |

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, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2022 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](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

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, 2022. 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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 Commission 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 Commission 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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a Commission of education or county college with 25 years of service or on a disability retirement. 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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

|                                                                     |                |
|---------------------------------------------------------------------|----------------|
| Active Plan Members                                                 | 213,148        |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>151,669</u> |
| Total                                                               | <u>364,817</u> |

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans 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 Commission (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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the June 30, 2021 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.

**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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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, 2023, 2022 and 2021 were \$633,339, \$582,264 and \$557,923, 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, 2021 through June 30, 2022. 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.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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)**

For the fiscal year ended June 30, 2023, the Commission recognized in the Commission-wide statement of activities (accrual basis) OPEB expense of \$3,495,188. Of this amount \$3,020,821 has been included in the Commission-wide statement of activities (accrual basis) governmental activities as both a revenue and expense in accordance with GASB No. 85. \$474,367 has been included in the business-type activities statement of activities and the Special Programs Enterprise Fund schedule of program revenues, expenses and changes in net position.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the Commission is \$51,291,277. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the Commission was .10127 percent, which was a decrease of .00114 percent from its proportionate share measured as of June 30, 2021 of .10241 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                  | <u>PERS</u>                  | <u>TPAF</u>                  |
|------------------|------------------------------|------------------------------|
| Salary Increases | 2.75% to 6.55%               | 2.75% to 4.25%               |
|                  | Based on Years<br>of Service | Based on Years<br>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 disabled 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. 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 Commission for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

|                                                    | Total OPEB<br>Liability<br>(State Share 100%) |
|----------------------------------------------------|-----------------------------------------------|
| Balance, June 30, 2021 Measurement Date            | \$ 61,451,527                                 |
| Changes Recognized for the Fiscal Year:            |                                               |
| Service Cost                                       | 4,461,689                                     |
| Interest on the Total OPEB Liability               | 1,359,275                                     |
| Differences Between Expected and Actual Experience | (918,659)                                     |
| Changes of Assumptions                             | (13,759,345)                                  |
| Gross Benefit Payments                             | (1,346,403)                                   |
| Contributions from the Member                      | 43,193                                        |
| Net Changes                                        | (10,160,250)                                  |
| Balance, June 30, 2022 Measurement Date            | \$ 51,291,277                                 |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2022.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 202.**

**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 Commission calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the Commission that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

|                                                                                        | <b>1%<br/>Decrease<br/>(2.54%)</b> | <b>Current<br/>Discount Rate<br/>(3.54%)</b> | <b>1%<br/>Increase<br/>(4.54%)</b> |
|----------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|------------------------------------|
| State's Proportionate Share of<br>the OPEB Liability<br>Attributable to the Commission | <u>\$ 60,287,501</u>               | <u>\$ 51,291,277</u>                         | <u>\$ 44,081,253</u>               |

*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 Commission calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                                                                                        | <b>1%<br/>Decrease</b> | <b>Healthcare<br/>Cost Trend<br/>Rates</b> | <b>1%<br/>Increase</b> |
|----------------------------------------------------------------------------------------|------------------------|--------------------------------------------|------------------------|
| State's Proportionate Share of<br>the OPEB Liability<br>Attributable to the Commission | <u>\$ 42,395,376</u>   | <u>\$ 51,291,277</u>                       | <u>\$ 62,976,584</u>   |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2022 were not provided by the pension system.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 RESTATEMENT**

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2022 have been restated to reflect changes in the valuation of the Commission's capital assets. The effect of this restatement is to increase net position of governmental activities by \$49,665 from \$22,652,733 as previously reported to \$22,702,398 as of June 30, 2022.

**Business-Type Activities and Enterprise Funds**

The financial statements of the Business-Type Activities fund and the Special Programs Enterprise Fund as of June 30, 2022 have been restated to reflect changes in the valuation of the Commission's capital assets. The effect of this restatement is to increase total Business-Type Activities and Enterprise Funds net position by \$56,962 from \$10,992,085 as previously reported to \$11,049,047 as of June 30, 2022. More specifically the effect of this restatement is to increase the Special Programs Enterprise Fund net position by \$56,962 from \$10,912,575 as previously reported to \$10,969,537 as of June 30, 2022.

**NOTE 6 RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Commission have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Commission's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Commission.

The Commission has been awarded a total of \$273,630 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                 | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|-------------------------------------------------|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>REVENUES</b>                                 |                            |                    |                         |               |                                     |
| Local Sources                                   |                            |                    |                         |               |                                     |
| Tuition                                         | \$ 19,711,377              | \$ 723,083         | \$ 20,434,460           | \$ 24,595,519 | \$ 4,161,059                        |
| Related Services and Program Fees               | 4,462,709                  |                    | 4,462,709               | 5,077,645     | 614,936                             |
| Rents                                           | 78,422                     |                    | 78,422                  | 96,633        | 18,211                              |
| Interest on Investments                         | 57,600                     |                    | 57,600                  | 254,472       | 196,872                             |
| Miscellaneous                                   | -                          | -                  | -                       | 10,757        | 10,757                              |
| Total Local Sources                             | 24,310,108                 | 723,083            | 25,033,191              | 30,035,026    | 5,001,835                           |
| State Sources                                   |                            |                    |                         |               |                                     |
| On-Behalf TPAF Contributions (Non-Budgeted)     |                            |                    |                         |               |                                     |
| Pension Benefit Contributions                   |                            |                    |                         | 2,377,916     | 2,377,916                           |
| Pension Non-Contributory Group Insurance        |                            |                    |                         | 32,991        | 32,991                              |
| Long Term Disability Insurance                  |                            |                    |                         | 476           | 476                                 |
| Post Retirement Medical Benefits                |                            |                    |                         | 633,339       | 633,339                             |
| Reimbursed TPAF Social Security Contributions   | -                          | -                  | -                       | 455,490       | 455,490                             |
| Total State Sources                             | -                          | -                  | -                       | 3,500,212     | 3,500,212                           |
| Total Revenues                                  | 24,310,108                 | 723,083            | 25,033,191              | 33,535,238    | 8,502,047                           |
| <b>EXPENDITURES</b>                             |                            |                    |                         |               |                                     |
| Current                                         |                            |                    |                         |               |                                     |
| Special Education                               |                            |                    |                         |               |                                     |
| Emotional Regulation Impairment                 |                            |                    |                         |               |                                     |
| Salaries of Teachers                            | 180,972                    | (912)              | 180,060                 | 79,451        | 100,609                             |
| Other Salaries for Instruction                  | 420,634                    | (75,199)           | 345,435                 | 297,993       | 47,442                              |
| Purchased Professional-Educational Services     | 60,010                     | (31,650)           | 28,360                  | 28,359        | 1                                   |
| Other Purchased Services                        | 15,000                     | (15,000)           |                         |               | -                                   |
| General Supplies                                | 20,717                     | (13,018)           | 7,699                   | 7,364         | 335                                 |
| Other Objects                                   | -                          | 13,717             | 13,717                  | 13,327        | 390                                 |
| Total Emotional Regulation Impairment           | 697,333                    | (122,062)          | 575,271                 | 426,494       | 148,777                             |
| Multiple Disabilities                           |                            |                    |                         |               |                                     |
| Salaries of Teachers                            | 80,011                     | (80,011)           | -                       | -             | -                                   |
| Other Salaries for Instruction                  | 18,893                     | 65,311             | 84,204                  | 78,794        | 5,410                               |
| Other Purchased Services                        | 540                        | -                  | 540                     |               | 540                                 |
| General Supplies                                | 8,482                      | (8,260)            | 222                     | 46            | 176                                 |
| Other Objects                                   | 500                        | -                  | 500                     | 467           | 33                                  |
| Total Multiple Disabilities                     | 108,426                    | (22,960)           | 85,466                  | 79,307        | 6,159                               |
| Autism                                          |                            |                    |                         |               |                                     |
| Salaries of Teachers                            | 1,690,587                  | 154,901            | 1,845,488               | 1,753,488     | 92,000                              |
| Other Salaries for Instruction                  | 3,130,348                  | 110,337            | 3,240,685               | 2,879,858     | 360,827                             |
| Purchased Prof. - Educ. Service                 | 1,000                      | 850                | 1,850                   | 1,850         | -                                   |
| Purchased Technical Services                    | 63,675                     | 273,555            | 337,230                 | 120,933       | 216,297                             |
| Other Purchased Services                        | 6,000                      | 1,000              | 7,000                   | 5,941         | 1,059                               |
| General Supplies                                | 147,657                    | (4,003)            | 143,654                 | 109,783       | 33,871                              |
| Acquisition of Technology Supplies (Non-Budget) |                            |                    |                         | 132,570       | (132,570)                           |
| Textbooks                                       | 48,740                     | (8,774)            | 39,966                  | 25,729        | 14,237                              |
| Total Autism                                    | 5,088,007                  | 527,866            | 5,615,873               | 5,030,152     | 585,721                             |
| Preschool Disabilities - Full-Time              |                            |                    |                         |               |                                     |
| Salaries of Teachers                            |                            | 55,708             | 55,708                  | 55,703        | 5                                   |
| Other Salaries for Instruction                  | -                          | 88,500             | 88,500                  | 88,470        | 30                                  |
| Total Preschool Disabilities - Full-Time        | -                          | 144,208            | 144,208                 | 144,173       | 35                                  |
| Total Special Education - Instruction           | 5,893,766                  | 527,052            | 6,420,818               | 5,680,126     | 740,692                             |

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                               | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|-----------------------------------------------|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>EXPENDITURES (Continued)</b>               |                            |                    |                         |               |                                     |
| Current (Continued)                           |                            |                    |                         |               |                                     |
| Summer School                                 |                            |                    |                         |               |                                     |
| Salaries                                      | \$ 301,142                 | \$ (41,253)        | \$ 259,889              | \$ 259,879    | \$ 10                               |
| Other Salaries for Instruction                | 471,705                    | 67,418             | 539,123                 | 539,117       | 6                                   |
| Total Summer School - Instruction             | 772,847                    | 26,165             | 799,012                 | 798,996       | 16                                  |
| Summer School                                 |                            |                    |                         |               |                                     |
| Salaries                                      | 36,135                     | (1,772)            | 34,363                  | 34,302        | 61                                  |
| Total Summer School - Support Services        | 36,135                     | (1,772)            | 34,363                  | 34,302        | 61                                  |
| Total Summer School                           | 808,982                    | 24,393             | 833,375                 | 833,298       | 77                                  |
| Total Instruction                             | 6,702,748                  | 551,445            | 7,254,193               | 6,513,424     | 740,769                             |
| Health Services                               |                            |                    |                         |               |                                     |
| Salaries                                      | 338,646                    | 1,700              | 340,346                 | 339,708       | 638                                 |
| Purchased Professional and Technical Services | 12,500                     | 6,250              | 18,750                  | 9,838         | 8,912                               |
| General Supplies                              | 47,412                     | (11,824)           | 35,588                  | 19,775        | 15,813                              |
| Total Health Services                         | 398,558                    | (3,874)            | 394,684                 | 369,321       | 25,363                              |
| Speech, OT, PT and Related Services           |                            |                    |                         |               |                                     |
| Salaries                                      | 3,241,563                  | 206,378            | 3,447,941               | 2,940,705     | 507,236                             |
| Total Speech, OT, PT and Related Services     | 3,241,563                  | 206,378            | 3,447,941               | 2,940,705     | 507,236                             |
| Extraordinary Services                        |                            |                    |                         |               |                                     |
| Salaries                                      | 1,940,919                  | (263,999)          | 1,676,920               | 1,581,523     | 95,397                              |
| Total Extraordinary Services                  | 1,940,919                  | (263,999)          | 1,676,920               | 1,581,523     | 95,397                              |
| Child Study Team                              |                            |                    |                         |               |                                     |
| Salaries of Other Professional Staff          | 135,631                    | 11,160             | 146,791                 | 113,449       | 33,342                              |
| Total Child Study Team                        | 135,631                    | 11,160             | 146,791                 | 113,449       | 33,342                              |
| Instructional Staff Training Services         |                            |                    |                         |               |                                     |
| Purchased Professional - Educational Services | 3,000                      | 3,550              | 6,550                   | 2,050         | 4,500                               |
| Other Purchased Services                      | 72,740                     | (4,000)            | 68,740                  | 23,973        | 44,767                              |
| Total Instructional Staff Training Services   | 75,740                     | (450)              | 75,290                  | 26,023        | 49,267                              |
| Support Services General Administration       |                            |                    |                         |               |                                     |
| Salaries                                      | 636,682                    | 750                | 637,432                 | 636,468       | 964                                 |
| Legal Services                                | 55,000                     | (22,000)           | 33,000                  | 5,907         | 27,093                              |
| Audit Fees                                    | 50,000                     | (1,000)            | 49,000                  | 43,027        | 5,973                               |
| Other Purchased Professional Services         | 90,500                     | 28,550             | 119,050                 | 106,056       | 12,994                              |
| Communications/Telephone                      | 161,041                    | (12,477)           | 148,564                 | 115,407       | 33,157                              |
| Miscellaneous Purchased Services              | 66,049                     | 50,260             | 116,309                 | 95,954        | 20,355                              |
| Supplies and Materials                        | 15,000                     | -                  | 15,000                  | 10,660        | 4,340                               |
| Miscellaneous Expenditures                    | 25,000                     | 1,300              | 26,300                  | 22,757        | 3,543                               |
| Total Support Services General Administration | 1,099,272                  | 45,383             | 1,144,655               | 1,036,236     | 108,419                             |

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                          | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|----------------------------------------------------------|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>EXPENDITURES (Continued)</b>                          |                            |                    |                         |               |                                     |
| Current (Continued)                                      |                            |                    |                         |               |                                     |
| Support Services School Administration                   |                            |                    |                         |               |                                     |
| Salaries of Principals and Assistant Principals          | \$ 571,866                 | -                  | \$ 571,866              | \$ 571,755    | \$ 111                              |
| Salaries of Secretarial and Clerical Assistants          | 272,611                    | \$ 19,162          | 291,773                 | 291,742       | 31                                  |
| Other Purchased Services                                 | 5,100                      | 650                | 5,750                   | 4,987         | 763                                 |
| Supplies and Materials                                   | 21,507                     | (4,400)            | 17,107                  | 14,488        | 2,619                               |
| Other Objects                                            | 8,500                      | (1,209)            | 7,291                   | 7,106         | 185                                 |
| Total Support Services School Administration             | 879,584                    | 14,203             | 893,787                 | 890,078       | 3,709                               |
| Central Services                                         |                            |                    |                         |               |                                     |
| Salaries                                                 | 676,559                    | -                  | 676,559                 | 642,283       | 34,276                              |
| Unused Vacation Payment to Terminated/Retired Staff      | 10,000                     | (7,600)            | 2,400                   | -             | 2,400                               |
| Purchased Professional Services                          | 45,000                     | 36,886             | 81,886                  | 58,492        | 23,394                              |
| Miscellaneous Purchased Services                         | 9,700                      | 2,586              | 12,286                  | 10,654        | 1,632                               |
| Supplies and Materials                                   | 4,000                      | -                  | 4,000                   | 2,352         | 1,648                               |
| Interest on Lease Purchase Agreements                    | 895,344                    | (322)              | 895,022                 | 895,344       | (322)                               |
| Miscellaneous Expenditures                               | 7,500                      | -                  | 7,500                   | 3,907         | 3,593                               |
| Total Central Services                                   | 1,648,103                  | 31,550             | 1,679,653               | 1,613,032     | 66,621                              |
| Administration Information Technology                    |                            |                    |                         |               |                                     |
| Salaries                                                 | 491,105                    | (22,334)           | 468,771                 | 468,639       | 132                                 |
| Purchased Technical Services                             | 284,635                    | (19,547)           | 265,088                 | 242,934       | 22,154                              |
| Other Purchased Services                                 | 4,740                      | 1,731              | 6,471                   | 6,300         | 171                                 |
| General Supplies                                         | 213,000                    | 61,868             | 274,868                 | 248,624       | 26,244                              |
| Total Administration Information Technology              | 993,480                    | 21,718             | 1,015,198               | 966,497       | 48,701                              |
| Required Maintenance for School Facilities               |                            |                    |                         |               |                                     |
| Salaries                                                 | 286,867                    | 500                | 287,367                 | 285,395       | 1,972                               |
| Cleaning, Repair and Maintenance Services                | 621,493                    | 128,278            | 749,771                 | 582,916       | 166,855                             |
| General Supplies                                         | 106,200                    | (12,856)           | 93,344                  | 82,053        | 11,291                              |
| Total Required Maintenance for School Facilities         | 1,014,560                  | 115,922            | 1,130,482               | 950,364       | 180,118                             |
| Custodial Services                                       |                            |                    |                         |               |                                     |
| Salaries                                                 | 697,745                    | 50,150             | 747,895                 | 743,922       | 3,973                               |
| Cleaning, Repair and Maintenance Services                | 13,000                     | 33,633             | 46,633                  | 46,187        | 446                                 |
| Rental of Land & Building Other than Lease Purchase      | 23,000                     | 1,887              | 24,887                  | 24,685        | 202                                 |
| Other Purchased Property Services                        | 58,500                     | (3,540)            | 54,960                  | 51,171        | 3,789                               |
| Insurance                                                | 304,893                    | (40,138)           | 264,755                 | 262,908       | 1,847                               |
| Miscellaneous Purchased Services                         | 2,000                      | (1,675)            | 325                     | 325           | -                                   |
| General Supplies                                         | 197,280                    | (132,691)          | 64,589                  | 62,476        | 2,113                               |
| Energy (Natural Gas)                                     | 65,000                     | 22,820             | 87,820                  | 73,347        | 14,473                              |
| Energy (Electricity)                                     | 416,000                    | (12,750)           | 403,250                 | 399,993       | 3,257                               |
| Total Custodial Services                                 | 1,777,418                  | (82,304)           | 1,695,114               | 1,665,014     | 30,100                              |
| Upkeep of Grounds                                        |                            |                    |                         |               |                                     |
| Salaries                                                 | 38,644                     | 750                | 39,394                  | 38,706        | 688                                 |
| Cleaning, Repair and Maintenance Services                | 40,980                     | 44,637             | 85,617                  | 83,437        | 2,180                               |
| General Supplies                                         | 25,850                     | (9,319)            | 16,531                  | 12,428        | 4,103                               |
| Total Upkeep of Grounds                                  | 105,474                    | 36,068             | 141,542                 | 134,571       | 6,971                               |
| Student Transportation Services                          |                            |                    |                         |               |                                     |
| Contracted Services (Other Than Between Home and School) | 307,663                    | 53,200             | 360,863                 | 359,822       | 1,041                               |
| Miscellaneous Purchased Services-Transportation          | 2,100                      | 2,000              | 4,100                   | 2,032         | 2,068                               |
| Total Student Transportation Services                    | 309,763                    | 55,200             | 364,963                 | 361,854       | 3,109                               |

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                           | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Final to Actual</u> |
|-----------------------------------------------------------|----------------------------|--------------------|-------------------------|-------------------|-------------------------------------|
| <b>EXPENDITURES (Continued)</b>                           |                            |                    |                         |                   |                                     |
| Current (Continued)                                       |                            |                    |                         |                   |                                     |
| Allocated Benefits - Special Programs                     |                            |                    |                         |                   |                                     |
| Social Security Contributions                             | \$ 618,133                 | \$ (122,027)       | \$ 496,106              | \$ 495,372        | \$ 734                              |
| Other Retirement Contributions- PERS                      | 1,006,499                  | 60,823             | 1,067,322               | 1,066,669         | 653                                 |
| Unemployment Compensation                                 | 120,000                    | (45,881)           | 74,119                  | 72,131            | 1,988                               |
| Workmen's Compensation                                    | 551,148                    | (29,334)           | 521,814                 | 521,790           | 24                                  |
| Health Benefits                                           | 5,081,895                  | (118,735)          | 4,963,160               | 4,342,988         | 620,172                             |
| Tuition Reimbursement                                     | 10,000                     | (10,000)           | -                       | -                 | -                                   |
| Other Employee Benefits                                   | 30,000                     | 27,170             | 57,170                  | 46,627            | 10,543                              |
| Total Allocated Benefits - Special Programs - Instruction | <u>7,417,675</u>           | <u>(237,984)</u>   | <u>7,179,691</u>        | <u>6,545,577</u>  | <u>634,114</u>                      |
| Allocated Benefits - Multiple Disabilities                |                            |                    |                         |                   |                                     |
| Social Security Contributions                             | -                          | 82,172             | 82,172                  | 81,889            | 283                                 |
| Total Allocated Benefits - Multiple Disabilities          | <u>-</u>                   | <u>82,172</u>      | <u>82,172</u>           | <u>81,889</u>     | <u>283</u>                          |
| Allocated Benefits - Other Instructional Programs         |                            |                    |                         |                   |                                     |
| Social Security Contributions                             | -                          | 49,803             | 49,803                  | 49,794            | 9                                   |
| Total Allocated Benefits - Other Instructional Programs   | <u>-</u>                   | <u>49,803</u>      | <u>49,803</u>           | <u>49,794</u>     | <u>9</u>                            |
| Allocated Benefits - Speech, OT, PT and Related Services  |                            |                    |                         |                   |                                     |
| Other Employee Benefits                                   | -                          | 8,136              | 8,136                   | 8,125             | 11                                  |
| Total Allocated Benefits - Speech, OT, PT and Related     | <u>-</u>                   | <u>8,136</u>       | <u>8,136</u>            | <u>8,125</u>      | <u>11</u>                           |
| Allocated Benefits - Central Services                     |                            |                    |                         |                   |                                     |
| Social Security Contributions                             | -                          | 3,200              | 3,200                   | 2,000             | 1,200                               |
| Total Allocated Benefits - Central Services               | <u>-</u>                   | <u>3,200</u>       | <u>3,200</u>            | <u>2,000</u>      | <u>1,200</u>                        |
| Allocated Benefits - School Administration                |                            |                    |                         |                   |                                     |
| Other Employee Benefits                                   | 10,000                     | (5,827)            | 4,173                   | -                 | 4,173                               |
| Total Allocated Benefits - School Administration          | <u>10,000</u>              | <u>(5,827)</u>     | <u>4,173</u>            | <u>-</u>          | <u>4,173</u>                        |
| Allocated Benefits - Custodial Services                   |                            |                    |                         |                   |                                     |
| Other Employee Benefits                                   | -                          | 17,450             | 17,450                  | 17,436            | 14                                  |
| Total Allocated Benefits - Custodial Services             | <u>-</u>                   | <u>17,450</u>      | <u>17,450</u>           | <u>17,436</u>     | <u>14</u>                           |
| Unallocated Benefits                                      |                            |                    |                         |                   |                                     |
| Other Retirement Contributions- PERS                      | 166,871                    | 3,828              | 170,699                 | 170,697           | 2                                   |
| Unemployment Compensation                                 | 17,000                     | (4,500)            | 12,500                  | 6,640             | 5,860                               |
| Unemployment Compensation (Non-Budget)                    |                            |                    |                         | 7,980             | (7,980)                             |
| Workmen's Compensation                                    | 33,864                     | 925                | 34,789                  | 34,786            | 3                                   |
| Health Benefits                                           | 349,814                    | (15,925)           | 333,889                 | 532,953           | (199,064)                           |
| Tuition Reimbursement                                     | 5,000                      | (1,500)            | 3,500                   | -                 | 3,500                               |
| Total Unallocated Benefits                                | <u>572,549</u>             | <u>(17,172)</u>    | <u>555,377</u>          | <u>753,056</u>    | <u>(197,679)</u>                    |
| On-Behalf TPAF Contributions (Non-Budgeted):              |                            |                    |                         |                   |                                     |
| Pension Benefit Contributions                             |                            |                    |                         | 2,377,916         | (2,377,916)                         |
| Pension Non-Contributory Group Insurance                  |                            |                    |                         | 32,991            | (32,991)                            |
| Long Term Disability Insurance                            |                            |                    |                         | 476               | (476)                               |
| Post Retirement Medical Benefits                          |                            |                    |                         | 633,339           | (633,339)                           |
| Reimbursed TPAF Social Security Contributions             | -                          | -                  | -                       | 455,490           | (455,490)                           |
| Total TPAF Contributions                                  | <u>-</u>                   | <u>-</u>           | <u>-</u>                | <u>3,500,212</u>  | <u>(3,500,212)</u>                  |
| Total Undistributed Expenditures                          | <u>21,620,289</u>          | <u>86,733</u>      | <u>21,707,022</u>       | <u>23,606,756</u> | <u>(1,899,734)</u>                  |
| Total Expenditures - Current                              | <u>28,323,037</u>          | <u>638,178</u>     | <u>28,961,215</u>       | <u>30,120,180</u> | <u>(1,158,965)</u>                  |

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                            | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|------------------------------------------------------------|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>CAPITAL OUTLAY</b>                                      |                            |                    |                         |               |                                     |
| Equipment                                                  |                            |                    |                         |               |                                     |
| Autism                                                     | \$ 5,000                   | \$ 3,540           | \$ 8,540                | \$ 7,539      | \$ 1,001                            |
| School Administration                                      | -                          | 3,625              | 3,625                   | 3,625         | -                                   |
| Administration Information Technology                      | 91,894                     | 21,082             | 112,976                 | 111,111       | 1,865                               |
| Required Maintenance                                       | 77,000                     | 235,856            | 312,856                 | 168,777       | 144,079                             |
| Total Equipment                                            | 173,894                    | 264,103            | 437,997                 | 291,052       | 146,945                             |
| Facilities Acquisition and Construction Services           |                            |                    |                         |               |                                     |
| Architectural/Engineering Services                         | 12,402                     | 79,966             | 92,368                  | 20,000        | 72,368                              |
| Construction Services                                      | 148,017                    | (101,525)          | 46,492                  | 5,600         | 40,892                              |
| Lease Purchase Agreements - Principal                      | 2,765,000                  | -                  | 2,765,000               | 2,765,000     | -                                   |
| Total Facilities Acquisition and Construction Services     | 2,925,419                  | (21,559)           | 2,903,860               | 2,790,600     | 113,260                             |
| Total Capital Outlay                                       | 3,099,313                  | 242,544            | 3,341,857               | 3,081,652     | 260,205                             |
| Total Expenditures                                         | 31,422,350                 | 880,722            | 32,303,072              | 33,201,832    | (898,760)                           |
| Excess(Deficiency) of Revenues Over(Under)<br>Expenditures | (7,112,242)                | (157,639)          | (7,269,881)             | 333,406       | 7,603,287                           |
| Other Financing Sources(Uses):                             |                            |                    |                         |               |                                     |
| Proceeds from Other Financing Agreement                    |                            |                    |                         | 132,570       | 132,570                             |
| Transfer In - Capital Project Fund                         |                            |                    |                         | 338           | 338                                 |
| Transfer Out - Food Service Fund                           | (100,000)                  | (20,000)           | (120,000)               | (120,000)     | -                                   |
| Total Other Financing Sources/(Uses)                       | (100,000)                  | (20,000)           | (120,000)               | 12,908        | 132,908                             |
| Net Change in Fund Balances                                | (7,212,242)                | (177,639)          | (7,389,881)             | 346,314       | 7,736,195                           |
| Fund Balances, July 1                                      | 16,461,485                 | -                  | 16,461,485              | 16,461,485    | -                                   |
| Fund Balances, June 30                                     | \$ 9,249,243               | \$ (177,639)       | \$ 9,071,604            | \$ 16,807,799 | \$ 7,736,195                        |
| <b>Recapitulation of Fund Balance</b>                      |                            |                    |                         |               |                                     |
| <b>Restricted Fund Balance</b>                             |                            |                    |                         |               |                                     |
| Unemployment Compensation Reserve                          |                            |                    |                         | \$ 136,042    |                                     |
| <b>Committed Fund Balance</b>                              |                            |                    |                         |               |                                     |
| Encumbrances                                               |                            |                    |                         | 142,968       |                                     |
| <b>Assigned Fund Balance</b>                               |                            |                    |                         |               |                                     |
| Encumbrances                                               |                            |                    |                         | 136,240       |                                     |
| Designated for Subsequent Year's Budget                    |                            |                    |                         | 5,998,857     |                                     |
| <b>Unassigned Fund Balance</b>                             |                            |                    |                         |               |                                     |
| Undesignated                                               |                            |                    |                         | 10,393,692    |                                     |
|                                                            |                            |                    |                         | \$ 16,807,799 |                                     |

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                               | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|-----------------------------------------------|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>REVENUES</b>                               |                            |                    |                         |               |                                     |
| Federal Sources                               |                            | \$ 153,693         | \$ 153,693              | \$ 151,158    | \$ (2,535)                          |
| State Sources                                 |                            | 11,707             | 11,707                  | 11,707        | -                                   |
| Local Sources                                 | -                          | 49,832             | 49,832                  | 41,089        | (8,743)                             |
| Total Revenues                                | -                          | 215,232            | 215,232                 | 203,954       | (11,278)                            |
| <b>EXPENDITURES</b>                           |                            |                    |                         |               |                                     |
| Instruction                                   |                            |                    |                         |               |                                     |
| Other Purchased Services                      |                            | 22,853             | 22,853                  | 22,853        | -                                   |
| General Supplies                              | -                          | 21,450             | 21,450                  | 16,707        | 4,743                               |
| Total Instruction                             | -                          | 44,303             | 44,303                  | 39,560        | 4,743                               |
| Support Services                              |                            |                    |                         |               |                                     |
| Other Purchased Services                      |                            | 5,000              | 5,000                   | 5,000         | -                                   |
| Supplies and Materials                        | -                          | 35,089             | 35,089                  | 31,089        | 4,000                               |
| Total Support Services                        | -                          | 40,089             | 40,089                  | 36,089        | 4,000                               |
| Facilities Acquisition and Construction       |                            |                    |                         |               |                                     |
| Buildings                                     | -                          | 130,840            | 130,840                 | 128,305       | 2,535                               |
| Total Facilities Acquisition and Construction | -                          | 130,840            | 130,840                 | 128,305       | 2,535                               |
| Total Expenditures                            | -                          | 215,232            | 215,232                 | 203,954       | 11,278                              |
| 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, 2023**

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 \$ 203,954

Difference - budget to GAAP

Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.

Less: Encumbrances, June 30, 2023 (89,293)

Total Revenues as Reported on the Statement of Revenues,  
Expenditures, and Changes in Fund Balances - Governmental  
Funds.

\$ 114,661

**Uses/Outflows of Resources**

Actual Amounts (Budgetary Basis) "Total Expenditure" from the  
Budgetary Comparison Schedule

\$ 203,954

Differences - budget to GAAP

Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes

Less: Encumbrances, June 30, 2023 (89,293)

Total Expenditures as Reported on the Statement of Revenues,  
Expenditures, and Changes in Fund Balances-Governmental Funds.

\$ 114,661

**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 Ten Fiscal Years\*

|                                                                                                                       | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
|-----------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Commission's Proportion of the Net Position Liability (Asset)                                                         | 0.12746 %     | 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)                                                 | \$ 19,235,291 | \$ 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                                                                                 | \$ 8,894,532  | \$ 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 | 216.26 %      | 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                                            | 62.91 %       | 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.

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

Public Employees Retirement System

Last Ten Fiscal Years

|                                                                      | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution                                  | \$ 1,607,317 | \$ 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 | 1,607,317    | 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                                | \$ 8,864,831 | \$ 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            | 18.13%       | 17.86%       | 15.81%       | 13.16%       | 14.56%       | 14.31%       | 12.34%       | 12.35%       | 13.19%       | 12.73%       |

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 Ten Fiscal Years*            |               |               |               |               |               |               |               |               |               |
|                                                                                                              | 2023                              | 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%            | 0%            |
| Commission's Proportionate Share of the Net Pension Liability (Asset)                                        | \$ 0                              | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District                | 30,799,604                        | 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                                                                                                        | \$ 30,799,604                     | \$ 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                                                                                 | \$ 6,484,846                      | \$ 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%            | 0%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                   | 32.29%                            | 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.

**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, 2023**

**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 Six Fiscal Years\***

|                                                                                                           | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total OPEB Liability</b>                                                                               |               |               |               |               |               |               |
| Service Cost                                                                                              | \$ 4,461,689  | \$ 4,995,495  | \$ 2,804,730  | \$ 3,318,334  | \$ 3,814,302  | \$ 4,754,976  |
| Interest on Total OPEB Liability                                                                          | 1,359,275     | 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                                                       | (918,659)     | (12,592,663)  | 10,980,072    | (8,954,061)   | (6,423,205)   | -             |
| Changes of Assumptions                                                                                    | (13,759,345)  | 60,627        | 12,544,439    | 625,595       | (5,315,531)   | (7,056,680)   |
| Gross Benefit Payments                                                                                    | 43,193        | 40,754        | (1,195,563)   | (1,287,980)   | (1,238,599)   | (2,332,849)   |
| Contribution from the Member                                                                              | (1,346,403)   | (1,255,718)   | 36,237        | 38,179        | 42,808        | 85,901        |
| Net Change in Total OPEB Liability                                                                        | (10,160,250)  | (7,222,796)   | 26,716,491    | (4,362,857)   | (7,092,690)   | (2,894,006)   |
| Total OPEB Liability - Beginning                                                                          | 61,451,527    | 68,674,323    | 41,957,832    | 46,320,689    | 53,413,379    | 56,307,385    |
| Total OPEB Liability - Ending                                                                             | \$ 51,291,277 | \$ 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                                                             | 51,291,277    | 61,451,527    | 68,674,323    | 41,957,832    | 46,320,689    | 53,413,379    |
| Total OPEB Liability - Ending                                                                             | \$ 51,291,277 | \$ 61,451,527 | \$ 68,674,323 | \$ 41,957,832 | \$ 46,320,689 | \$ 53,413,379 |
| Commission's Covered Payroll                                                                              | \$ 15,379,378 | \$ 15,608,748 | \$ 16,236,967 | \$ 15,405,989 | \$ 15,694,182 | \$ 16,267,329 |
| Commission's Proportionate Share of the<br>Total OPEB Liability as a Percentage of its<br>Covered Payroll | 0%            | 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.

**MORRIS-UNION JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COMMISSION'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF COMMISSION PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2023

|                                               | SDA<br>Emergent<br>Capital Needs | Safety<br>Grant | ESSER II  | ARP<br>ESSER | Climate<br>Awareness<br>Education | Play 60<br>Grant | Local<br>Drive for<br>Autism | Total      |
|-----------------------------------------------|----------------------------------|-----------------|-----------|--------------|-----------------------------------|------------------|------------------------------|------------|
| <b>REVENUES</b>                               |                                  |                 |           |              |                                   |                  |                              |            |
| Intergovernmental                             |                                  |                 |           |              |                                   |                  |                              |            |
| Federal                                       | \$ 5,047                         |                 | \$ 22,853 | \$ 128,305   | \$ 6,660                          |                  |                              | \$ 151,158 |
| State                                         | -                                | \$ 31,042       | -         | -            | -                                 | \$ 1,130         | \$ 8,917                     | 11,707     |
| Local                                         |                                  |                 |           |              |                                   |                  |                              | 41,089     |
| Total Revenues                                | \$ 5,047                         | \$ 31,042       | \$ 22,853 | \$ 128,305   | \$ -                              | \$ 1,130         | \$ 8,917                     | \$ 203,954 |
| <b>EXPENDITURES</b>                           |                                  |                 |           |              |                                   |                  |                              |            |
| Instruction                                   |                                  |                 |           |              |                                   |                  |                              |            |
| Purchased Professional Services               |                                  |                 | \$ 22,853 |              | \$ 6,660                          | \$ 1,130         | \$ 8,917                     | \$ 22,853  |
| General Supplies                              | -                                | -               | -         | -            | -                                 | -                | -                            | 16,707     |
| Total Instruction                             | -                                | -               | 22,853    | -            | 6,660                             | 1,130            | 8,917                        | 39,560     |
| Support Services                              |                                  |                 |           |              |                                   |                  |                              |            |
| Other Purchased Services                      | \$ 5,000                         |                 |           |              |                                   |                  |                              | 5,000      |
| Supplies and Materials                        | 5,047                            | 26,042          | -         | -            | -                                 | -                | -                            | 31,089     |
| Total Support Services                        | 5,047                            | 31,042          | -         | -            | -                                 | -                | -                            | 36,089     |
| Facilities Acquisition and Construction       |                                  |                 |           |              |                                   |                  |                              |            |
| Buildings                                     | -                                | -               | -         | \$ 128,305   | -                                 | -                | -                            | 128,305    |
| Total Facilities Acquisition and Construction | -                                | -               | -         | 128,305      | -                                 | -                | -                            | 128,305    |
| Total Expenditures                            | \$ 5,047                         | \$ 31,042       | \$ 22,853 | \$ 128,305   | \$ 6,660                          | \$ 1,130         | \$ 8,917                     | \$ 203,954 |

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**MORRIS-UNION JOINTURE COMMISSION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| <u>Issue/Project Title</u>                   | <u>Adjusted<br/>Appropriation</u> | <u>Expenditures to Date<br/>Prior Years</u> | <u>Current Year</u> | <u>Prior Years</u>                      |                                                   | <u>Balance<br/>June 30, 2023</u> |
|----------------------------------------------|-----------------------------------|---------------------------------------------|---------------------|-----------------------------------------|---------------------------------------------------|----------------------------------|
|                                              |                                   |                                             |                     | <u>Transferred<br/>General<br/>Fund</u> | <u>Reserve Fund<br/>Utilized in<br/>Refunding</u> |                                  |
| Construction of a New School -<br>Warren DLC | \$ 60,262,159                     | \$ 58,199,469                               | -                   | \$ 129,451                              | \$ 1,933,239                                      | -                                |
|                                              | <u>\$ 60,262,159</u>              | <u>\$ 58,199,469</u>                        | <u>\$ -</u>         | <u>\$ 129,451</u>                       | <u>\$ 1,933,239</u>                               | <u>\$ -</u>                      |

**Reconciliation to GAAP**

|                                                                                    |                     |
|------------------------------------------------------------------------------------|---------------------|
| Project Balance, June 30, 2023                                                     | \$ -                |
| Add: Refunding Proceeds Reserved for Payment of<br>of Capital Financing Agreements | <u>1,945,306</u>    |
| Fund Balance, June 30, 2023                                                        | <u>\$ 1,945,306</u> |

**Recapitulation of Fund Balance**

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| Restricted for Capital Financing<br>Agreements (COPS) | <u>\$ 1,945,306</u> |
| Total Fund Balance                                    | <u>\$ 1,945,306</u> |

**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, 2023**

**Revenues and Other Financing Sources**

|                                                           |                            |
|-----------------------------------------------------------|----------------------------|
| Interest Income                                           | \$ 69,881                  |
| Total Revenues and Other Financing Sources                | <u>69,881</u>              |
| <b>Expenditures and Other Financing Uses</b>              |                            |
| Operating Transfer Out - General Fund                     | <u>338</u>                 |
| Total Expenditures and Other Financing Uses               | <u>338</u>                 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 69,543                     |
| Fund Balance - Beginning of Year                          | <u>1,875,763</u>           |
| Fund Balance - End of Year                                | <u><u>\$ 1,945,306</u></u> |

Reconciliation to GAAP Basis

|                                             |                            |
|---------------------------------------------|----------------------------|
| Fund Balance, June 30, 2023-Budgetary Basis | \$ <u>1,945,306</u>        |
| Fund Balance, June 30, 2023-GAAP Basis      | <u><u>\$ 1,945,306</u></u> |

**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, 2023**

**NOT APPLICABLE**

## **ENTERPRISE FUNDS**

MORRIS-UNION JOINTURE COMMISSION  
SPECIAL PROGRAMS ENTERPRISE FUND  
COMBINING SCHEDULE OF PROGRAM NET POSITION  
AS OF JUNE 30, 2023

|                                                       | Professional<br>Development | Transportation<br>Program | Provisional<br>Teaching<br>Program | Recreational<br>Programs | Total         |
|-------------------------------------------------------|-----------------------------|---------------------------|------------------------------------|--------------------------|---------------|
| <b>ASSETS</b>                                         |                             |                           |                                    |                          |               |
| Current Assets                                        |                             |                           |                                    |                          |               |
| Cash and Cash Equivalents                             | \$ 627,853                  | \$ 9,189,491              | \$ 517,220                         | \$ 764,875               | \$ 11,099,439 |
| Intergovernmental Accounts Receivable                 | 9,700                       | 1,437,318                 | -                                  | 928                      | 1,447,946     |
| Total Current Assets                                  | 637,553                     | 10,626,809                | 517,220                            | 765,803                  | 12,547,385    |
| Capital Assets                                        |                             |                           |                                    |                          |               |
| Land                                                  |                             | 3,064,300                 |                                    |                          | 3,064,300     |
| Construction in Progress                              |                             | 51,187                    |                                    |                          | 51,187        |
| Buildings and Improvements                            |                             | 3,252,773                 |                                    |                          | 3,252,773     |
| Furniture, Machinery and Equipment                    |                             | 7,272,124                 |                                    | 6,491                    | 7,278,615     |
| Less: Accumulated Depreciation                        | -                           | (8,141,576)               | -                                  | (1,960)                  | (8,143,536)   |
| Total Capital Assets, Net                             | -                           | 5,498,808                 | -                                  | 4,531                    | 5,503,339     |
| Total Assets                                          | 637,553                     | 16,125,617                | 517,220                            | 770,334                  | 18,050,724    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                  |                             |                           |                                    |                          |               |
| Deferred Amounts on Net Pension Liability             | -                           | 380,489                   | -                                  | -                        | 380,489       |
| Total Assets and Deferred Outflow<br>of Resources     | 637,553                     | 16,506,106                | 517,220                            | 770,334                  | 18,431,213    |
| <b>LIABILITIES</b>                                    |                             |                           |                                    |                          |               |
| Current Liabilities                                   |                             |                           |                                    |                          |               |
| Accounts Payable                                      | 18                          | 863,254                   |                                    | 89                       | 863,361       |
| Accrued Salaries and Wages                            |                             | 100,054                   |                                    |                          | 100,054       |
| Accrued Liability for Insurance Claims                | -                           | 263,768                   |                                    |                          | 263,768       |
| Capital Financing Agreements                          | -                           | 2,986                     | -                                  | -                        | 2,986         |
| Total Current Liabilities                             | 18                          | 1,230,062                 | -                                  | 89                       | 1,230,169     |
| Noncurrent Liabilities                                |                             |                           |                                    |                          |               |
| Capital Financing Agreements                          |                             | 6,621                     |                                    |                          | 6,621         |
| Net Pension Liability                                 | -                           | 4,501,058                 | -                                  | -                        | 4,501,058     |
| Total Noncurrent Liabilities                          | -                           | 4,507,679                 | -                                  | -                        | 4,507,679     |
| Total Liabilities                                     | 18                          | 5,737,741                 | -                                  | 89                       | 5,737,848     |
| <b>DEFERRED INFLOW OF RESOURCES</b>                   |                             |                           |                                    |                          |               |
| Deferred Amounts on Net Pension Liability             | -                           | 1,048,967                 | -                                  | -                        | 1,048,967     |
| Total Liabilities and Deferred Inflow<br>of Resources | 18                          | 6,786,708                 | -                                  | 89                       | 6,786,815     |
| <b>NET POSITION</b>                                   |                             |                           |                                    |                          |               |
| Net Investment in Capital Assets                      |                             | 5,489,201                 | -                                  | 4,531                    | 5,493,732     |
| Unrestricted                                          | 637,535                     | 4,230,197                 | 517,220                            | 765,714                  | 6,150,666     |
| Total Net Position                                    | \$ 637,535                  | \$ 9,719,398              | \$ 517,220                         | \$ 770,245               | \$ 11,644,398 |

**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, 2023**

|                                                  | <u>Professional<br/>Development</u> | <u>Transportation<br/>Program</u> | <u>Provisional<br/>Teaching<br/>Program</u> | <u>Recreational<br/>Programs</u> | <u>Total</u>         |
|--------------------------------------------------|-------------------------------------|-----------------------------------|---------------------------------------------|----------------------------------|----------------------|
| <b>REVENUES</b>                                  |                                     |                                   |                                             |                                  |                      |
| <b>OPERATING REVENUES</b>                        |                                     |                                   |                                             |                                  |                      |
| Program Fees                                     | \$ 61,923                           | \$ 5,938,444                      |                                             | \$ 334                           | \$ 6,000,701         |
| Miscellaneous Fees                               |                                     | 2,753                             |                                             | 71,593                           | 74,346               |
| Other                                            |                                     |                                   | \$ 569                                      | 1,876                            | 2,445                |
| Net PERS Pension Credit                          |                                     | 895,337                           |                                             |                                  | 895,337              |
| State - On Behalf OPEB Contribution              | -                                   | 474,367                           | -                                           | -                                | 474,367              |
| Total Operating Revenues                         | <u>61,923</u>                       | <u>7,310,901</u>                  | <u>569</u>                                  | <u>73,803</u>                    | <u>7,447,196</u>     |
| <b>OPERATING EXPENSES</b>                        |                                     |                                   |                                             |                                  |                      |
| Support Services                                 |                                     |                                   |                                             |                                  |                      |
| Salaries                                         |                                     | 3,656,483                         |                                             | 20,168                           | 3,676,651            |
| Employee Benefits                                |                                     | 1,632,897                         |                                             | 1,508                            | 1,634,405            |
| Purchased Professional /Technical Services       | 48,125                              | 9,760                             |                                             |                                  | 57,885               |
| Other Purchased Services                         |                                     | 81,777                            |                                             | 27,064                           | 108,841              |
| Cleaning, Repairs, Maintenance and Utilities     |                                     | 609,424                           |                                             |                                  | 609,424              |
| Supplies and Materials                           | 1,982                               | 197,696                           |                                             | 1,306                            | 200,984              |
| Miscellaneous                                    |                                     | 10,212                            |                                             | 2,581                            | 12,793               |
| Depreciation                                     | -                                   | 510,944                           | -                                           | 536                              | 511,480              |
| Total Operating Expenses                         | <u>50,107</u>                       | <u>6,709,193</u>                  | <u>-</u>                                    | <u>53,163</u>                    | <u>6,812,463</u>     |
| Operating Income (Loss)                          | 11,816                              | 601,708                           | 569                                         | 20,640                           | 634,733              |
| Nonoperating (Revenues) Expenses                 |                                     |                                   |                                             |                                  |                      |
| Proceeds from Insurance Reimbursements           |                                     | 105,409                           |                                             |                                  | 105,409              |
| Loss on Disposal of Capital Asset                | -                                   | (65,281)                          | -                                           | -                                | (65,281)             |
| Change in Net Position                           | 11,816                              | 641,836                           | 569                                         | 20,640                           | 674,861              |
| Total Net Position- Beginning of Year (Restated) | <u>625,719</u>                      | <u>9,077,562</u>                  | <u>516,651</u>                              | <u>749,605</u>                   | <u>10,969,537</u>    |
| Total Net Position - Ending of Year              | <u>\$ 637,535</u>                   | <u>\$ 9,719,398</u>               | <u>\$ 517,220</u>                           | <u>\$ 770,245</u>                | <u>\$ 11,644,398</u> |

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL PROGRAMS ENTERPRISE FUND  
COMBINING SCHEDULE OF PROGRAM CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|                                                                                                         | Professional<br>Development | Transportation<br>Program | Provisional<br>Teaching<br>Program | Recreational<br>Programs | Total         |
|---------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|------------------------------------|--------------------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                             |                             |                           |                                    |                          |               |
| Receipts from Customers                                                                                 | \$ 58,523                   | \$ 5,752,622              |                                    | \$ 70,999                | \$ 5,882,144  |
| Payments to Employees for Salaries and Benefits                                                         | -                           | (5,280,579)               |                                    | (21,676)                 | (5,302,255)   |
| Payments to Suppliers for Goods and Services                                                            | (50,089)                    | (921,255)                 | -                                  | (31,866)                 | (1,003,210)   |
| Net Cash Provided by(Used for) Operating Activities                                                     | 8,434                       | (449,212)                 | -                                  | 17,457                   | (423,321)     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                         |                             |                           |                                    |                          |               |
| Principal Payment on Capital Financing Agreements                                                       |                             | (2,767)                   |                                    |                          | (2,767)       |
| Proceeds from Insurance Reimbursements                                                                  |                             | 105,409                   |                                    |                          | 105,409       |
| Purchases of Capital Assets                                                                             | -                           | (13,799)                  | -                                  | -                        | (13,799)      |
| Net Cash Provided by(Used for) Capital and Related Financing Activities                                 | -                           | 88,843                    | -                                  | -                        | 88,843        |
| Net Increase (Decrease) in Cash and Cash Equivalents                                                    | 8,434                       | (360,369)                 | -                                  | 17,457                   | (334,478)     |
| Cash and Cash Equivalents - Beginning of Year                                                           | 619,419                     | 9,549,860                 | \$ 517,220                         | 747,418                  | 11,433,917    |
| Cash and Cash Equivalents - End of Year                                                                 | \$ 627,853                  | \$ 9,189,491              | \$ 517,220                         | \$ 764,875               | \$ 11,099,439 |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>    |                             |                           |                                    |                          |               |
| Operating Income (Loss)                                                                                 | \$ 11,816                   | \$ 601,708                | \$ 569                             | \$ 20,640                | \$ 634,733    |
| Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities |                             |                           |                                    |                          |               |
| Depreciation Expense                                                                                    |                             | 510,944                   |                                    | 536                      | 511,480       |
| (Increase) Decrease in Accounts Receivable                                                              | (3,400)                     | (188,575)                 |                                    | (928)                    | (192,903)     |
| (Increase) Decrease in Deferred Outflows of Resources on Net Pension                                    |                             | 80,563                    |                                    |                          | 80,563        |
| Increase (Decrease) in Deferred Inflows of Resources on Net Pension                                     |                             | (1,899,864)               |                                    |                          | (1,899,864)   |
| Increase(Decrease) in Accounts Payable                                                                  | 18                          | (12,386)                  |                                    | (915)                    | (13,283)      |
| Increase (Decrease) in Accrued Salaries and Wages                                                       |                             | (1,637)                   |                                    |                          | (1,637)       |
| Increase(Decrease) Accrued Liabilities for Insurance Claims                                             |                             | (87,495)                  | (569)                              | (1,876)                  | (89,940)      |
| Increase(Decrease) in Net Pension Liability                                                             | -                           | 547,530                   | -                                  | -                        | 547,530       |
| Total Adjustments                                                                                       | (3,382)                     | (1,050,920)               | (569)                              | (3,183)                  | (1,058,054)   |
| Net Cash Provided (Used) by Operating Activities                                                        | \$ 8,434                    | \$ (449,212)              | \$ -                               | \$ 17,457                | \$ (423,321)  |
| Capital and Related Financing Activities                                                                |                             |                           |                                    |                          |               |
| Capital Assets Purchased on Account                                                                     |                             | \$ 795,548                |                                    |                          | 795,548       |

**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, 2023

| <u>Issue</u>                                           | <u>Date of<br/>Issue</u> | <u>Amount of<br/>Issue</u> | <u>Annual Maturities<br/>Date</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Balance,<br/>July 1, 2022</u> | <u>Decreased</u> | <u>Balance,<br/>June 30, 2023</u> |
|--------------------------------------------------------|--------------------------|----------------------------|-----------------------------------|---------------|--------------------------|----------------------------------|------------------|-----------------------------------|
| Refunding Series 2013-Certificates of<br>Participation | 6/12/2013                | \$ 43,830,000              | 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%                   | \$ 22,175,000                    | \$ 2,765,000     | \$ 19,410,000                     |
|                                                        |                          |                            |                                   |               |                          | \$ 22,175,000                    | \$ 2,765,000     | \$ 19,410,000                     |

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF OBLIGATIONS UNDER FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| <u>Description</u>                  | <u>Amount of<br/>Original<br/>Issue</u> | <u>Balance,<br/>July 1, 2022</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance,<br/>June 30, 2023</u> |
|-------------------------------------|-----------------------------------------|----------------------------------|------------------|--------------------|-----------------------------------|
| <b>Capital Financing Agreements</b> |                                         |                                  |                  |                    |                                   |
| Acquisition of Equipment            | \$ 167,373                              | \$ 143,886                       | -                | \$ 32,174          | \$ 111,712                        |
| <b>Other Financing Agreements</b>   |                                         |                                  |                  |                    |                                   |
| Acquisition of Computers            | 132,570                                 | \$ -                             | \$ 132,570       | -                  | 132,570                           |
| <b>Total Financing Agreements</b>   |                                         | \$ 143,886                       | \$ 132,570       | \$ 32,174          | \$ 244,282                        |
| <br><b>Analysis</b>                 |                                         |                                  |                  |                    |                                   |
| Governmental Activities             |                                         | \$ 131,512                       | \$ 132,570       | \$ 29,407          | \$ 234,675                        |
| Business-Type Activities            |                                         | 12,374                           | -                | 2,767              | 9,607                             |
|                                     |                                         | \$ 143,886                       | \$ 132,570       | \$ 32,174          | \$ 244,282                        |

**EXHIBIT I-3**

**MORRIS-UNION JOINTURE COMMISSION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOT APPLICABLE**

**EXHIBIT I-4**

**SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED  
INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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.

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

|                                                    | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                    | 2014                       | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
| <b>Governmental Activities</b>                     |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment In Capital Assets                   |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Restricted                                         | \$ 25,908,789              | \$ 24,780,794        | \$ 23,741,214        | \$ 21,798,302        | \$ 23,293,815        | \$ 25,369,818        | \$ 24,605,507        | \$ 23,655,206        | \$ 24,091,286        | \$ 23,254,677        |
| Unrestricted                                       | 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            | 2,081,348            |
|                                                    | (7,086,016)                | (6,692,829)          | (3,075,978)          | (1,209,674)          | (5,179,086)          | (3,562,094)          | (1,261,702)          | (2,164,703)          | (3,408,673)          | (721,568)            |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 20,711,704</b>       | <b>\$ 19,976,959</b> | <b>\$ 22,554,225</b> | <b>\$ 22,463,995</b> | <b>\$ 22,005,620</b> | <b>\$ 23,731,460</b> | <b>\$ 25,291,852</b> | <b>\$ 23,512,872</b> | <b>\$ 22,702,398</b> | <b>\$ 24,614,457</b> |
| <b>Business-Type Activities</b>                    |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment In Capital Assets                   | \$ 6,638,951               | \$ 6,179,769         | \$ 5,786,554         | \$ 5,469,020         | \$ 5,281,372         | \$ 5,057,564         | \$ 4,642,103         | \$ 5,014,007         | \$ 5,307,955         | \$ 5,538,206         |
| Unrestricted                                       | 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            | 6,221,012            |
| <b>Total Business-Type Activities Net Position</b> | <b>\$ 11,889,556</b>       | <b>\$ 13,518,046</b> | <b>\$ 12,128,004</b> | <b>\$ 11,781,191</b> | <b>\$ 12,665,060</b> | <b>\$ 12,700,779</b> | <b>\$ 11,028,286</b> | <b>\$ 10,190,624</b> | <b>\$ 11,049,047</b> | <b>\$ 11,759,218</b> |
| <b>Commission-Wide</b>                             |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment In Capital Assets                   | \$ 32,547,240              | \$ 30,960,563        | \$ 29,527,768        | \$ 27,267,322        | \$ 28,575,187        | \$ 30,427,382        | \$ 29,247,610        | \$ 28,669,213        | \$ 29,399,241        | \$ 28,792,883        |
| Restricted                                         | 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            | 2,081,348            |
| Unrestricted                                       | (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            | 5,699,444            |
| <b>Total Commission Net Position</b>               | <b>\$ 32,600,760</b>       | <b>\$ 33,495,005</b> | <b>\$ 34,682,229</b> | <b>\$ 34,245,186</b> | <b>\$ 34,670,680</b> | <b>\$ 36,432,239</b> | <b>\$ 36,320,138</b> | <b>\$ 33,703,496</b> | <b>\$ 33,751,445</b> | <b>\$ 36,373,675</b> |

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.

Note 3: Net Position at June 30, 2021 is restated to reflect changes in the valuation of the Commission's capital assets.

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

|                                                 | Fiscal Year Ended June 30, |               |              |              |              |              |              |                |              |              |
|-------------------------------------------------|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
|                                                 | 2014                       | 2015          | 2016         | 2017         | 2018         | 2019         | 2020         | 2021           | 2022         | 2023         |
| <b>Expenses</b>                                 |                            |               |              |              |              |              |              |                |              |              |
| Governmental Activities                         |                            |               |              |              |              |              |              |                |              |              |
| Instruction                                     |                            |               |              |              |              |              |              |                |              |              |
| Special Education                               | \$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 | \$14,145,963 |
| Support Services:                               |                            |               |              |              |              |              |              |                |              |              |
| Student & Instruction Related Services          | 180,260                    | 689           | 300          | 11,184,030   | 11,493,442   | 10,192,763   | 10,439,280   | 9,920,481      | 9,625,076    | 8,615,816    |
| General Administration                          | 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    | 1,498,791    |
| 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    | 1,516,407    |
| Central Services and Other Support Services     | 1,074,551                  | 1,098,215     | 994,430      | 1,546,075    | 1,888,212    | 1,615,422    | 1,590,088    | 2,044,438      | 2,427,011    | 2,432,214    |
| Plant Operations And Maintenance                | 755,905                    | 677,935       | 591,345      | 3,035,652    | 3,334,484    | 3,134,455    | 2,725,263    | 2,957,679      | 3,363,953    | 3,475,806    |
| Pupil Transportation                            | -                          | -             | -            | 383,210      | 295,865      | 292,217      | 235,350      | 522            | 289,304      | 361,854      |
| Debt Service                                    | 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      | 858,530      |
| Total Governmental Activities Expenses          | 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   | 32,905,381   |
| Business-Type Activities:                       |                            |               |              |              |              |              |              |                |              |              |
| Special Programs                                | 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    | 6,812,463    |
| Food Service                                    | 297,315                    | 291,364       | 271,608      | 276,498      | 277,593      | 309,463      | 224,129      | 188,315        | 312,462      | 292,364      |
| Total Business-Type Activities Expense          | 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    | 7,104,827    |
| Total Commission Expenses                       | \$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 | \$40,010,208 |
| <b>Program Revenues</b>                         |                            |               |              |              |              |              |              |                |              |              |
| Governmental Activities:                        |                            |               |              |              |              |              |              |                |              |              |
| Charges For Services:                           |                            |               |              |              |              |              |              |                |              |              |
| Operating Grants And Contributions              | 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   | 30,181,979   |
| Capital Grants And Contributions                | 1,751,938                  | 4,242,432     | 4,815,087    | 5,982,680    | 8,969,202    | 6,956,016    | 5,459,484    | 6,957,378      | 5,978,296    | 4,379,046    |
| Total Governmental Activities Program Revenues  | 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   | 34,602,330   |
| Business-Type Activities:                       |                            |               |              |              |              |              |              |                |              |              |
| Charges For Services:                           |                            |               |              |              |              |              |              |                |              |              |
| Special Programs                                | 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    | 6,077,492    |
| Food Service                                    | 123,399                    | 112,590       | 112,557      | 100,918      | 106,597      | 109,568      | 75,848       | 3,843          | 6,583        | 78,484       |
| Operating Grants And Contributions              | 76,353                     | 79,031        | 78,123       | 80,818       | 946,018      | 712,958      | 485,967      | 803,259        | 2,161,307    | 1,498,894    |
| Total Business-Type Activities Program Revenues | 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    | 7,694,998    |
| Total Commission Program Revenues               | \$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 | \$42,297,328 |
| <b>Net (Expense)/Revenue</b>                    |                            |               |              |              |              |              |              |                |              |              |
| Governmental Activities                         | \$ 177,716                 | \$ (918,948)  | \$ 2,566,132 | \$ (216,292) | \$ (663,799) | \$ 1,291,666 | \$ 1,160,013 | \$ (1,857,528) | \$ (816,075) | \$ 1,696,949 |
| Business-Type Activities                        | 878,764                    | 1,521,874     | (1,490,076)  | (421,917)    | 783,712      | (64,281)     | (1,722,493)  | (907,662)      | 691,461      | 590,171      |
| Total Commission-Wide Net Expense               | \$ 1,056,480               | \$ 602,926    | \$ 1,076,056 | \$ (638,209) | \$ 119,913   | \$ 1,227,385 | \$ (562,480) | \$ (2,765,190) | \$ (124,614) | \$ 2,287,120 |

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

|                                                           | Fiscal Year Ended June 30, |              |              |              |              |              |              |                |              |              |
|-----------------------------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
|                                                           | 2014                       | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021           | 2022         | 2023         |
| <b>General Revenues And Other Changes In Net Position</b> |                            |              |              |              |              |              |              |                |              |              |
| Governmental Activities:                                  |                            |              |              |              |              |              |              |                |              |              |
| Investment Earnings                                       | \$ 83,803                  | \$ 93,801    | \$ 104,796   | \$ 151,691   | \$ 262,201   | \$ 467,548   | \$ 377,696   | \$ 109,116     | \$ 65,332    | \$ 324,353   |
| Miscellaneous Income                                      | 88,512                     | 197,502      | 6,338        | 49,371       | 43,223       | 66,626       | 43,661       | 39,432         | 604          | 10,757       |
| Transfers                                                 | 510,621                    | (106,600)    | (100,000)    | (75,000)     | (100,000)    | (100,000)    | (50,000)     | (70,000)       | (110,000)    | (120,000)    |
| Total Governmental Activities                             | 682,936                    | 184,703      | 11,134       | 126,062      | 205,424      | 434,174      | 371,357      | 78,548         | (44,064)     | 215,110      |
| Business-Type Activities:                                 |                            |              |              |              |              |              |              |                |              |              |
| Investment Earnings                                       | 18                         | 16           | 34           | 104          | 157          |              |              |                |              |              |
| Transfers                                                 | (510,621)                  | 106,600      | 100,000      | 75,000       | 100,000      | 100,000      | 50,000       | 70,000         | 110,000      | 120,000      |
| Total Business-Type Activities                            | (510,603)                  | 106,616      | 100,034      | 75,104       | 100,157      | 100,000      | 50,000       | 70,000         | 110,000      | 120,000      |
| Total Commission-Wide                                     | \$ 172,333                 | \$ 291,319   | \$ 111,168   | \$ 201,166   | \$ 305,581   | \$ 534,174   | \$ 421,357   | \$ 148,548     | \$ 65,936    | \$ 335,110   |
| <b>Change In Net Position</b>                             |                            |              |              |              |              |              |              |                |              |              |
| Governmental Activities                                   | \$ 860,652                 | \$ (734,245) | \$ 2,577,266 | \$ (90,230)  | \$ (458,375) | \$ 1,725,840 | \$ 1,531,370 | \$ (1,778,980) | \$ (860,139) | \$ 1,912,059 |
| Business-Type Activities                                  | 368,161                    | 1,628,490    | (1,390,042)  | (346,813)    | 883,869      | 35,719       | (1,672,493)  | (837,662)      | 801,461      | 710,171      |
| Total Commission                                          | \$ 1,228,813               | \$ 894,245   | \$ 1,187,224 | \$ (437,043) | \$ 425,494   | \$ 1,761,559 | \$ (141,123) | \$ (2,616,642) | \$ (58,678)  | \$ 2,622,230 |

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

|                                    | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |               |
|------------------------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 2014                       | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
| General Fund                       |                            |               |               |               |               |               |               |               |               |               |
| Restricted                         |                            |               |               |               |               |               |               |               |               |               |
| Committed                          |                            |               |               |               |               |               |               |               |               |               |
| Assigned                           | \$ 2,856,491               | \$ 1,556,439  | \$ 260,307    | \$ 1,126,824  | \$ 3,247,803  | \$ 181,560    | \$ 29,022     | \$ 144,022    | \$ 144,022    | \$ 136,042    |
| Unassigned                         | 10,371,719                 | 12,676,113    | 1,984,568     | 3,041,017     | 3,275,759     | 2,713,596     | 4,764,183     | 720,300       | 83,288        | 142,968       |
|                                    |                            |               | 15,255,731    | 14,554,712    | 13,807,428    | 16,674,438    | 16,210,447    | 4,871,120     | 7,306,593     | 6,135,097     |
|                                    |                            |               |               |               |               |               |               | 14,217,603    | 8,927,582     | 10,393,692    |
| Total General Fund                 | \$ 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 | \$ 16,807,799 |
| All Other Governmental Funds       |                            |               |               |               |               |               |               |               |               |               |
| Restricted                         | \$ 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  | \$ 1,945,306  |
| Total All Other Governmental Funds | \$ 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  | \$ 1,945,306  |

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

**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, |               |               |               |               |               |               |                |                |               |
|-----------------------------------------------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|
|                                                           | 2014                       | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021           | 2022           | 2023          |
| <b>Revenues</b>                                           |                            |               |               |               |               |               |               |                |                |               |
| Tuition Charges                                           | \$ 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  | \$ 24,595,519 |
| Miscellaneous                                             | 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      | 5,548,184     |
| State Sources                                             | 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      | 3,511,919     |
| Federal Sources                                           |                            |               |               | 214,950       | 286,966       | 302,153       |               | 49,098         | 42,567         | 64,158        |
| Total Revenue                                             | 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     | 33,719,780    |
| <b>Expenditures</b>                                       |                            |               |               |               |               |               |               |                |                |               |
| Instruction                                               |                            |               |               |               |               |               |               |                |                |               |
| Special Education                                         | 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     | 10,986,945    |
| Support Services:                                         |                            |               |               |               |               |               |               |                |                |               |
| Student & Inst. Related Services                          | 180,260                    | 641           | 300           | 9,050,354     | 8,638,387     | 8,750,674     | 9,343,909     | 8,666,379      | 9,526,366      | 9,012,536     |
| General Administration                                    | 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      | 1,552,056     |
| 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      | 1,588,622     |
| Central Services and Other Support Services               | 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      | 2,431,290     |
| Plant Operations And Maintenance                          | 755,905                    | 666,743       | 577,125       | 2,817,602     | 2,775,636     | 2,947,619     | 2,651,999     | 2,820,052      | 3,206,164      | 3,470,930     |
| Pupil Transportation                                      |                            |               |               | 383,210       | 295,865       | 292,217       | 235,350       | 522            | 289,304        | 361,854       |
| Debt Service                                              |                            |               |               |               |               |               |               |                |                |               |
| Principal                                                 | 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      | 2,794,407     |
| Interest on Long Term Debt                                | 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      | 898,989       |
| Capital Outlay                                            | 582,855                    | 176,153       | 367,977       | 782,297       | 1,246,873     | 3,208,782     | 372,688       | 189,850        | 1,758,992      | 218,864       |
| Total Expenditures                                        | 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     | 33,316,493    |
| Excess (Deficiency) Of Revenues Over (Under) Expenditures | (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)    | 403,287       |
| <b>Other Financing Sources (Uses)</b>                     |                            |               |               |               |               |               |               |                |                |               |
| Proceeds from Financing Agreements                        |                            |               |               |               |               |               |               |                |                |               |
| Transfers In                                              | 709,773                    | 102           | 163           | 14,531        | 211           | 6,559         | 29,923        | 41,084         | 152,979        | 132,570       |
| Transfers Out                                             | (199,152)                  | (106,702)     | (100,163)     | (89,531)      | (100,211)     | (106,559)     | (79,923)      | (111,084)      | 3,760          | 338           |
| Total Other Financing Sources (Uses)                      | 510,621                    | (106,600)     | (100,000)     | (75,000)      | (100,000)     | (100,000)     | (50,000)      | (70,000)       | (113,760)      | (120,338)     |
| Net Change In Fund Balances                               | \$ (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) | \$ 415,857    |
| Debt Service As A Percentage Of Noncapital Expenditures   | 13.75%                     | 13.99%        | 12.21%        | 12.01%        | 12.33%        | 12.05%        | 11.94%        | 11.79%         | 11.20%         | 11.16%        |

\* Noncapital expenditures are total expenditures less capital outlay.

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

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b>Interest<br/>Earned</b> | <b>Rentals</b> | <b>Member<br/>Fees</b> | <b>Tuition</b> | <b>Related<br/>Services/Program<br/>Fees</b> | <b>Miscellaneous</b> | <b>Total</b>  |
|-------------------------------------------|----------------------------|----------------|------------------------|----------------|----------------------------------------------|----------------------|---------------|
| 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    |
| 2023                                      | 254,472                    | 96,633         |                        | 24,595,519     | 5,077,645                                    | 10,757               | 30,035,026    |

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

**EXHIBIT J-6**

**NOT APPLICABLE**

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

**EXHIBIT J-7**

**NOT APPLICABLE**

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

**EXHIBIT J-8**

**NOT APPLICABLE**

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

**EXHIBIT J-9**

**NOT APPLICABLE**

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

| Fiscal Year Ended<br>June 30, | Governmental Activities                  |                                     |                               | Business-Type<br>Activities        |                | Population | Per Capita |
|-------------------------------|------------------------------------------|-------------------------------------|-------------------------------|------------------------------------|----------------|------------|------------|
|                               | Other Capital<br>Financing<br>Agreements | Certificates<br>of<br>Participation | Other Financing<br>Agreements | Capital<br>Financing<br>Agreements | Total District |            |            |
| 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                          |                               | \$ 12,374                          | 22,318,886     | N/A        | N/A        |
| 2023                          | 102,105                                  | 19,410,000                          | \$ 132,570                    | 9,607                              | 19,654,282     | 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, 2023  
(Unaudited)**

|                                                      |                      |
|------------------------------------------------------|----------------------|
| Net Direct Debt of Commission<br>as of June 30, 2023 | \$ 19,410,000        |
| Net Overlapping Debt of Commission                   | <u>-</u>             |
| Total Direct and Overlapping Debt                    | <u>\$ 19,410,000</u> |

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

**NOT APPLICABLE**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**NOT APPLICABLE**

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

**NOT APPLICABLE**

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

| <u>Function/Program</u>                | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   | <u>2023</u>   |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Instruction                            |              |              |              |              |              |              |               |               |               |               |
| Special Education                      | 136.0        | 164.0        | 149.0        | 145.0        | 126.0        | 123.0        | 135.49        | 134.87        | 160.93        | 157.47        |
| Support Services:                      |              |              |              |              |              |              |               |               |               |               |
| Student & Instruction Related Services | 73.0         | 77.0         | 95.0         | 98.0         | 91.0         | 93.0 *       | 99.36         | 73.39         | 99.80         | 40.36         |
| General and Central Administration     | 14.0         | 17.0         | 13.0         | 13.0         | 17.0         | 17.0         | 16.80         | 19.80         | 19.80         | 19.00         |
| School Administrative Services         | 13.0         | 12.0         | 16.0         | 16.0         | 12.0         | 11.0         | 11.00         | 12.00         | 11.00         | 10.80         |
| Plant Operations and Maintenance       | 14.0         | 11.0         | 16.0         | 16.0         | 15.0         | 16.0         | 14.00         | 15.00         | 15.00         | 15.00         |
| Pupil Transportation                   | 124.0        | 130.0        | 130.0        | 132.0        | 123.0        | 119.0        | 89.19         | 82.19         | 92.46         | 77.97         |
| Food Service                           | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |               |               |               |               |
| Total                                  | <u>395.0</u> | <u>412.0</u> | <u>420.0</u> | <u>421.0</u> | <u>385.0</u> | <u>380.0</u> | <u>365.84</u> | <u>337.25</u> | <u>398.99</u> | <u>320.60</u> |

Source: District Personnel Records

\* Included 1.3 FTE staff members for IEP Grants

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

| Fiscal Year | Enrollment <sup>a</sup> | Operating <sup>b</sup><br>Expenditures | Cost Per<br>Pupil <sup>c</sup> | Percentage<br>Change | Teaching<br>Staff | Pupil/ Teacher<br>Ratio | Average Daily<br>Enrollment (ADE) | Average Daily<br>Attendance<br>(ADA) | % Change in<br>Average Daily<br>Enrollment | Student Attendance<br>Percentage |
|-------------|-------------------------|----------------------------------------|--------------------------------|----------------------|-------------------|-------------------------|-----------------------------------|--------------------------------------|--------------------------------------------|----------------------------------|
| 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%                           |
| 2023        | 216                     | 29,404,233                             | 136,131                        | -4.09%               | 73.16             | 2.58:1                  | 210                               | 188                                  | 0.96%                                      | 89.52%                           |

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

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

|                                      | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>Commission Building</u>           |         |         |         |         |         |         |         |         |         |         |
| 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                           | 66      | 55      | 66      | 47      | 51      | 56      | 72      | 72      | 72      | 72      |
| Development Learning Center 3        |         |         |         |         |         |         |         |         |         |         |
| Square Feet                          | 185,000 | 185,000 | 183,000 | 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                           | 221     | 214     | 221     | 214     | 194     | 179     | 161     | 215     | 217     | 217     |

Number of Schools at June 30, 2023 = 2

Source: Commission Records

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

| <u>School Facilities</u> | <u>2014</u>       | <u>2015</u>       | <u>2016</u>       | <u>2017</u>       | <u>2018</u>       | <u>2019</u>       | <u>2020</u>       | <u>2021</u>       | <u>2022</u>       | <u>2023</u>       |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| DLC - Warren             | 115,679           | 179,503           | 174,119           | 284,603           | 332,687           | 413,850           | 392,569           | 432,642           | 518,160           | 570,218           |
| DLC - New Providence     | 38,560            | 59,835            | 58,040            | 323,155           | 324,627           | 305,622           | 258,453           | 284,840           | 339,721           | 380,146           |
|                          | <u>\$ 154,239</u> | <u>\$ 239,338</u> | <u>\$ 232,159</u> | <u>\$ 607,758</u> | <u>\$ 657,314</u> | <u>\$ 719,472</u> | <u>\$ 651,022</u> | <u>\$ 717,482</u> | <u>\$ 857,881</u> | <u>\$ 950,364</u> |

Source: District records.

**MORRIS-UNION JOINTURE COMMISSION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2023**  
**(Unaudited)**

|                                                          | <u>Coverage</u> | <u>Deductible</u> |
|----------------------------------------------------------|-----------------|-------------------|
| <u>School Alliance Insurance Fund</u>                    |                 |                   |
| Property & Damage (Buildings and Personal Property)      | \$ 69,075,026   | \$ 5,000          |
| EDP Hardware and Software                                | 200,043         |                   |
| Business Income                                          | 26,125          |                   |
| Extra Expense                                            | 1,000,000       |                   |
| Commercial Auto Coverage                                 | 5,000,000       |                   |
| Comprehensive General Liability                          | 5,000,000       |                   |
| Excess Liability                                         | 5,000,000       |                   |
| Pollution Liability                                      | 1,000,000       |                   |
| School Board Legal Liability                             | 20,000,000      | 10,000            |
| Cyber Liability                                          | 2,000,000       |                   |
| <u>Selective Insurance Company</u>                       |                 |                   |
| Public Official Bonds                                    |                 |                   |
| Treasurer                                                | 275,000         |                   |
| Business Administrator/Board Secretary                   | 275,000         |                   |
| Employee Dishonesty                                      | 400,000         |                   |
| <u>N.J. School Boards Insurance Group</u>                |                 |                   |
| Workers' Compensation - Section "B" Employer's Liability | 3,000,000       |                   |
| <u>Fireman's Fund Insurance Company</u>                  |                 |                   |
| Catastrophic Excess - Aggregate                          | 50,000,000      |                   |
| <u>Zurich Insurance Company</u>                          |                 |                   |
| Student Accident                                         | 5,000,000       |                   |

Source: Commissions records

**SINGLE AUDIT SECTION**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA

**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 Members of the Board of Education  
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, 2023 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 October 30, 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.

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  
October 30, 2023

DIETER P. LERCH, CPA, RMA, PSA  
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**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 Members of the Board of Education  
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, 2023. 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, 2023.

***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, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We have issued our report thereon dated October 30, 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 is 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 is 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  
October 30, 2023

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| Federal Grantor/Pass-Through Grantor Program Title | Federal AL Number | FAIN Number   | Grant Period    | Award Amount | Balance July 1, 2022 | Adjustment | Cash Received | Budgetary Expenditures | Refund Prior Year's Balances | (Accounts Receivable) | Balance June 30, 2023 |                |             | MEMO<br>GAAP<br>Receivable | Cumulative<br>Total<br>Expenditures |
|----------------------------------------------------|-------------------|---------------|-----------------|--------------|----------------------|------------|---------------|------------------------|------------------------------|-----------------------|-----------------------|----------------|-------------|----------------------------|-------------------------------------|
|                                                    |                   |               |                 |              |                      |            |               |                        |                              |                       | Unearned Revenues     | Due to Grantor |             |                            |                                     |
| Enterprise Fund                                    |                   |               |                 |              |                      |            |               |                        |                              |                       |                       |                |             |                            |                                     |
| School Breakfast Program                           | 10.553            | 231NJ304N1099 | 7/1/22-6/30/23  | 28,155       | \$ (4,767)           |            | \$ 23,070     | \$ 28,155              |                              | \$ (5,085)            |                       |                | \$ (5,085)  | \$ 28,155                  |                                     |
| School Breakfast Program                           | 10.553            | 221NJ304N1099 | 7/1/21-6/30/22  | 59,806       |                      |            | 4,767         |                        |                              |                       |                       |                |             |                            | 8,944                               |
| Covid Supply Chain Assistance Grant                | 10.555            | 221NJ344N8903 | 7/1/22-6/30/23  | 8,944        |                      |            | 8,944         | 8,944                  |                              |                       |                       |                |             |                            | 8,574                               |
| Covid Supply Chain Assistance Grant                | 10.555            | 221NJ344N8903 | 7/1/22-6/30/23  | 8,574        |                      |            | 8,574         | 8,574                  |                              |                       |                       |                |             |                            | 6,612                               |
| Covid Supply Chain Assistance Grant                | 10.555            | 221NJ344N8903 | 7/1/22-6/30/23  | 6,612        |                      |            | 6,612         | 6,612                  |                              |                       |                       |                |             |                            | 57,024                              |
| National School Lunch Program                      | 10.555            | 231NJ304N1099 | 7/1/22-6/30/23  | 57,024       |                      |            | 46,571        | 57,024                 |                              | (10,453)              |                       |                | (10,453)    | 57,024                     | -                                   |
| Cash Assistance                                    |                   | 221NJ304N1099 | 7/1/21-6/30/22  | 115,609      | (8,970)              |            | 8,970         |                        |                              |                       |                       |                |             |                            | 13,575                              |
| Non-Cash Assistance                                |                   | 231NJ304N1099 | 7/1/22-6/30/23  | 17,376       | -                    |            | 17,376        | 13,575                 | \$ 3,801                     |                       |                       |                |             | 13,575                     | 1,745                               |
| Non-Cash Assistance                                |                   | 221NJ304N1099 | 7/1/21-6/30/22  | 13,669       | 1,745                |            | -             | 1,745                  | -                            |                       |                       |                |             | -                          | -                                   |
| Total Enterprise Fund                              |                   |               |                 |              | (11,992)             | -          | 124,884       | 124,629                | -                            | (15,538)              | 3,801                 | -              | (15,538)    | 124,629                    |                                     |
| Special Revenue Fund:                              |                   |               |                 |              |                      |            |               |                        |                              |                       |                       |                |             |                            |                                     |
| ESSER II                                           | 84.425D           | S425D200027   | 3/13/20-9/30/23 | 65,420       | -                    |            | 22,853        | 22,853                 |                              |                       |                       |                |             | 22,853                     |                                     |
| ARP - ESSER                                        | 84.425U           | S425U200027   | 1/1/22-12/31/22 | 130,840      | -                    |            | -             | 128,305                | -                            | (130,840)             | 2,535                 | -              | (41,305)    | 128,305                    |                                     |
| Total Special Revenue Fund                         |                   |               |                 |              | -                    | -          | 22,853        | 151,158                | -                            | (130,840)             | 2,535                 | -              | (41,305)    | 151,158                    |                                     |
| Total Federal Financial Assistance                 |                   |               |                 |              | \$ (11,992)          | \$ -       | \$ 147,737    | \$ 275,787             | \$ -                         | \$ (146,378)          | \$ 6,336              | \$ -           | \$ (56,843) | \$ 275,787                 |                                     |

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, 2023**

| Program Title                                                           | Grant or State<br>Project Number | Grant<br>Period | Award<br>Amount | Balance<br>July 1, 2022 | Cash<br>Received | Budgetary<br>Expenditures | Refund<br>Prior Year's<br>Balance | Balance June 30, 2023    |                      |                   |          | MEMO               |                                     |
|-------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|-------------------------|------------------|---------------------------|-----------------------------------|--------------------------|----------------------|-------------------|----------|--------------------|-------------------------------------|
|                                                                         |                                  |                 |                 |                         |                  |                           |                                   | (Accounts<br>Receivable) | Deferred<br>Revenues | Due to<br>Grantor | Canceled | GAAP<br>Receivable | Cumulative<br>Total<br>Expenditures |
| State Department of Education                                           |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| General Fund                                                            |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| Reimbursed Social Security Contributions                                | 23-495-034-5094-003              | 7/1/22-6/30/23  | \$ 455,490      | \$ (17,490)             | \$ 414,967       | \$ 455,490                | -                                 | \$ (40,523)              | -                    | -                 | -        | \$ (40,523)        | \$ 455,490                          |
| Reimbursed Social Security Contributions                                | 22-495-034-5094-003              | 7/1/21-6/30/22  | 494,368         |                         | 17,490           |                           | -                                 |                          |                      |                   |          |                    | -                                   |
| On-Behalf TPAF Pension Benefit Contributions                            | 23-495-034-5094-002              | 7/1/22-6/30/23  | 2,377,916       |                         | 2,377,916        | 2,377,916                 | -                                 |                          |                      |                   |          |                    | 2,377,916                           |
| On-Behalf TPAF Pension System-NCGI Premium                              | 23-495-034-5094-004              | 7/1/22-6/30/23  | 32,991          |                         | 32,991           | 32,991                    | -                                 |                          |                      |                   |          |                    | 32,991                              |
| On-Behalf TPAF Long Term Disability Ins. Premium                        | 23-495-034-5094-004              | 7/1/22-6/30/23  | 476             |                         | 476              | 476                       | -                                 |                          |                      |                   |          |                    | 476                                 |
| On-Behalf TPAF Post Retirement-Medical Benefits                         | 23-495-034-5094-001              | 7/1/22-6/30/23  | 633,339         |                         | 633,339          | 633,339                   | -                                 |                          |                      |                   |          |                    | 633,339                             |
| Total General Fund                                                      |                                  |                 |                 | (17,490)                | 3,477,179        | 3,500,212                 | -                                 | (40,523)                 | -                    | -                 | -        | (40,523)           | 3,500,212                           |
| Special Revenue Fund                                                    |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| SDA Climate Awareness Education                                         | NA                               | 4/1/22-6/30/23  | 6,660           |                         | 6,660            | 6,660                     | -                                 |                          |                      |                   |          |                    | 6,660                               |
| SDA Emergent and Capital Needs                                          | NA                               | 7/1/22-6/30/23  | 5,047           |                         | 5,047            | 5,047                     | -                                 |                          |                      |                   |          |                    | 5,047                               |
| Total Special Revenue Fund                                              |                                  |                 |                 |                         | 11,707           | 11,707                    | -                                 |                          |                      |                   |          |                    | 11,707                              |
| State Department of Agriculture                                         |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| Enterprise Fund                                                         |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| National School Lunch Program State Share                               | 23-100-010-3350-023              | 7/1/22-6/30/23  | 2,131           |                         | 1,735            | 2,131                     | -                                 | (396)                    | -                    | -                 | -        | (396)              | 2,131                               |
| National School Lunch Program - State Share - Breakfast                 | 23-100-010-3350-023              | 7/1/22-6/30/23  | 359             |                         | 258              | 359                       | -                                 | (101)                    | -                    | -                 | -        | (101)              | 359                                 |
| National School Lunch Program - State Share - After the Bell            | 23-100-010-3350-023              | 7/1/22-6/30/23  | 2,071           |                         | 1,752            | 2,071                     | -                                 | (319)                    | -                    | -                 | -        | (319)              | 2,071                               |
| National School Lunch Program State Share                               | 22-100-010-3350-023              | 7/1/21-6/30/22  | 2,723           | (206)                   | 206              | -                         | -                                 |                          |                      |                   |          |                    | -                                   |
| Total Enterprise Fund                                                   |                                  |                 |                 | (206)                   | 3,951            | 4,561                     | -                                 | (816)                    | -                    | -                 | -        | (816)              | 4,561                               |
| Total State Financial Assistance Subject to Single Audit Determination  |                                  |                 |                 | (17,696)                | 3,492,837        | 3,516,480                 | -                                 | (41,339)                 | -                    | -                 | -        | (41,339)           | 3,516,480                           |
| State Financial Assistance Not Subject to Major Program Determination   |                                  |                 |                 |                         |                  |                           |                                   |                          |                      |                   |          |                    |                                     |
| On-Behalf TPAF Pension Benefit Contributions                            | 23-495-034-5094-002              | 7/1/22-6/30/23  |                 |                         | (2,377,916)      | (2,377,916)               | -                                 |                          |                      |                   |          |                    | (2,377,916)                         |
| On-Behalf TPAF Pension System-NCGI Prem.                                | 23-495-034-5094-004              | 7/1/22-6/30/23  |                 |                         | (32,991)         | (32,991)                  | -                                 |                          |                      |                   |          |                    | (32,991)                            |
| On-Behalf TPAF Pension System-Long Term Disability                      | 23-495-034-5094-004              | 7/1/22-6/30/23  |                 |                         | (476)            | (476)                     | -                                 |                          |                      |                   |          |                    | (476)                               |
| On-Behalf TPAF Post Retirement-Medical                                  | 23-495-034-5094-001              | 7/1/22-6/30/23  |                 |                         | (633,339)        | (633,339)                 | -                                 |                          |                      |                   |          |                    | (633,339)                           |
| Total State Financial Assistance Subject to Major Program Determination |                                  |                 |                 | (17,696)                | 448,115          | 471,738                   | -                                 | (41,339)                 | -                    | -                 | -        | (41,339)           | 471,738                             |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 REPORTING ENTITY**

The Morris-Union Jointure Commission (the "Board" or the "Commission") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Commission is the reporting entity for these programs. The Commission is defined in Note 1 (A) to the Commission's Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Commission. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Commission's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Commission's summary of significant accounting policies are described in Note 1 to the Commission's financial statements.

**NOTE 4 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 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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$89,293 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:

|                            | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund               |                   | \$ 3,500,212        | \$ 3,500,212        |
| Special Revenue Fund       | \$ 64,158         | 11,707              | 75,865              |
| Food Service Fund          | 124,629           | 4,561               | 129,190             |
| Total Financial Assistance | <u>\$ 188,787</u> | <u>\$ 3,516,480</u> | <u>\$ 3,705,267</u> |

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 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 6 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 \$455,490 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$2,410,907, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$633,339 and TPAF Long-Term Disability Insurance in the amount of \$476 represents the amount paid by the State on behalf of the Commission for the fiscal year ended June 30, 2023.

**NOTE 7 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 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 8 DE MINIMIS INDIRECT COST RATE**

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

**MORRIS-UNION JOINTURE COMMISSION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*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 <u>  X  </u> no            |
| 2) Significant deficiencies identified that are not considered to be material weakness(es)? | _____ yes <u>  X  </u> None Reported |
| Noncompliance material to basic financial statements noted?                                 | _____ yes <u>  X  </u> no            |

**Federal Awards Section - NOT APPLICABLE**

**State Awards Section**

|                                                                                                             |                                      |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Internal Control over major programs:                                                                       |                                      |
| (1) Were material weakness(es) identified?                                                                  | _____ yes <u>  X  </u> no            |
| 2) Significant deficiencies identified that are not considered to be material weakness(es)?                 | _____ yes <u>  X  </u> 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 <u>  X  </u> no            |

Identification of major state programs:

| <u>GMIS Number</u>  | <u>Name of State Program or Cluster</u>  |
|---------------------|------------------------------------------|
| 23-495-034-5094-003 | Reimbursed Social Security Contributions |
| _____               | _____                                    |
| _____               | _____                                    |

|                                                                          |                                |
|--------------------------------------------------------------------------|--------------------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ <u>  750,000  </u>          |
| Auditee qualified as low-risk auditee?                                   | <u>  X  </u> yes      _____ no |

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

**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

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.