

**BOROUGH OF MORRIS PLAINS  
SCHOOL DISTRICT**

**Morris Plains Board of Education  
Morris Plains, New Jersey**

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

# **Annual Comprehensive Financial Report**

**of the**

**Morris Plains Borough School District**

**Morris Plains, New Jersey**

**For the Fiscal Year Ended June 30, 2024**

**Prepared by**

**Borough of Morris Plains Board of Education  
Finance Department**

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INTRODUCTORY SECTION  
(UNAUDITED)



*Navigating a changing world through excellence and innovation*

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520 Speedwell Avenue, Suite 116  
Morris Plains, New Jersey 07950

October 21, 2024

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

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Morris Plains Borough School District for the fiscal year ended June 30, 2024, 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

#### 1) REPORTING ENTITY AND ITS SERVICES:

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

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***The Community of Caring***

1) REPORTING ENTITY AND ITS SERVICES: (Cont'd)

The District provides a full range of educational services appropriate to grade levels Pre-K through 8 as well as special education for handicapped students. Additionally, the District provides for the education of regular and special education high school level students through a sending-receiving relationship with the Morris School District as well as transportation services or aid in lieu of transportation for all resident public and nonpublic students.

2) ECONOMIC CONDITION AND OUTLOOK:

Morris Plains continues to remain in a good financial position. The District is currently carrying the maximum 2% unassigned budgetary basis fund balance to provide funding for the reduction in state aid, emergency funding, and to provide necessary reserves for future contingencies. In addition, the District has established tuition and maintenance reserves to help the District manage financially with the state restricted tax levy budget cap of 2%. A capital reserve for the local funding portion of future capital projects contained in the District's Long Range Facility Plan totals \$2,247,182. The Morris Plains community is experiencing the impact of the current economic condition in the United States. The District has worked very hard to minimize the tax impact to the community.

3) MAJOR INITIATIVES:

The Morris Plains School District offers a superior and innovative curricular and instructional program to meet the needs of all student learners. Our curriculum aligns with the New Jersey Core Curriculum Content Standards in all nine areas, and over recent years, we have invested in program improvements, professional development, and state of the art resources to ensure that our students master the skills and content necessary to support 21st century learning. Below is a summary of the initiatives included in the subject areas:

**Math:**

Master schedules at both schools continued supporting block periods of mathematics instruction. The District implemented a new math series, Big Ideas, across all grade levels, K-8. To support successful implementation, the District partnered with Big Ideas consulting team to provide professional development to Math teachers throughout the course of the year. The District continued to secure updated math resources and manipulatives and continued to implement math-based diagnostic assessments and digital learning tools (i.e., iXL, Dibels, BrainPop, etc.). In addition, the District continued to offer support for students who qualify for Basic Skills in grades Kindergarten through eighth grade and expanded remedial resources by adding Fact Fluency Kits for students in grades K-3. The District partnered with Educere, a virtual instruction platform, to offer virtual Geometry and Algebra 2 courses to several accelerated math students. The District also expanded Title I support for struggling math learners and offered a Summer Wrap program during the summer, compensating teachers to deliver math instruction to selected students across the district, K-8. Lastly, the District invested in numerous professional development opportunities for math teachers, including Building Fact Fluency, led by district staff.



### 3) MAJOR INITIATIVES: (Cont'd)

#### **Science:**

In Borough School, science instruction was delivered every other day, following a block schedule. Content was delivered through the digital resource, Techbook. In Mountain Way School, science instruction was delivered through the STEM related arts program. The STEM teacher received curriculum writing hours during the 2023-2024 school year to build the K-2 curriculum. Science teachers across the district utilized non-consumable and digital-based resources to deliver their instruction. The District continued to fund and support STEM classes at both schools, integrated into the Related Arts cycles.

The District maintained a strong partnership with NJIT, who provided the District with a student intern to further support the Borough School LIFE Club. The District also partnered with the Morris School District and received access to over sixty virtual lab experiments, at no cost, led by Students2Science. The Education Foundation of Morris Plains has been a major contributor towards our science program, and they funded several teacher grants to support science and STEM instruction, including the TREP\$ entrepreneurship program for fifth grade STEM students and a planetarium experience for first grade students. Throughout the year, professional development resources were made available for science teachers to continue supporting their efforts to build authentic, inquiry-based and STEAM activities against the NJSLS. Funds continued to be dedicated to support hands-on, exploratory learning experiences for our students. The District utilized iXL to benchmark students and provide additional instructional material, as well.

#### **Language Arts:**

Similar to Math, Language Arts was delivered in block periods to all students K-8. The District purchased and implemented Dibels, a universal literacy screener, which was implemented for all students grades K-4. To support our most struggling readers, the District expanded reading intervention and support for all Mountain Way students K-2. The District also implemented the Seeing Stars program, which is delivered through the Reading Specialist during intervention support. The District invested in professional development training for both the Reading Specialist and the LDTC to support the implementation of the program. The District also designed and implemented Kindergarten Intervention programs (Foundations/Aides and Phonics/Reading Specialist and BSI Instructor) and expanded Title I support in Language Arts Literacy for our struggling student learners. Also, the District offered a Summer Wrap program during the summer, compensating teachers to deliver language arts instruction to selected students across the district, K-8.

The District continued to support LAL-based diagnostic assessments and digital learning tools (i.e., iXL, Dibels, BrainPop, etc.), and expanded assessments to include CommonLit resources for grades 6-8. The District provided Sonday Kits to all language arts-based, in-class support and resource room classes for grades K-6. Lastly, the District continued to utilize staff to drive professional development needs through teacher-led professional development sessions.

### 3) MAJOR INITIATIVES: (Cont'd)

#### **Social Studies:**

In Borough School, social studies instruction was delivered every other day, following a block schedule. Content was delivered through the digital resource, Techbook. In Mountain Way School, grade level teachers integrated social studies utilizing non-consumable and digital-based resources.

The District continued promoting professional development and support in understanding the social studies curriculum, instructional program, and the NJSLs. This included supporting teacher-led professional development opportunities and personalized professional development planning. In addition, the District expanded Project Read training to in-class support social studies teachers and implemented LINC for in-class support social studies classes in Borough School.

#### **21<sup>st</sup> Century Life and Careers:**

The District continued to invest in the implementation of 21st Century Life and Careers Curriculum. The school counselors continued to lead classroom lessons, providing individual counseling, case management, design, and implementation of character education programs, etc. The District continued maintaining collaborative relationships with local colleges and universities. The District offered electives for eighth grade students and provided a wide array of co-curricular offerings for students. The District implemented monthly Second Step lessons, a SEL-based curriculum designed to support students' social and emotional needs. The District also purchased an online restorative practices tool BASE, and funded a Detention Duty advisor, to promote a positive school culture where students make good choices. The District worked with school community organizations to schedule meaningful assemblies and student-based programs. This included partnering with MPMAC to bring the "Be a Buddy, Not a Bully" program to Mountain Way and a seventh grade Borough program titled, "7 Habits of Highly Effective Teens." The District coordinated Nurtured Heart Approach training for all RISE and STARS staff. The District continued supporting the Beyond Differences Club and provided funding for the advisor position. The District also offered a Summer Wrap program during the summer, compensating teachers to deliver English as a Second Language instruction to selected students across the district, K-8. The District supported training in the following areas, across both schools and across multiple curricula: Responsive Classroom Training, AI in Education Training, Suicide Prevention and School Safety Training, and Holocaust Curriculum Training. Additionally, the District created a district-wide Threat Assessment Team and facilitated the appropriate training. Lastly, the District purchased a keyboarding program to teach second grade students typing skills.

#### **Visual and Performing Arts**

Technology resources and online-tools were purchased to enhance the students' learning experiences. The district worked with the local Education Foundation to implement a Dance Residency for second grade students. The District also funded stipends to support concerts and performances. Additionally, the District purchased new furniture for the art room.

#### **Comprehensive Health and Physical Education:**

The District continued ongoing professional development for staff in best practices in Health and Physical Education. The District continued to employ a part-time physical education teacher to help meet the needs of all students. Additionally, the District facilitated an eighth-grade assembly, which addressed sexual assault, led by Morristown Medical Center and scheduled several Family Yoga events, through the MPEA.

### 3) MAJOR INITIATIVES: (Cont'd)

#### **World Language:**

The District continued to purchase supplemental instructional material to use for World Language curriculum support and continued to review materials and technology resources to support the recently adopted NJ Model Curriculum. The District compensated several World Language teachers to infuse the Intro to Spanish course into the existing Spanish Curriculum.

#### **Technology:**

The District continued to dedicate funding to support both technology management and instructional technology use throughout the District. The District expanded the technology department by establishing a part-time technician. The District continued to utilize third party vendors to support infrastructure and security management. The District continued to support the integration of Google Apps for Education (G Suite). The District made several enhancements to the infrastructure, including replacing all access points across both schools, including the Board Office. The District continued purchasing online assessment programs, textbooks, and supplemental resources to support learners as producers, as well as continued to increase digital learning experiences for students and digital professional learning experiences for staff. The District continued to support technology standards through all content areas and unified arts programs.

### 4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

### 5) BUDGETARY CONTROLS:

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

5) BUDGETARY CONTROLS: (Cont'd)

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, workers compensation, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A Schedule of Insurance Coverage is found on Exhibit J-20.

9) OTHER INFORMATION:

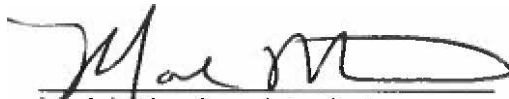
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's 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 and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable President and Members  
of the Board of Education  
Morris Plains Borough School District  
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10) ACKNOWLEDGMENTS:

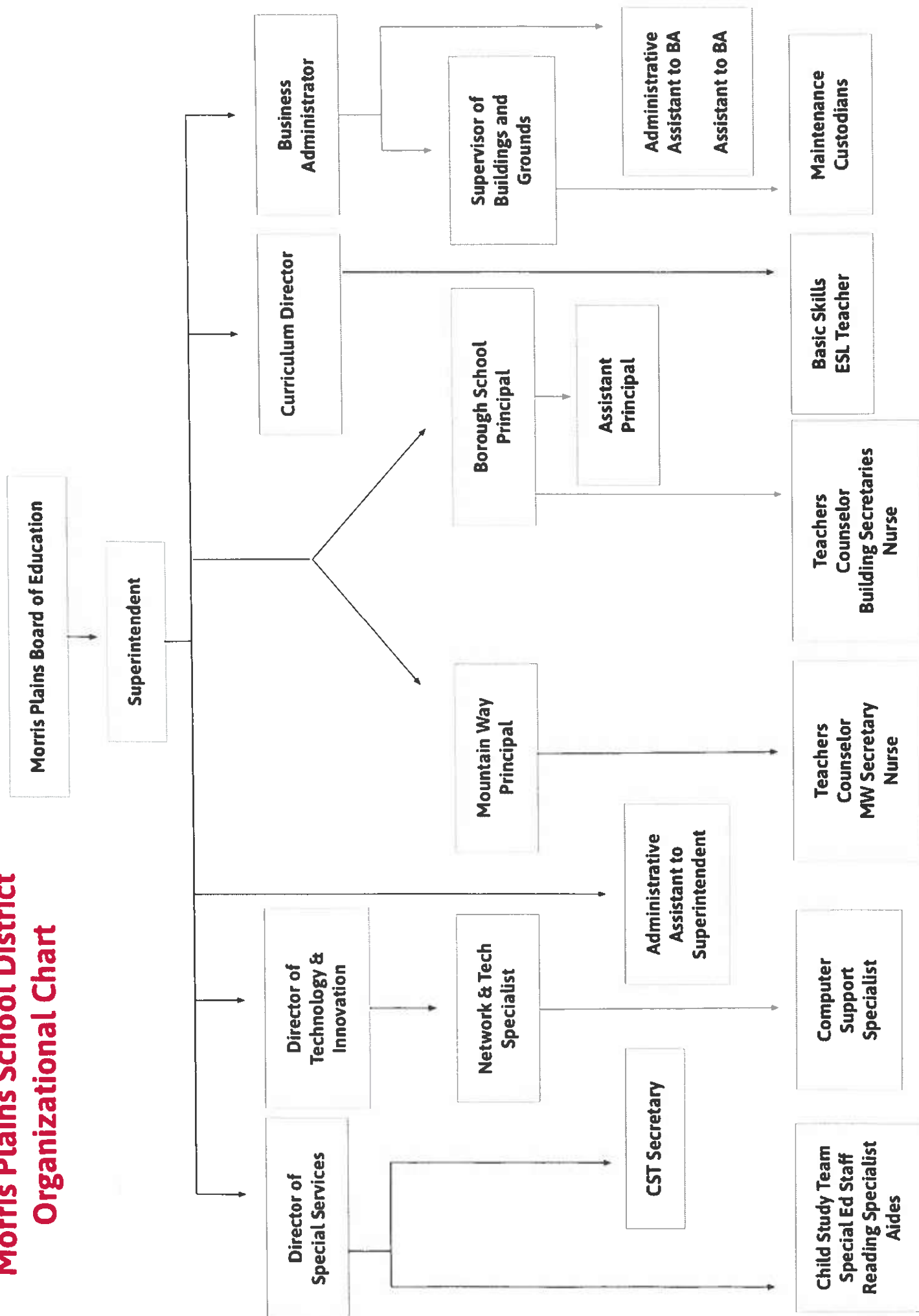
We would like to express our appreciation to the members of the Board of the Morris Plains Borough School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of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

Respectfully submitted,

  
Mark Maire, Superintendent

  
Catherine Jenisch, Business Administrator

# Morris Plains School District Organizational Chart



**MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2024**

<u>Members of the Board of Education</u>		<u>Expiration of Term</u>
Mrs. Christina Perry, President		2025
Mr. Adam Higgins, Vice-President		2025
Mrs. Diane Del Russo		2024
Ms. Lucia Galdi		2024
Mrs. Shawna Longo		2026
Mrs. Amy Lyons		2024
Mrs. Maria Manley		2025
Dr. Denise Rawding		2026
Mrs. Jessica Williams		2026

<u>Other Officials</u>	Title
Mr. Mark Maire	Superintendent
Ms. Catherine Jenisch	Business Administrator/Board Secretary

**MORRIS PLAINS BOROUGH SCHOOL DISTRICT**  
**Consultants and Advisors**

**Audit Firm**

Nisivoccia LLP, CPAs  
200 Valley Road, Suite 300  
Mount Arlington, New Jersey 07856  
and  
11 Lawrence Road  
Newton, New Jersey 07860  
and  
1140 Route 22 East, Suite 203  
Bridgewater, New Jersey 08807

**Attorneys**

Dennis McKeever, Esq.  
Sciarrillo, Cornell, Merlino, McKeever & Osborne  
238 St. Paul Street  
Westfield, New Jersey, 07090

Nathanya Simon, Esq.  
Schwartz Simon Edelstein Celso & Kessler LLC  
44 Whippany Road Suite 210  
PO Box 2355  
Morristown, New Jersey 07962

**Architects**

Settembrino Architects  
25 Bridge Ave Suite 201  
Red Bank, NJ 07701

**Official Depository**

Investors Savings Bank  
736 Speedwell Avenue  
Morris Plains, New Jersey 07950



FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Morris Plains Borough School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 21, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*

NISIVOCCIA LLP

*Valerie A. Dolan*

Valerie A. Dolan

Licensed Public School Accountant #2526

Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Morris Plains Borough School District Management Discussion and Analysis

This section of Morris Plains Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

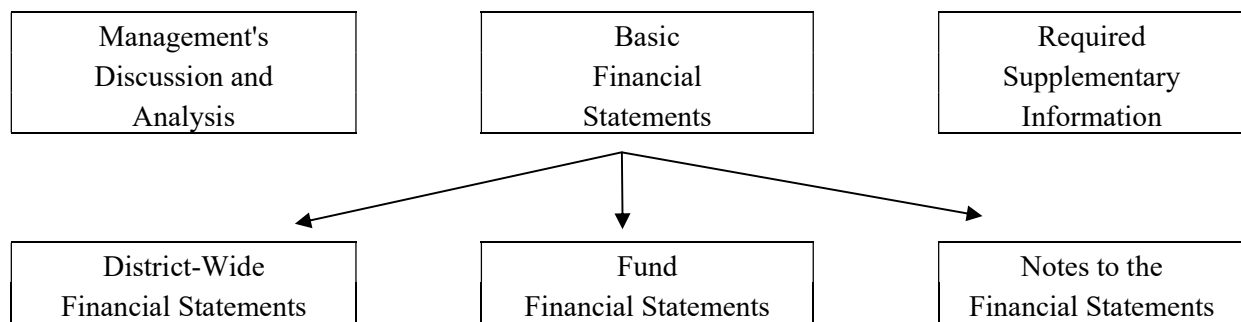
### Overview of the Financial Statements

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

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

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

**Figure A-1**  
**Organization of Morris Plains Borough School District's Financial Report**



**Morris Plains Borough School District  
Management Discussion and Analysis**

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

**Figure A-2**

***Major Features of the District-Wide and Fund Financial Statements***

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription asset or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

## Morris Plains Borough School District Management Discussion and Analysis

### District-wide Statements

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

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

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

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

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

### Fund Financial Statements

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

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

The District has two kinds of funds:

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



# Morris Plains Borough School District Management Discussion and Analysis

*Notes to the Basic Financial Statements:* Provide additional information essential to a full understanding of the District-wide and fund financial statements.

## Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position increased \$1,162,641. Net position from governmental activities increased by \$1,116,191 combined with an increase in net position from business-type activities of \$46,450. Net investment in capital assets increased by \$597,366, restricted net position increased by \$479,886 and unrestricted net position increased by \$85,389.

**Figure A-3**

### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change
Current and Other Assets	\$ 12,546,085	\$ 15,447,411	\$ 152,003	\$ 112,746	\$ 12,698,088	\$ 15,560,157	
Capital Assets, Net	21,627,195	18,045,295	16,073	18,394	21,643,268	18,063,689	
Lease Assets, Net	392,437	257,800			392,437	257,800	
Total Assets	34,565,717	33,750,506	168,076	131,140	34,733,793	33,881,646	2.52%
Deferred Outflow of Resources	715,442	432,210			715,442	432,210	65.53%
Other Liabilities	1,586,155	1,007,394	33,019	42,533	1,619,174	1,049,927	
Long-Term Liabilities	15,828,027	16,175,968			15,828,027	16,175,968	
Total Liabilities	17,414,182	17,183,362	33,019	42,533	17,447,201	17,225,895	1.28%
Deferred Inflows of Resources	170,750	419,318			170,750	419,318	-59.28%
Net Position:							
Net Investment in Capital Assets	13,652,555	13,052,868	16,073	18,394	13,668,628	13,071,262	
Restricted	5,355,108	4,875,222			5,355,108	4,875,222	
Unrestricted/(Deficit)	(1,311,436)	(1,348,054)	118,984	70,213	(1,192,452)	(1,277,841)	
Total Net Position	\$ 17,696,227	\$ 16,580,036	\$ 135,057	\$ 88,607	\$ 17,831,284	\$ 16,668,643	6.98%

*Changes in Net Position.* The District's combined net position was \$17,831,284 on June 30, 2024, or \$1,162,641 more than it was the year before. The increase in the net position was primarily due to the increases in restricted net position and construction in progress related to the referendum. (See Figure A-3).

## Morris Plains Borough School District Management Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
Revenue:							
Program Revenue:							
Charges for Services	\$ 275,159	\$ 177,134	\$ 143,357	\$ 110,827	\$ 418,516	\$ 287,961	
Operating Grants & Contribution	3,075,260	3,020,226	94,116	80,363	3,169,376	3,100,589	
General Revenue:							
Property Taxes	19,075,008	18,453,554			19,075,008	18,453,554	
Unrestricted Federal and State Aid	871,289	835,103			871,289	835,103	
Other	431,154	216,119	1,645	879	432,799	216,998	
Total Revenue	<u>23,727,870</u>	<u>22,702,136</u>	<u>239,118</u>	<u>192,069</u>	<u>23,966,988</u>	<u>22,894,205</u>	4.69%
Expenses:							
Instruction	9,988,735	9,492,572			9,988,735	9,492,572	
Pupil and Instruction Services	7,097,836	7,209,797			7,097,836	7,209,797	
Administrative and Business	1,661,509	1,593,593			1,661,509	1,593,593	
Maintenance and Operations	1,358,698	1,393,825			1,358,698	1,393,825	
Transportation	1,070,917	1,085,022			1,070,917	1,085,022	
Other	1,433,984	1,289,606	192,668	182,317	1,626,652	1,471,923	
Total Expenses	<u>22,611,679</u>	<u>22,064,415</u>	<u>192,668</u>	<u>182,317</u>	<u>22,804,347</u>	<u>22,246,732</u>	2.51%
Increase/(Decrease) in Net Position	<u>\$ 1,116,191</u>	<u>\$ 637,721</u>	<u>\$ 46,450</u>	<u>\$ 9,752</u>	<u>\$ 1,162,641</u>	<u>\$ 647,473</u>	79.57%

### Governmental Activities

The financial position of the District is stable. However, maintaining existing programs along with the provision of programs and services for students with special needs place great demands on the District's resources along with rising employee salary and benefits costs.

Careful management of expenses remains essential for the District to maintain its financial health. State aid has been relatively flat while costs continue to escalate.

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

**Morris Plains Borough School District  
Management Discussion and Analysis**

**Figure A-5**

**Net Cost of Governmental Activities**

	Total Costs of Services		Net Cost of Services	
	2023/24	2022/23	2023/24	2022/23
Instruction	\$ 9,988,735	\$ 9,492,572	\$ 7,209,524	\$ 6,773,047
Pupil and Instruction Services	7,097,836	7,209,797	6,730,437	6,932,176
Administrative and Business	1,661,509	1,593,593	1,579,002	1,494,038
Maintenance and Operations	1,358,698	1,393,825	1,358,698	1,389,373
Transportation	1,070,917	1,085,022	949,615	988,825
Other	1,433,984	1,289,606	1,433,984	1,289,606
	<u>\$ 22,611,679</u>	<u>\$ 22,064,415</u>	<u>\$ 19,261,260</u>	<u>\$ 18,867,065</u>

**Business-Type Activities**

Net position from the District's business-type activity increased by \$46,450 primarily as a result of increased sales. (Refer to Figure A-4).

**Financial Analysis of the District's Funds**

To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs.

**General Fund Budgetary Highlights**

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

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- Changes in budgetary line accounts to more accurately reflect current requirements.

## Capital Asset Administration

**Figure A-6**

### Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Sites	\$ 951,200	\$ 951,200			\$ 951,200	\$ 951,200	
Construction in Progress	4,722,730	749,048			4,722,730	749,048	
Site Improvements	45,967	91,714			45,967	91,714	
Buildings & Building Improvements	15,585,842	15,989,894			15,585,842	15,989,894	
Furniture, Machinery & Equipment	321,456	263,439	\$ 16,073	\$ 18,394	337,529	281,833	
Total	<u>\$ 21,627,195</u>	<u>\$ 18,045,295</u>	<u>\$ 16,073</u>	<u>\$ 18,394</u>	<u>\$ 21,643,268</u>	<u>\$ 18,063,689</u>	19.82%

- The change in Capital Assets is a result of the acquisition of assets and construction in progress in the amount of \$4,372,211 offset by depreciation expense of \$790,311.

### Long-Term Liabilities

At year-end, the District had \$12,875,000 in general obligation bonds outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the basic financial statements.)

**Figure A-7**

### Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2023/24	2022/23	2023/24
General Obligation Bonds (Financed with Property Taxes)	\$ 12,875,000	\$ 13,578,000	
Net Pension Liability	2,251,345	1,922,863	
Other Long Term Liabilities	701,682	675,105	
Total	<u>\$ 15,828,027</u>	<u>\$ 16,175,968</u>	-2.15%

## **Morris Plains Borough School District Management Discussion and Analysis**

### **Factors Bearing on the District's Future**

Presently, the Morris Plains School District is in a healthy financial condition. However, there is concern about relatively flat annual state aid and the consistent need to utilize reserve funds in the budget. The Morris Plains School District is grateful for the community support of the schools. Both the Morris Plains Home and School Association and the Morris Plains Education Foundation have continued in their generous donations each year.

Future finances will continue to be challenged by the state of the economy with increases in operational expenses such as instructional supplies, substitute teacher rates, maintenance/project expenses and utility costs, transportation, etc. The State of New Jersey legislation and the unfunded mandates that School Districts are required to be in compliance with also stretch our financial situation, including unregulated out of district tuition costs for special education students. S1701, adopted by the State of New Jersey on June 17, 2004, limits a District's unassigned general fund balance to 2% of the District's total adjusted expenditures, which leaves the District with very little reserves in the event of unforeseen urgent situations.

Additionally, the district will continue to update and address the Long-Range Facility Plan projects, which will include District technology infrastructure, science lab enhancements, HVAC/ventilation upgrades, etc. Lastly, the district will continue to participate in the School Choice program, and continue to seek revenue opportunities, such as seeking tuition students from other districts in our Stars and Rise programs, when appropriate.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at 520 Speedwell Avenue, Morris Plains, NJ 07950.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 8,573,256	\$ 133,254	\$ 8,706,510
Receivables from Federal, State and Other Governments	472,809	2,555	475,364
Internal Balances	(10,605)	10,605	
Other Accounts Receivable		550	550
Inventory		5,039	5,039
Restricted Cash and Cash Equivalents	3,510,625		3,510,625
Capital Assets:			
Sites (Land) and Construction in Progress	5,673,930		5,673,930
Depreciable Site Improvements, Building and Building Improvements and Furniture, Machinery and Equipment	15,953,265	16,073	15,969,338
Lease Assets, Net	392,437		392,437
Total Assets	<u>34,565,717</u>	<u>168,076</u>	<u>34,733,793</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	715,442		715,442
Total Deferred Outflows of Resources	<u>715,442</u>		<u>715,442</u>
<u>LIABILITIES:</u>			
Accounts Payable	1,481,762	8,317	1,490,079
Accrued Interest Payable	103,893		103,893
Unearned Revenue	500	24,702	25,202
Noncurrent Liabilities:			
Due Within One Year	946,419		946,419
Due Beyond One Year	14,881,608		14,881,608
Total Liabilities	<u>17,414,182</u>	<u>33,019</u>	<u>17,447,201</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	170,750		170,750
Total Deferred Inflows of Resources	<u>170,750</u>		<u>170,750</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	13,652,555	16,073	13,668,628
Restricted for:			
Debt Service	59,579		59,579
Capital Projects	2,330,768		2,330,768
Maintenance Reserve	280,100		280,100
Tuition Reserve	733,636		733,636
Unemployment Compensation	182,131		182,131
Student Activities	67,576		67,576
Excess Surplus	1,701,318		1,701,318
Unrestricted/(Deficit)	(1,311,436)	118,984	(1,192,452)
Total Net Position	<u>\$ 17,696,227</u>	<u>\$ 135,057</u>	<u>\$ 17,831,284</u>

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



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 7,191,653		\$ 1,308,081		\$ (5,883,572)	\$	(5,883,572)
Special Education	2,181,571		1,374,131		(807,440)		(807,440)
School -Sponsored/Other Instruction	615,511		96,999		(518,512)		(518,512)
Support Services:							
Tuition	4,848,916	\$ 156,483			(4,692,433)		(4,692,433)
Student and Instruction Related Services	2,248,920	118,676	92,240		(2,038,004)		(2,038,004)
General Administration Services	526,464				(526,464)		(526,464)
School Administration Services	675,845		82,507		(593,338)		(593,338)
Central Services	449,277				(449,277)		(449,277)
Administration Information Technology	9,923				(9,923)		(9,923)
Plant Operations and Maintenance	1,358,698				(1,358,698)		(1,358,698)
Pupil Transportation	1,070,917		121,302		(949,615)		(949,615)
Interest on Long-Term Debt	429,370				(429,370)		(429,370)
Unallocated Depreciation	738,647				(738,647)		(738,647)
Capital Outlay	56,562				(56,562)		(56,562)
Charter Schools	209,405				(209,405)		(209,405)
Total Governmental Activities	22,611,679	275,159	3,075,260		(19,261,260)		(19,261,260)

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities: Food Service	\$ 192,668	\$ 143,357	\$ 94,116			\$ 44,805	\$ 44,805
Total Business-Type Activities	192,668	143,357	94,116			44,805	44,805
Total Primary Government	<u>\$ 22,804,347</u>	<u>\$ 418,516</u>	<u>\$ 3,169,376</u>	<u>\$ -0-</u>	<u>\$ (19,261,260)</u>	<u>44,805</u>	<u>(19,216,455)</u>
General Revenues:							
Taxes:							
					\$ 18,116,055		\$ 18,116,055
					958,953		958,953
					871,289		871,289
					330,913	\$ 1,645	332,558
					100,241		100,241
					<u>20,377,451</u>	<u>1,645</u>	<u>20,379,096</u>
					1,116,191	46,450	1,162,641
					16,580,036	88,607	16,668,643
Net Position - Beginning							
Net Position - Ending					\$ 17,696,227	\$ 135,057	\$ 17,831,284

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

FUND FINANCIAL STATEMENTS

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,339,662		\$ 6,174,015	\$ 59,579	\$ 8,573,256
Interfund Receivables	346,074				346,074
Receivables From Federal Government		\$ 78,159			78,159
Receivables From State Government	392,156				392,156
Other Receivables		2,494			2,494
Restricted Cash and Cash Equivalents	3,443,049	67,576			3,510,625
Total Assets	<u>\$ 6,520,941</u>	<u>\$ 148,229</u>	<u>\$ 6,174,015</u>	<u>\$ 59,579</u>	<u>\$ 12,902,764</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Interfund Payable	\$ 10,605	\$ 66,828	\$ 279,246		\$ 356,679
Accounts Payable	524,017	13,325	700,920		1,238,262
Unearned Revenue		500			500
Total Liabilities	<u>534,622</u>	<u>80,653</u>	<u>980,166</u>		<u>1,595,441</u>
Fund Balances:					
Restricted for:					
Capital Reserve	2,247,182				2,247,182
Tuition Reserve - 2024-2025 Budget	375,136				375,136
Tuition Reserve - 2025-2026 Budget	358,500				358,500
Maintenance Reserve	280,100				280,100
Unemployment Compensation	182,131				182,131
Excess Surplus - 2024-2025 Budget	851,318				851,318
Excess Surplus - 2025-2026 Budget	850,000				850,000
Student Activities		67,576			67,576
Capital Projects			5,193,849		5,193,849
Debt Service				\$ 59,579	59,579
Assigned:					
Year-End Encumbrances	264,667				264,667
Unassigned	577,285				577,285
Total Fund Balances	<u>5,986,319</u>	<u>67,576</u>	<u>5,193,849</u>	<u>59,579</u>	<u>11,307,323</u>
Total Liabilities and Fund Balances	<u>\$ 6,520,941</u>	<u>\$ 148,229</u>	<u>\$ 6,174,015</u>	<u>\$ 59,579</u>	<u>\$ 12,902,764</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

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

Total Fund Balances from previous page	\$ 11,307,323
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	21,627,195
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	392,437
Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(103,893)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	471,942
Deferred Inflows	(170,750)
Long-Term Liabilities, including net pension liability for PERS, bonds payable, leases payable and financed purchases payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	<u>(15,828,027)</u>
Net Position of Governmental Activities	<u><u>\$ 17,696,227</u></u>

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 18,116,055			\$ 958,953	\$ 19,075,008
Tuition - Other LEA's within the State	156,483				156,483
Rents and Royalties	5,000				5,000
Interest on Capital Reserve	19,264				19,264
Restricted Miscellaneous Revenues	6,995	\$ 118,676			125,671
Unrestricted Miscellaneous Revenues	120,649		\$ 279,246		399,895
Total - Local Sources	18,424,446	118,676	279,246	958,953	19,781,321
State Sources	4,842,174	13,167		176,831	5,032,172
Federal Sources		401,397			401,397
Total Revenue	23,266,620	533,240	279,246	1,135,784	25,214,890
EXPENDITURES					
Current:					
Regular Instruction	4,864,335	229,314			5,093,649
Special Education Instruction	1,378,342	172,083			1,550,425
School Sponsored/Other Instruction	413,160				413,160
Support Services and Undistributed Costs:					
Tuition	4,848,916				4,848,916
Student & Instruction Related Services	1,706,303	111,290			1,817,593
General Administrative Services	449,549				449,549
School Administrative Services	349,633				349,633
Central Services	362,366				362,366
Administrative Information Technology	57,365				57,365
Plant Operations and Maintenance	1,236,126				1,236,126

**MORRIS PLAINS BOROUGH SCHOOL DISTRICT**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES</b>					
Pupil Transportation	\$ 1,070,917				\$ 1,070,917
Allocated and Unallocated Benefits	5,635,230				5,635,230
Debt Service:					
Principal				\$ 703,000	703,000
Interest and Other Charges				435,376	435,376
Transfer of Funds to Charter Schools	209,405				209,405
Capital Outlay	673,911	\$ 13,167	\$ 3,973,682		4,660,760
Total Expenditures	23,255,558	525,854	3,973,682	1,138,376	28,893,470
Excess/(Deficit) of Revenue over/(under) Expenditures	11,062	7,386	(3,694,436)	(2,592)	(3,678,580)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers In	279,246				279,246
Transfers Out			(279,246)		(279,246)
Capital Leases (Non-Budgeted)	231,987				231,987
Total Other Financing Sources/(Uses)	511,233		(279,246)		231,987
Net Change in Fund Balances	522,295	7,386	(3,973,682)	(2,592)	(3,446,593)
Fund Balance—July 1	5,464,024	60,190	9,167,531	62,171	14,753,916
Fund Balance—June 30	\$ 5,986,319	\$ 67,576	\$ 5,193,849	\$ 59,579	\$ 11,307,323

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (3,446,593)

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

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

Depreciation Expense	\$	(790,311)
Capital Outlays		<u>4,372,211</u>
		3,581,900

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

703,000

Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces in the Statement of Net Position and is not reported in the Statement of Activities.

153,073

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

(43,672)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	\$	(328,482)
Changes in Deferred Outflows		243,732
Changes in Deferred Inflows		<u>248,568</u>
		163,818



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. \$ (231,987)

Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 96,009

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

	Amortization Expense	(97,350)
	Lease Asset Additions	231,987
		134,637

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 6,006

Change in Net Position - Governmental Activities (From Exhibit A-2) \$ 1,116,191

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

**ASSETS:**

## Current Assets:

Cash and Cash Equivalents	\$ 133,254
Intergovernmental Receivable:	
Federal	2,411
State	144
Interfund Receivable:	
General Fund	10,605
Other Accounts Receivable	550
Inventories	5,039

Total Current Assets	152,003
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## Non-Current Assets:

Capital Assets	79,208
Less: Accumulated Depreciation	(63,135)

Total Non-Current Assets	16,073
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Total Assets	168,076
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**LIABILITIES:**

## Current Liabilities:

Accounts Payable - Vendors	8,317
Unearned Revenue - Supply Chain Assistance	16,615
Unearned Revenue - Prepaid Sales	5,410
Unearned Revenue - Donated Commodities	2,677

Total Current Liabilities	33,019
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**NET POSITION:**

Investment in Capital Assets	16,073
Unrestricted	118,984

Total Net Position	\$ 135,057
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THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:	
Daily Sales - Reimbursable Programs	\$ 96,597
Daily Sales - Non-Reimbursable Programs	44,330
Miscellaneous Revenue	2,430
	<hr/>
Total Operating Revenue	143,357
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	67,386
Cost of Sales - Non-Reimbursable Programs	30,275
Salaries, Benefits & Payroll Taxes	67,029
Supplies, Insurance & Other Costs	15,107
Management Fee	10,550
Depreciation Expense	2,321
	<hr/>
Total Operating Expenses	192,668
	<hr/>
Operating Loss	(49,311)
Non-Operating Revenue:	
Local Sources:	
Interest Income	1,645
State Sources:	
School Lunch Program	2,775
Federal Sources:	
National School Lunch Program	45,647
COVID 19 - Supply Chain Assistance Program	28,155
Food Distribution Program	17,539
	<hr/>
Total Non-Operating Revenue	95,761
	<hr/>
Change in Net Position	46,450
Net Position - Beginning of Year	88,607
	<hr/>
Net Position - End of Year	\$ 135,057
	<hr/> <hr/>

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 143,357
Payments to Employees	(67,029)
Payments to Food Service Vendor	(88,783)
Payments to Suppliers	(15,107)
	<hr/>
Net Cash (Used for) Operating Activities	(27,562)
	<hr/>
Cash Flows Provided for Investing Activities:	
Interest Income	1,645
	<hr/>
Net Cash Provided by Investing Activities	1,645
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,802
Federal Sources	64,550
Interfund - General Fund	14,671
	<hr/>
Net Cash Provided by Noncapital Financing Activities	82,023
	<hr/>
Net Increase in Cash and Cash Equivalents	56,106
	<hr/>
Cash and Cash Equivalents, July 1	77,148
	<hr/>
Cash and Cash Equivalents, June 30	\$ 133,254
	<hr/> <hr/>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (49,311)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	2,321
Food Distribution Program	17,539
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	1,743
(Increase)/Decrease in Other Accounts Receivable	(550)
Increase/(Decrease) In Unearned Revenue - Prepaid Sales	1,646
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(1,702)
Increase/(Decrease) in Accounts Payable	752
	<hr/>
Net Cash (Used for) Operating Activities	\$ (27,562)
	<hr/> <hr/>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$15,837 and Utilized Commodities Valued at \$17,539

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 23,291,146	\$ 534,782
Differences - Budgetary to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not		
Current Year Encumbrances		(1,915)
Prior Year Encumbrances		373
Prior Year State Aid Payments Recognized for GAAP Statements	106,599	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(131,125)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 23,266,620</u>	<u>\$ 533,240</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,255,558	\$ 527,396
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not		
Current Year Encumbrances		(1,915)
Prior Year Encumbrances		373
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,255,558</u>	<u>\$ 525,854</u>

E. Cash and Cash Equivalents and Investments:

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed, 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.

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

H. Encumbrances (Cont'd):

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

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

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

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Furniture, Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

L. Lease Assets

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

M. Subscription Assets

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

N. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond premiums as revenue in 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 while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District allows certain employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. As of June 30, 2024, the amount earned by these employees but not disbursed was \$396,810.

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

Q. Lease Payable

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$5,986,319 General Fund fund balance at June 30, 2024, \$264,667 is assigned for encumbrances; \$2,247,182 is restricted in the capital reserve account; \$280,100 has been restricted in the maintenance reserve account, \$375,136 is restricted in the tuition reserve account for fiscal year ending June 30, 2025, \$358,500 is restricted in the tuition reserve account for fiscal year ending June 30, 2026, \$182,131 is restricted in the unemployment compensation reserve account, \$850,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2026: \$851,318 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025, and \$577,285 is unassigned fund balance, which is \$131,125 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: The \$67,576 Special Revenue Fund fund balance at June 30, 2024 is restricted for student activities.

Capital Projects Fund: The \$5,193,849 Capital Projects Fund fund balance at June 30, 2024 is restricted fund balance.

Debt Service Fund: Of the \$59,579 restricted Debt Service Fund fund balance at June 30, 2024, \$59,579 has been included as anticipated revenue for the fiscal year ended June 31, 2025.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

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

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,311,436 in governmental activities, which is primarily a result of accrued interest, compensated absences payable, net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2024 for pensions.

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

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

V. Net Position: (Cont'd)

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

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for the capital projects and debt service funds, excess surplus, a capital reserve, a tuition reserve, and a maintenance reserve, student activities and for unemployment compensation insurance.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2024.

X. Revenue - Exchange and Nonexchange Transactions:

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking & Savings Accounts	\$ 8,706,510	\$ 3,510,625	\$ 12,217,135
	<u>\$ 8,706,510</u>	<u>\$ 3,510,625</u>	<u>\$ 12,217,135</u>

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$12,217,135 and the bank balance was \$13,217,136.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Morris Plains Borough School District in 1997, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 1,648,100
Interest Earned	19,264
Increased by Board Resolution June 2024	900,000
Return of Unexpended Funds	164,657
Budget Withdrawal	(289,229)
Withdrawn by Board Resolution	<u>(195,610)</u>
Balance at June 30, 2024	<u>\$ 2,247,182</u>

The balance in the capital reserve account at June 30, 2024 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 5. CAPITAL ASSETS

	Balance 6/30/2023	Increases	Adjustments/ Decreases	Balance 6/30/2024
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 951,200			\$ 951,200
Construction in Progress	749,048	\$ 3,973,682		4,722,730
Total Capital Assets not Being Depreciated	1,700,248	3,973,682		5,673,930
Capital Assets Being Depreciated:				
Site Improvements	930,749			930,749
Buildings and Building Improvements	37,488,749	296,541		37,785,290
Machinery and Equipment	1,170,337	101,988		1,272,325
Total Capital Assets Being Depreciated	39,589,835	398,529		39,988,364
Governmental Activities Capital Assets	41,290,083	4,372,211		45,662,294
Less Accumulated Depreciation for:				
Site Improvements	(839,035)	(45,747)		(884,782)
Buildings and Building Improvements	(21,498,855)	(700,593)		(22,199,448)
Machinery and Equipment	(906,898)	(43,971)		(950,869)
Total Accumulated Depreciation	(23,244,788)	(790,311)		(24,035,099)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,045,295</u>	<u>\$ 3,581,900</u>	<u>\$ - 0 -</u>	<u>\$ 21,627,195</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 79,208			\$ 79,208
Less Accumulated Depreciation	(60,814)	\$ (2,321)		(63,135)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,394</u>	<u>\$ (2,321)</u>	<u>\$ - 0 -</u>	<u>\$ 16,073</u>
GRAND TOTAL	<u>\$ 18,063,689</u>	<u>\$ 3,579,579</u>	<u>\$ - 0 -</u>	<u>\$ 21,643,268</u>

The District expended \$3,973,682 towards construction in progress during the fiscal year in active district capital projects.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 13,147
School Administrative Services	26,185
Operations and Maintenance of Plant	12,332
Unallocated	738,647
	<u>\$ 790,311</u>

NOTE 6. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance 6/30/2023	Increases	Adjustments/ Decreases	Balance 6/30/2024
Governmental Activities:				
Lease Assets Being Amortized:				
Buildings	\$ 254,176			\$ 254,176
Machinery and Equipment	201,823	\$ 231,987		433,810
Total Lease Assets Being Amortized	455,999	231,987		687,986
Governmental Activities Capital Assets	455,999	231,987		687,986
Less Accumulated Amortization for:				
Buildings	(141,210)	(37,656)		(178,866)
Machinery and Equipment	(56,989)	(59,694)		(116,683)
Total Accumulated Depreciation	(198,199)	(97,350)		(295,549)
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 257,800</u>	<u>\$ 134,637</u>	<u>\$ - 0 -</u>	<u>\$ 392,437</u>

Amortization expense was charged to governmental functions as follows:

General and School Administration Services	\$ 97,350
	<u>\$ 97,350</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District transferred to the capital outlay accounts for equipment which did not require County Superintendent approval. Additionally, the school district had transfers in the capital outlay accounts and the required approval from the County Superintendent was obtained.

NOTE 8. MAINTENANCE RESERVE ACCOUNT

These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The following is an analysis of activity of the maintenance reserve account:

Balance at June 30, 2023	\$ 283,849
Increased by Board Resolution June 2024	71,671
Budget Withdrawal	(50,000)
Withdrawn by Board Resolution	<u>(25,420)</u>
Balance at June 30, 2024	<u><u>\$ 280,100</u></u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Due Within One Year
Bonds Payable	\$ 13,578,000		\$ 703,000	\$ 12,875,000	\$ 760,000
Financed Purchases Payable	352,125		153,073	199,052	64,075
Leases Payable	267,310	\$ 231,987	96,009	403,288	122,344
Net Pension Liability	1,922,863	328,482		2,251,345	
Unamortized Bond Premiums					
Compensated Absences Payable	55,670	43,672		99,342	
	<u>\$ 16,175,968</u>	<u>\$ 604,141</u>	<u>\$ 952,082</u>	<u>\$ 15,828,027</u>	<u>\$ 946,419</u>

A. Bonds Payable:

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

On December 15, 2016 the District issued debt in the amount of \$6,242,000 with interest rates ranging 2.50% to 3.25% with consent of the taxpayers through a referendum which includes new windows, lighting, flooring, door replacement and partial roof replacement at Borough School. In addition, the project also includes an ADA compliant renovation to Borough School auditorium. The bonds mature on July 15, 2017 through 2031.

On March 19, 2023 the District issued debt in the amount of \$9,498,000 with interest rates ranging 2.75% to 4.00% with consent of the taxpayers through a referendum which includes expansion at Mountain Way school including outdoor classroom, handicapped accessible playground, and a dedicated sensory room. Additionally, the project includes bathroom renovations at Borough School. The bonds mature on May 1, 2024 through 2043.

The District has bonds outstanding as of June 30, 2024 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds	7/15/2031	3.00-3.25%	\$ 3,680,000
School Bonds	5/1/2043	3.00-4.00%	9,195,000
			<u>\$ 12,875,000</u>



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2025	\$ 760,000	\$ 417,469	\$ 1,177,469
2026	725,000	394,519	1,119,519
2027	740,000	372,544	1,112,544
2028	765,000	350,194	1,115,194
2029	790,000	326,728	1,116,728
2030-2034	3,695,000	1,274,719	4,969,719
2035-2039	3,000,000	783,750	3,783,750
2040-2043	2,400,000	238,500	2,638,500
	<u>\$ 12,875,000</u>	<u>\$ 4,158,423</u>	<u>\$ 17,033,423</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has no bonds authorized but not issued.

C. Financed Purchases Payable:

The District has financed purchases agreements for various technology equipment valued at \$689,942 for which \$490,890 has been repaid. The finance purchases agreements are for terms of three to four years.

The following is a schedule of the future minimum financed purchases payments, and the present value of the net minimum financed purchases payments at June 30, 2024.

Fiscal Year Ending June 30,	Amount
2025	\$ 71,062
2026	71,062
2027	71,061
Total Minimum Financed Purchases Payments	213,185
Less: Amount representing interest	(14,133)
Present Value of Minimum Financed Purchase Payments	<u>\$ 199,052</u>

The current portion of the finance purchases payable at June 30, 2024 is \$64,075 and the long-term portion is \$134,977. The General Fund will be used to liquidate the financed purchases payable.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

D. Leases Payable:

The District had leases outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Xerox Copiers	Monthly	3/25/2026	3.10%	\$ 5,557
Xerox Copiers	Monthly	3/11/2027	3.10%	102,762
Lease of Business Office	Monthly	7/1/2025	3.00%	79,577
Copiers	Monthly	1/1/2029	3.00%	215,392
				<u>\$ 403,288</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 122,344	\$ 22,371
2026	125,255	19,717
2027	73,959	7,297
2028	50,640	3,816
2029	31,090	676
	<u>\$ 403,288</u>	<u>\$ 53,877</u>

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$2,251,345. See Note 10 for further information on the PERS.

F. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability and will be liquidated through the General Fund. The current portion of the compensated absences at June 30, 2024 is \$-0- and the long-term portion is \$99,342.

There is no liability for compensated absences in the District's Enterprise Fund.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS:

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$312,148 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$7,021 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.5% effective July 1, 2018.

Special Funding Situation

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

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

At June 30, 2024, the District reported a liability of \$2,251,345 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.01555%, which was an increase of 0.0028% from its proportion measured as of June 30, 2022.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2024, the District recognized an actual pension expense in the amount of \$43,924 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$7,021 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (12,229)
	2020	5.16		(111,274)
	2021	5.13	\$ 4,946	
	2022	5.04		(12,938)
			<u>4,946</u>	<u>(136,441)</u>
Changes in Proportion	2019	5.21		(19,298)
	2020	5.16	60,053	
	2021	5.13		(1,736)
	2022	5.04		(4,072)
	2023	5.08	375,049	
			<u>435,102</u>	<u>(25,106)</u>
Net Difference Between Projected and Actual	2020	5.00	34,865	
Investment Earnings on Pension Plan Investments	2021	5.00	(289,954)	
	2022	5.00	344,975	
	2023	5.00	(79,518)	
			<u>10,368</u>	

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Period in Years	Outflows of Resources	Inflows of Resources
Difference Between Expected and Actual Experience	2019	5.21	\$ 936	
	2020	5.16	6,199	
	2021	5.13		(3,933)
	2022	5.04		(5,270)
	2023	5.08	14,391	
			<u>21,526</u>	<u>(9,203)</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	243,500	
			<u>\$ 715,442</u>	<u>\$ (170,750)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (138,161)
2025	(6,292)
2026	90,976
2027	(20,664)
2028	375,332
	<u>\$ 301,192</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023, calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,955,481	\$ 2,251,345	\$ 1,687,168

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$2,079,238 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$602,407.

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$24,520,905. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was .04805%, which was an increase of 0.00082% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>24,520,905</u>
Total	<u>\$ 24,520,905</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$602,407 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 – 4.25% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 28,914,597	\$ 24,520,905	\$ 20,820,373

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$25,796 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$35,031 for the year ended June 30, 2024.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health benefit coverage through Horizon Blue Cross Blue Shield.

Property and Liability Insurance

The District maintains insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

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

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

The June 30, 2024 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 18,904,352
Member Dividends	\$ - 0 -

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

New Jersey Schools Insurance Group  
6000 Midatlantic Drive  
Suite 300 North  
Mount Laurel, New Jersey 08054  
(609) 386-6060

New Jersey Unemployment Compensation Insurance

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

The following is a summary of District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ 19,995	\$ 110	\$ 5,540	\$ 193,228
2022-2023	-0-	22,290	576	30,959	170,570
2023-2024	-0-	2,387	522	14,006	182,131

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 346,074	\$ 10,605
Special Revenue Fund		66,828
Capital Projects Fund		279,246
Proprietary Fund	10,605	
	<u>\$ 356,679</u>	<u>\$ 356,679</u>

The Interfund between General Fund and Special Revenue Fund is a result of federal grants receivable as of June 30, 2024. The interfund between the General Fund and the Food Service Fund represents subsidy reimbursements received in the General Fund not yet turned over to the Food Service Fund. The interfund between the Capital Projects Fund and Debt Service Fund represents interest earned in the Capital Projects Fund due to the Debt Service Fund.



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

Equitable	Lincoln National Insurance	Franklin Templeton
Oppenheimer	Lincoln Financial Group	

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. ECONOMIC DEPENDENCY

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

NOTE 16. CONTINGENT LIABILITIES

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Grant Programs

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Arbitrage

The District is not subject to liability for arbitrage payable to the federal government relative to its \$4,470,000 Refunding Bonds dated June 1, 2011 and its \$6,242,000 School Bonds dated December 15, 2016 as the District is considered a small issuer with debt under \$15,000,000.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 264,667	\$ 1,915	\$ 5,092,012	\$ 5,358,594

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$1,915 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$5,092,012 year-end encumbrances in the Capital Projects Fund are included in the restricted fund balance on a GAAP basis at June 30, 2024.

NOTE 17. ACCOUNTS PAYABLE

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Fund</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Vendors	\$ 113,667	\$ 13,325	\$ 700,920		\$ 827,912	\$ 8,317
Payroll Deductions and Withholdings	13,540				13,540	
Accrued Salaries & Wages	396,810				396,810	
State of New Jersey				\$ 243,500	243,500	
	<u>\$ 524,017</u>	<u>\$ 13,325</u>	<u>\$ 700,920</u>	<u>\$ 243,500</u>	<u>\$ 1,481,762</u>	<u>\$ 8,317</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

As of June 30, 2024 the District has \$733,636 in the Tuition Reserve for which \$375,136 and \$358,500 will be used to pay any tuition adjustments for the fiscal years ending June 30, 2025 and 2026, respectively.

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employee Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Plan Description and Benefits Provided (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u>369,595</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2022	\$ 21,252,425
Changes for Year:	
Service Cost	944,706
Interest on the Total OPEB Liability	788,663
Changes of Assumptions	45,136
Difference between Expected and Actual Experiences	(43,115)
Gross Benefit Payments by the State	(614,776)
Contributions from Members	20,211
Net Changes	<u>1,140,825</u>
Balance at June 30, 2023	<u>\$ 22,393,250</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 26,252,241	\$ 22,393,250	\$ 19,294,928

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 18,589,850	\$ 22,393,250	\$ 27,370,009

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$515,727 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 806,913
	2018	9.51		835,228
	2019	9.29	\$ 122,875	
	2020	9.24	3,004,093	
	2021	9.24	17,099	
	2022	9.13		4,537,595
	2023	9.30	40,281	
			<u>3,184,348</u>	<u>6,179,736</u>
Differences Between Expected and Actual Experience	2018	9.51		789,550
	2019	9.29		1,446,247
	2020	9.24	2,799,932	
	2021	9.24		3,288,154
	2022	9.13	467,307	
	2023	9.30		374,208
			<u>3,267,239</u>	<u>5,898,159</u>
Changes in Proportion	N/A	N/A	1,209,245	1,729,561
			<u>\$ 7,660,832</u>	<u>\$ 13,807,456</u>

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

Fiscal Year Ending June 30,	Total
2024	\$ (1,116,730)
2025	(1,116,730)
2026	(970,596)
2027	(572,226)
2028	(117,128)
Thereafter	<u>(1,732,897)</u>
	<u>\$ (5,626,306)</u>



SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0133120961%	0.0132291256%	0.0131292071%	0.0103050938%	0.0137231494%
District's proportionate share of the net pension liability	\$ 2,492,388	\$ 2,969,674	\$ 3,888,495	\$ 3,038,050	\$ 2,702,020
District's covered employee payroll	\$ 891,550	\$ 891,550	\$ 909,100	\$ 913,315	\$ 909,754
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.56%	333.09%	427.73%	332.64%	297.01%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0116095784%	0.0127961110%	0.0127769556%	0.0127414656%	0.0155432670%
District's proportionate share of the net pension liability	\$ 2,091,870	\$ 2,086,711	\$ 1,513,622	\$ 1,922,863	\$ 2,251,345
District's covered employee payroll	\$ 883,951	\$ 920,640	\$ 950,164	\$ 1,136,743	\$ 1,036,675
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	236.65%	226.66%	159.30%	169.16%	217.17%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	58.32%	70.33%	46.41%	65.23%

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 119,037	\$ 113,735	\$ 117,614	\$ 136,412	\$ 137,291
Contributions in relation to the contractually required contribution	(119,037)	(113,735)	(117,614)	(136,412)	(137,291)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 891,550	\$ 909,100	\$ 913,315	\$ 909,754	\$ 883,951
Contributions as a percentage of covered employee payroll	13.35%	12.51%	12.88%	14.99%	15.53%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually required contribution	\$ 113,383	\$ 139,983	\$ 149,633	\$ 160,676	\$ 312,148
Contributions in relation to the contractually required contribution	(113,383)	(139,983)	(149,633)	(160,676)	(312,148)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 920,640	\$ 950,164	\$ 1,136,743	\$ 1,036,675	\$ 1,095,345
Contributions as a percentage of covered employee payroll	12.32%	14.73%	13.16%	15%	28%

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.1122527050%	0.0385863627%	0.0376905659%	0.0394616171%	0.0440913517%
State's proportionate share of the net pension liability attributable to the District	\$ 19,801,491	\$ 24,388,229	\$ 29,649,799	\$ 26,606,456	\$ 28,049,971
District's covered employee payroll	\$ 3,616,105	\$ 3,887,313	\$ 3,825,033	\$ 4,415,822	\$ 4,898,571
State's proportionate share of the net pension liability attributable to the district as a percentage of the District's covered employee payroll	547.59%	627.38%	775.15%	602.53%	572.62%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0469450974%	0.0462982108%	0.0472552049%	0.0472343619%	0.0480494270%
State's proportionate share of the net pension liability attributable to the District	\$ 28,810,652	\$ 30,486,815	\$ 22,718,029	\$ 24,370,293	\$ 24,520,905
District's covered employee payroll	\$ 5,219,128	\$ 5,267,307	\$ 5,477,758	\$ 6,211,268	\$ 6,316,403
State's proportionate share of the net pension liability attributable to the district as a percentage of the District's covered employee payroll	552.02%	578.79%	414.73%	392.36%	388.21%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	24.60%	35.52%	32.29%	34.68%

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS ASSOCIATED WITH THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,065,506	\$ 1,489,121	\$ 2,227,770	\$ 1,843,160	\$ 1,635,214
Contributions in relation to the contractually required contribution	(208,612)	(301,766)	(428,346)	(649,310)	(923,297)
Contribution deficiency/(excess)	<u>\$ 856,894</u>	<u>\$ 1,187,355</u>	<u>\$ 1,798,218</u>	<u>\$ 1,193,850</u>	<u>\$ 711,917</u>
District's covered employee payroll	\$ 3,887,313	\$ 3,825,033	\$ 4,415,822	\$ 4,898,571	\$ 5,219,128
Contributions as a percentage of covered employee payroll	5.37%	7.89%	9.70%	13.26%	17.69%

	Fiscal Year Ending June 30,				
	2020	2021	2022	2023	2024
Contractually required contribution	\$ 1,699,329	\$ 1,895,800	\$ 534,565	\$ 655,873	\$ 602,047
Contributions in relation to the contractually required contribution	(1,015,497)	(1,373,651)	(1,944,476)	(1,964,290)	(2,079,238)
Contribution deficiency/(excess)	<u>\$ 683,832</u>	<u>\$ 522,149</u>	<u>\$ (1,409,911)</u>	<u>\$ (1,308,417)</u>	<u>\$ (1,477,191)</u>
District's covered employee payroll	\$ 5,267,307	\$ 5,477,758	\$ 5,573,171	\$ 6,211,268	\$ 6,316,403
Contributions as a percentage of covered employee payroll	19.28%	25.08%	34.89%	31.62%	32.92%

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 1,015,043	\$ 837,818	\$ 774,924	\$ 782,609	\$ 1,495,013	\$ 1,244,717	\$ 944,706
Interest Cost	737,184	851,575	797,024	656,832	688,175	563,213	788,663
Changes in Benefit Terms					(28,236)		
Changes in Assumptions	(3,136,382)	(2,305,329)	271,996	5,640,572	26,172	(5,701,154)	45,136
Difference between Expected and Actual Experience		(1,982,540)	(3,147,255)	6,078,060	(6,007,437)	(842,780)	(43,115)
Member Contributions	19,792	18,566	16,600	16,294	17,593	17,897	20,211
Gross Benefit Payments	(537,505)	(537,176)	(559,988)	(537,582)	(542,089)	(557,879)	(614,776)
Net Change in Total OPEB Liability	(1,901,868)	(3,117,086)	(1,846,699)	12,636,785	(4,350,809)	(5,275,986)	1,140,825
Total OPEB Liability - Beginning	25,108,088	23,206,220	20,089,134	18,242,435	30,879,220	26,528,411	21,252,425
Total OPEB Liability - Ending	<u>\$ 23,206,220</u>	<u>\$ 20,089,134</u>	<u>\$ 18,242,435</u>	<u>\$ 30,879,220</u>	<u>\$ 26,528,411</u>	<u>\$ 21,252,425</u>	<u>\$ 22,393,250</u>
District's Covered Employee Payroll *	\$ 4,734,133	\$ 5,329,137	\$ 5,808,325	\$ 6,103,079	\$ 6,187,947	\$ 6,427,922	\$ 7,348,011
Total OPEB Liability as a Percentage of Covered Employee Payroll	490%	377%	314%	506%	429%	331%	305%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are based on the payroll on the June 30, 2016 - 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

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

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

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% 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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES



MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 18,116,055		\$ 18,116,055	\$ 18,116,055	
Tuition From Other LEAs Within the State	126,494		126,494	156,483	\$ 29,989
Rents and Royalties	5,000		5,000	5,000	
Unrestricted Miscellaneous Revenues	60,031		60,031	120,649	60,618
Interest Earned on Capital Reserve				19,264	19,264
Other Restricted Miscellaneous Revenues				6,995	6,995
Total Revenues from Local Sources	18,307,580		18,307,580	18,424,446	116,866
Revenues from State Sources:					
School Choice Aid	247,008		247,008	247,008	
Categorical Transportation Aid	124,830		124,830	124,830	
Extraordinary Aid				283,519	283,519
Categorical Special Education Aid	911,645		911,645	911,645	
Categorical Security Aid	86,280		86,280	86,280	
Nonpublic Transportation				26,958	26,958
Homeless Tuition Reimbursement				59,547	59,547
TPAF Post Retirement Contributions (Non-Budgeted)				572,346	572,346
TPAF Pension Contributions (Non-Budgeted)				2,079,238	2,079,238
TPAF Non-Contributory Insurance (Non-Budgeted)				23,713	23,713
TPAF Long-Term Disability Insurance (Non-Budgeted)				924	924
Reimbursed TPAF Social Security Contributions				450,692	450,692
Total Revenues from State Sources	1,369,763		1,369,763	4,866,700	3,496,937
TOTAL REVENUE	19,677,343		19,677,343	23,291,146	3,613,803

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 372,400		\$ 372,400	\$ 357,280	\$ 15,120
Grades 1-5 - Salaries of Teachers	2,268,615		2,268,615	2,175,209	93,406
Grades 6-8 - Salaries of Teachers	1,748,678		1,748,678	1,620,896	127,782
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000		7,000	2,825	4,175
Purchased Professional-Educational Services	8,000	\$ 17,100.00	25,100	21,112	3,988
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	72,040	26,991	99,031	99,031	
Purchased Technical Services	110,060	(19,005)	91,055	84,193	6,862
Other Purchased Services (400-500 series)	227,296	109,645	336,941	276,818	60,123
General Supplies	209,207	(8,357)	200,850	140,242	60,608
Textbooks	86,000	730	86,730	86,729	1
<b>Total Regular Programs - Instruction</b>	<b>5,109,296</b>	<b>127,104</b>	<b>5,236,400</b>	<b>4,864,335</b>	<b>372,065</b>
<b>Special Education - Instruction:</b>					
Behavioral Disabilities:					
Salaries of Teachers	128,200		128,200	68,719	59,481
Other Salaries for Instruction	133,982		133,982	78,862	55,120
Other Purchased Services (400-500 series)	179,000	(65,000)	114,000	74,940	39,060
General Supplies	7,800	(1,630)	6,170	4,412	1,758
<b>Total Behavioral Disabilities</b>	<b>448,982</b>	<b>(66,630)</b>	<b>382,352</b>	<b>226,933</b>	<b>155,419</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	214,488		214,488	189,383	25,105
Other Salaries for Instruction	167,002		167,002	150,058	16,944
Other Purchased Services (400-500 series)	60,000	20,000	80,000	70,375	9,625
General Supplies	10,018		10,018	9,894	124
<b>Total Multiple Disabilities</b>	<b>451,508</b>	<b>20,000</b>	<b>471,508</b>	<b>419,710</b>	<b>51,798</b>

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 407,392	\$ 547	\$ 407,939	\$ 373,967	\$ 33,972
Other Salaries for Instruction	177,096		177,096	148,497	28,599
General Supplies	9,326	(547)	8,779	7,366	1,413
Total Resource Room/Resource Center	593,814		593,814	529,830	63,984
Preschool Disabilities - Full-Time:					
Salaries of Teachers	131,482		131,482	113,946	17,536
Other Salaries for Instruction	96,054		96,054	84,722	11,332
General Supplies	3,201		3,201	3,201	
Total Preschool Disabilities - Full-Time	230,737		230,737	201,869	28,868
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,725,041	(46,630)	1,678,411	1,378,342	300,069
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	160,651	26	160,677	157,121	3,556
General Supplies	4,901	(1,378)	3,523	3,116	407
Total Basic Skills/Remedial - Instruction	165,552	(1,352)	164,200	160,237	3,963
Bilingual Education - Instruction:					
Salaries of Teachers	105,183	6,304	111,487	111,487	
General Supplies	3,600	(3,322)	278	186	92
Total Bilingual Education - Instruction	108,783	2,982	111,765	111,673	92
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	86,415		86,415	66,357	20,058
Purchased Services (300-500 series)	4,000		4,000	582	3,418
Supplies and Materials	11,000		11,000	7,852	3,148
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	101,415		101,415	74,791	26,624

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 67,076		\$ 67,076	\$ 52,380	\$ 14,696
Supplies and Materials	8,900		8,900	7,739	1,161
Other Objects	100		100	100	
Transfers to Cover Deficit (Agency Funds)	6,240		6,240	6,240	
Total School-Sponsored Athletics - Instruction	82,316		82,316	66,459	15,857
TOTAL INSTRUCTION	7,292,403	\$ 82,104	7,374,507	6,655,837	718,670
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	2,953,538	(675)	2,952,863	2,947,246	5,617
Tuition to Other LEAs Within the State-Special	993,534	675	994,209	994,209	
Tuition to County Voc. School Dist.-Regular	70,477	14,309	84,786	84,786	
Tuition to CSSD & Reg. Day Schools	221,770	(157,811)	63,959	59,547	4,412
Tuition to Priv. Sch. for the Handicap. W/I State	1,027,962	(107,047)	920,915	763,128	157,787
Total Undistributed Expenditures - Instruction	5,267,281	(250,549)	5,016,732	4,848,916	167,816
Undistributed Expenditures - Health Services:					
Salaries	215,277	522	215,799	211,825	3,974
Purchased Professional and Technical Services	22,000	1,526	23,526	23,390	136
Supplies and Materials	8,220	(281)	7,939	7,939	
Total Undist. Expenditures - Health Services	245,497	1,767	247,264	243,154	4,110
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	79,695		79,695	78,476	1,219
Purchased Professional - Educational Services	283,622	6,569	290,191	242,497	47,694
Supplies and Materials	7,750		7,750	7,731	19
Total Undist. Expend. - Speech, OT, PT, Related Svcs	371,067	6,569	377,636	328,704	48,932

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 193,902		\$ 193,902	\$ 190,480	\$ 3,422
Purchased Professional - Educational Services	5,500	\$ (4,305)	1,195	1,081	114
Supplies and Materials	411		411	368	43
Total Undist Expend. - Guidance	199,813	(4,305)	195,508	191,929	3,579
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	377,767	426	378,193	353,999	24,194
Salaries of Secretarial and Clerical Assistants	47,470	286	47,756	47,540	216
Purchased Professional - Educational Services	21,000	47,780	68,780	67,800	980
Other Purchased Services (400-500 series)	5,300	(1,550)	3,750	2,469	1,281
Supplies and Materials	31,489		31,489	31,182	307
Total Undist Expend. - Child Study Team	483,026	46,942	529,968	502,990	26,978
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	142,371	9,366	151,737	145,773	5,964
Salaries of Other Professional Staff	6,400		6,400	800	5,600
Salaries of Secretarial and Clerical Assistants	42,694	241	42,935	42,935	
Sal of Facilitators, Math Coaches & Literacy Coaches	103,661	80	103,741	103,741	
Purchased Professional - Educational Services	32,000	(7,866)	24,134	24,134	
Other Purchased Services (400-500 series)	82,044	(1,821)	80,223	21,825	58,398
Supplies and Materials	21,000	(10,000)	11,000	4,950	6,050
Total Undist. Expend.-Improv. of Inst. Serv.	430,170	(10,000)	420,170	344,158	76,012
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	99,020	8,525	107,545	79,249	28,296
Other Purchased Services (400-500 series)	9,400		9,400	6,400	3,000
Supplies and Materials	7,750		7,750	5,630	2,120
Total Undist Expend-Edu. Media Serv./Sch. Library	118,170	6,525	124,695	91,279	33,416

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Prof. And Tech. Services	\$ 5,500	\$ (35)	\$ 5,465	\$ 2,962	\$ 2,503
Other Purchased Services (400-500 series)	17,500	(1,342)	16,158	1,127	15,031
Total Undist.Expend.-Instructional Staff Training Services	23,000	(1,377)	21,623	4,089	17,534
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	286,228		286,228	285,758	470
Legal Services	65,000		65,000	43,307	21,693
Audit Fees	44,000		44,000	42,400	1,600
Other Purchased Professional Services	20,000		20,000	8,950	11,050
Communications / Telephone	63,000		63,000	39,460	23,540
BOE Other Purchased Services	6,000	(1,502)	4,498	3,445	1,053
Other Purch. Serv. (400-500 series other than 530 & 585)	18,600		18,600	13,300	5,300
General Supplies	2,000		2,000	247	1,753
BOE In-house training/ Meeting Supplies	1,000		1,000	772	228
Miscellaneous Expenditures	4,000		4,000	3,320	680
BOE Membership Dues and Fees	9,000		9,000	8,590	410
Total Undist. Expend.-Support Serv.-Gen. Admin.	518,828	(1,502)	517,326	449,549	67,777
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	213,557	3,000	216,557	216,041	516
Salaries of Secretarial and Clerical Assistants	123,790		123,790	119,070	4,720
Other Purchased Services (400-500 series)	4,000	515	4,515	4,266	249
Supplies and Materials	9,048	(2,000)	7,048	6,006	1,042
Other Objects	4,750		4,750	4,250	500
Total Undist. Expend.-Support Serv.-School Admin.	355,145	1,515	356,660	349,633	7,027

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 323,320		\$ 323,320	\$ 323,030	\$ 290
Purchased Technical Services	27,342	\$ 2,736	30,078	28,078	2,000
Miscellaneous Purchased Services (400-500 series other than 594)	7,100	(107)	6,993	2,504	4,489
Supplies and Materials	3,500	4,000	7,500	6,946	554
Other Objects	2,000		2,000	1,808	192
Total Undist. Expend. - Central Services	363,262	6,629	369,891	362,366	7,525
Undist. Expend. - Admin. Info. Technology:					
Salaries	27,525	6,334	33,859	32,533	1,326
Purchased Technical Services	20,000	(1,334)	18,666	16,824	1,842
Other Purchased Services (400-500 series)	8,000		8,000	7,197	803
Supplies and Materials	21,120	(10,550)	10,570	811	9,759
Total Undist. Expend. - Admin. Info. Technology	76,645	(5,550)	71,095	57,365	13,730
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	153,698		153,698	152,530	1,168
Cleaning, Repair, and Maintenance Services	157,500	(29,059)	128,441	92,739	35,702
General Supplies	60,000	(24,664)	35,336	35,336	
Other Objects	7,000		7,000	6,775	225
Total Undist. Expend.- Required Maint. for School Facilities	378,198	(53,723)	324,475	287,380	37,095
Undist. Expend.-Custodial Services:					
Salaries	352,937	30,430	383,367	383,367	
Cleaning, Repair, and Maintenance Services	2,500		2,500		2,500
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	46,926		46,926	40,609	6,317
Other Purchased Property Services	3,000	3,529	6,529	6,529	
Insurance	116,526	(2,999)	113,527	110,286	3,241
Miscellaneous Purchased Services	39,000	(3,529)	35,471	23,249	12,222

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
General Supplies	\$ 40,000		\$ 40,000	\$ 30,714	\$ 9,286
Energy (Natural Gas)	122,000	\$ (30,263)	91,737	69,039	22,698
Energy (Electricity)	180,108	30,263	210,371	141,647	68,724
Energy (Gasoline)	3,000		3,000	231	2,769
Total Undist. Expend.-Custodial Services	905,997	27,431	933,428	805,671	127,757
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	12,600		12,600	6,105	6,495
General Supplies	6,000		6,000	2,001	3,999
Total Care And Upkeep Of Grounds	18,600		18,600	8,106	10,494
Security:					
Salaries	19,151	1,500	20,651	20,079	572
Purchased Professional and Technical Services	20,000	(17,625)	2,375		2,375
Cleaning, Repair, and Maintenance Services	107,500	16,500	124,000	114,890	9,110
General Supplies	4,000	(3,000)	1,000		1,000
Total Security	150,651	(2,625)	148,026	134,969	13,057
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,453,446	(28,917)	1,424,529	1,236,126	188,403
Undist. Expend.-Student Transportation Serv.:					
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	75,000	(4,223)	70,777	70,777	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	22,000	(3,000)	19,000	14,830	4,170
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	21,280	5,000	26,280	24,854	1,426
Contract. Serv.(Reg. Students)-ESCs & CTSAs	435,300	51,750	487,050	434,252	52,798
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSAs	545,000	82,073	627,073	526,204	100,869
Total Undist. Expend.-Student Trans. Serv.	1,098,580	131,600	1,230,180	1,070,917	159,263



MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Health Benefits	\$ 1,120,102	\$ (1,120,102)			
Total Regular Programs - Instruction	<u>1,120,102</u>	<u>(1,120,102)</u>			
Special Programs - Instruction:					
Health Benefits	331,366	(331,366)			
Total Special Programs - Instruction	<u>331,366</u>	<u>(331,366)</u>			
Health Services:					
Health Benefits	17,185	(17,185)			
Total Health Services	<u>17,185</u>	<u>(17,185)</u>			
Other Support Services - Speech, OT, PT & Related Svcs:					
Health Benefits	31,690	(31,690)			
Total Other Supp Serv - Speech, OT, PT & Related Svcs	<u>31,690</u>	<u>(31,690)</u>			
Other Support Services - Guidance:					
Health Benefits	16,214	(16,214)			
Total Other Supp Serv - Guidance	<u>16,214</u>	<u>(16,214)</u>			
Other Support Services - Child Study Team:					
Health Benefits	76,900	(76,900)			
Total Other Supp Serv - Child Study Team	<u>76,900</u>	<u>(76,900)</u>			
Improvement of Instruction Services:					
Health Benefits	74,180	(74,180)			
Total Improvement of Instructional Services	<u>74,180</u>	<u>(74,180)</u>			

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
ALLOCATED BENEFITS					
Support Services - General Administration:					
Health Benefits	\$ 25,643	\$ (25,643)			
Total Support Services - General Administration	25,643	(25,643)			
Support Services - School Administration:					
Health Benefits	75,982	(75,982)			
Total Support Services - School Administration	75,982	(75,982)			
Support Services - Central Services:					
Health Benefits	53,053	(53,053)			
Total Support Services - Central Services	53,053	(53,053)			
Required Maintenance for School Facilities:					
Health Benefits	56,284	(56,284)			
Total Required Maintenance For School Facilities	56,284	(56,284)			
Custodial Services:					
Health Benefits	99,706	(99,706)			
Total Custodial Services	99,706	(99,706)			
TOTAL ALLOCATED BENEFITS	1,978,305	(1,978,305)			

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 187,000		\$ 187,000	\$ 181,949	\$ 5,051
Other Retirement Contributions - PERS	204,000	\$ 108,678	312,678	312,148	530
Other Retirement Contributions - Regular		25,796	25,796	25,796	
Unemployment Compensation	20,000	(19,703)	297	297	
Workers Compensation	69,133	1,047	70,180	70,180	
Health Benefits		1,901,029	1,901,029	1,810,775	90,254
Tuition Reimbursement	22,000	(2,490)	19,510	10,284	9,226
Other Employee Benefits	160,000	(46,533)	113,467	96,888	16,579
TOTAL UNALLOCATED BENEFITS	662,133	1,967,824	2,629,957	2,508,317	121,640
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				572,346	(572,346)
TPAF Pension Contributions (Non-Budgeted)				2,079,238	(2,079,238)
TPAF Non-Contributory Insurance (Non-Budgeted)				23,713	(23,713)
TPAF Long-Term Disability Insurance (Non-Budgeted)				924	(924)
Reimbursed TPAF Social Security Contributions				450,692	(450,692)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,126,913	(3,126,913)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,640,438	(10,481)	2,629,957	5,635,230	(3,005,273)
TOTAL UNDISTRIBUTED EXPENDITURES	13,644,368	(111,134)	13,533,234	15,716,405	(2,183,171)
TOTAL GENERAL CURRENT EXPENSE	20,936,771	(29,030)	20,907,741	22,372,242	(1,464,501)

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 1-5	\$ 15,000	\$ 2,624	\$ 17,624	\$ 17,624	
Grades 6-8	44,000	2,239	46,239	46,197	\$ 42
Undistributed:					
Undist. Expend. - Required Maint for School Fac.	20,984	4,016	25,000	25,000	
Total Equipment	79,984	8,879	88,863	88,821	42
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	62,072	(14,963)	47,109	22,500	24,609
Construction Services	45,000	189,573	234,573	68,808	165,765
Infrastructure	172,667	46,991	219,658	205,233	14,425
Assessment for Debt Service on SDA Funding	56,562		56,562	56,562	
Total Facilities Acquisition and Const. Serv.	336,301	221,601	557,902	353,103	204,799
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				231,987	(231,987)
Total Assets Acquired Under Leases (Non-Budgeted)				231,987	(231,987)
TOTAL CAPITAL OUTLAY	416,285	230,480	646,765	673,911	(27,146)
Transfer of Funds to Charter Schools	189,825	19,580	209,405	209,405	
	189,825	19,580	209,405	209,405	
TOTAL EXPENDITURES	21,542,881	221,030	21,763,911	23,255,558	(1,491,647)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,865,538)	(221,030)	(2,086,568)	35,588	2,122,156

MORRIS PLAINS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund					
Leases (Non-Budgeted)				\$ 279,246	\$ 279,246
Total Other Financing Sources/(Uses):				231,987	231,987
				511,233	511,233
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (1,865,538)	\$ (221,030)	\$ (2,086,568)	546,821	2,633,389
Fund Balance, July 1	5,570,623		5,570,623	5,570,623	
Fund Balance, June 30	\$ 3,705,085	\$ (221,030)	\$ 3,484,055	\$ 6,117,444	\$ 2,633,389
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 851,318	
Excess Surplus - Restricted For 2025-2026				850,000	
Tuition Reserve Restricted for 2024-2025				375,136	
Tuition Reserve Restricted for 2025-2026				358,500	
Capital Reserve				2,247,182	
Maintenance Reserve				280,100	
Unemployment Compensation				182,131	
Assigned Fund Balance:					
Year End Encumbrances				264,667	
Unassigned Fund Balance				708,410	
				6,117,444	
				(131,125)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)	\$			5,986,319	

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 36,000	\$ 82,676	\$ 118,676	\$ 118,676	
State Sources		13,167	13,167	13,167	
Federal Sources	252,799	186,109	438,908	402,939	\$ (35,969)
Total Revenue	288,799	281,952	570,751	534,782	(35,969)
Expenditures:					
Instruction:					
Salaries of Teachers	35,200	6,778	41,978	24,537	17,441
Purchased Professional/Technical Services	8,190	22,157	30,347	30,347	
Other Purchased Services	123,350	137,742	261,092	261,092	
General Supplies	18,000	27,623	45,623	27,613	18,010
Total Instruction	184,740	194,300	379,040	343,589	35,451
Support Services:					
Salaries of Other Professional Staff	27,265	(21,072)	6,193	6,193	
Purchased Professional/Technical Services	48,282	(4,714)	43,568	43,568	
Other Objects		650	650	650	
Supplies and Materials	28,512	(19,055)	9,457	8,939	518
Student Activities		118,676	118,676	111,290	7,386
Total Support Services	104,059	74,485	178,544	170,640	7,904
Facilities Acquisition and Construction Services:					
Cleaning Repair and Maintenance Services		13,167	13,167	13,167	
Total Facilities Acquisition and Construction Services		13,167	13,167	13,167	
Total Expenditures	\$ 288,799	\$ 281,952	\$ 570,751	\$ 527,396	\$ 43,355
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 7,386	\$ 7,386

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 23,291,146	\$ 534,782
Differences - Budgetary to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not		
Current Year Encumbrances		(1,915)
Prior Year Encumbrances		373
Prior Year State Aid Payment Recognized for GAAP Statements	106,599	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(131,125)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and and Changes in Fund Balances - Governmental Funds.	<u>\$ 23,266,620</u>	<u>\$ 533,240</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,255,558	\$ 527,396
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not		
Current Year Encumbrances		(1,915)
Prior Year Encumbrances		373
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,255,558</u>	<u>\$ 525,854</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

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



SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND
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MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Student Activities	Emergent and Capital Maintenance Needs	ASCERS	IDEA Basic	Preschool
REVENUE:					
Local Sources	\$ 118,676				
State Sources		\$ 13,167	\$ 95,650	\$ 165,442	\$ 6,641
Federal Sources					
Total Revenue	118,676	13,167	95,650	165,442	6,641
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional-Technical Services			95,650	165,442	6,641
Other Purchased Services					
General Supplies					
Total Instruction			95,650	165,442	6,641
Support Services:					
Salaries of Other Professional Staff					
Purchased Professional/Technical Services					
Supplies and Materials					
Other Objects					
Student Activities	111,290				
Total Support Services	111,290				
Required Maintenance for School Facilities					
Cleaning Repair and Maintenance Services		13,167			
Total Required Maintenance for School Facilities		13,167			
Total Expenditures	\$ 111,290	\$ 13,167	\$ 95,650	\$ 165,442	\$ 6,641

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	COVID 19 - American Rescue Plan			
	ESSER III	Accelerated Learning and Support	Summer Learning and Enrichment	Beyond the School Day
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 8,994	\$ 53,265	\$ 12,454	\$ 5,900
Total Revenue	8,994	53,265	12,454	5,900
EXPENDITURES:				
Instruction:				
Salaries of Teachers	62		9,275	2,400
Purchased Professional-Technical Services		26,847		3,500
Other Purchased Services				
General Supplies			3,179	
Total Instruction	62	26,847	12,454	5,900
Support Services:				
Salaries of Other Professional Staff	3,225	2,968		
Purchased Professional/Technical Services		23,450		
Supplies and Materials	5,707			
Other Objects				
Student Activities				
Total Support Services	8,932	26,418		
Required Maintenance for School Facilities				
Cleaning Repair and Maintenance Services				
Total Required Maintenance for School Facilities				
Total Expenditures	\$ 8,994	\$ 53,265	\$ 12,454	\$ 5,900

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act				
	Title I	Title IIA	Title III	Title IV	Totals
REVENUE:					
Local Sources					\$ 118,676
State Sources					13,167
Federal Sources	\$ 16,032	\$ 20,118	\$ 3,493	\$ 14,950	402,939
Total Revenue	16,032	20,118	3,493	14,950	534,782
EXPENDITURES:					
Instruction:					
Salaries of Teachers	12,800				24,537
Purchased Professional-Technical Services					30,347
Other Purchased Services					261,092
General Supplies			2,843	14,950	27,613
Total Instruction	12,800		2,843	14,950	343,589
Support Services:					
Salaries of Other Professional Staff					6,193
Purchased Professional/Technical Services		20,118			43,568
Supplies and Materials	3,232				8,939
Other Objects			650		650
Student Activities					111,290
Total Support Services	3,232	20,118	650		170,640
Required Maintenance for School Facilities					
Cleaning Repair and Maintenance Services					13,167
Total Required Maintenance for School Facilities					13,167
Total Expenditures	\$ 16,032	\$ 20,118	\$ 3,493	\$ 14,950	\$ 527,396

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

CAPITAL PROJECTS FUND

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue:	
Interest Earned	\$ 279,246
Total Revenues	<u>279,246</u>
Expenditures:	
Construction Services	<u>3,973,682</u>
Total Expenditures	<u>3,973,682</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(3,694,436)
Other Financing Sources/(Uses):	
Transfers Out - General Fund	<u>(279,246)</u>
Total Other Financing Sources/(Uses)	<u>(279,246)</u>
(Deficit) of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(3,973,682)
Fund Balance - Beginning Balance	<u>9,167,531</u>
Fund Balance - Ending Balance	<u><u>\$ 5,193,849</u></u>
<u>Recapitulation:</u>	
Restricted - Encumbrances	\$ 5,092,012
Restricted Fund Balance	<u>101,837</u>
	<u><u>\$ 5,193,849</u></u>



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS  
BUDGETARY BASIS  
2017 REFERENDUM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,242,000		\$ 6,242,000	\$ 6,242,000
Total Revenue and Other Financing Sources	6,242,000		6,242,000	6,242,000
Expenditures:				
Construction Services	6,021,677	\$ 136,737	6,158,414	6,242,000
Total Expenditures	6,021,677	136,737	6,158,414	6,242,000
Excess/Deficiency of Revenue and Other Financing Sources Over/Under Expenditures	\$ 220,323	\$ (136,737)	\$ 83,586	\$ -0-
<b>Additional Project Information:</b>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	9/27/2017			
Bonds Authorized	\$ 6,242,000			
Additional Bonds Authorized	N/A			
Bonds Issued	\$ 6,242,000			
Original Authorized Cost	\$ 6,242,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	98.66%			
Original Target Completion Date	06/30/19			
Revised Target Completion Date	06/30/25			

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS  
BUDGETARY BASIS  
2023 REFERENDUM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,498,000		\$ 9,498,000	\$ 9,498,000
Total Revenue and Other Financing Sources	9,498,000		9,498,000	9,498,000
Expenditures:				
Purchased Professional and Technical Services	82,496		82,496	82,636
Construction Services	468,296	\$ 3,836,945	4,305,241	9,415,364
Total Expenditures	550,792	3,836,945	4,387,737	9,498,000
Excess/Deficiency of Revenue and Other Financing Sources Over/Under Expenditures	\$ 8,947,208	\$ (3,836,945)	\$ 5,110,263	\$ -0-
<b>Additional Project Information:</b>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	3/14/2023			
Bonds Authorized	\$ 9,498,000			
Additional Bonds Authorized	N/A			
Bonds Issued	\$ 9,498,000			
Original Authorized Cost	\$ 9,498,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	45.73%			
Original Target Completion Date	06/30/25			

PROPRIETARY FUNDS

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2024

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 133,254
Intergovernmental Accounts Receivable:	
Federal	2,411
State	144
Interfund Accounts Receivable:	
General Fund	10,605
Other Accounts Receivable	550
Inventories	5,039

Total Current Assets	<u>152,003</u>
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## Non-Current Assets:

Capital Assets	79,208
Less: Accumulated Depreciation	<u>(63,135)</u>

Total Non-Current Assets	<u>16,073</u>
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Total Assets	<u>168,076</u>
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## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors	8,317
Unearned Revenue - Supply Chain Assistance	16,615
Unearned Revenue - Prepaid Sales	5,410
Unearned Revenue - Donated Commodities	<u>2,677</u>

Total Current Liabilities	<u>33,019</u>
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## NET POSITION:

Investment in Capital Assets	16,073
Unrestricted	<u>118,984</u>

Total Net Position	<u><u>\$ 135,057</u></u>
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MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:	
Daily Sales - Reimbursable Programs	\$ 96,597
Daily Sales - Non-Reimbursable Programs	44,330
Miscellaneous Revenue	<u>2,430</u>
Total Operating Revenue	<u>143,357</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	67,386
Cost of Sales - Non-Reimbursable Programs	30,275
Salaries, Benefits & Payroll Taxes	67,029
Supplies, Insurance & Other Costs	15,107
Management Fee	10,550
Depreciation Expense	<u>2,321</u>
Total Operating Expenses	<u>192,668</u>
Operating Loss	(49,311)
Non-Operating Income:	
Local Sources:	
Interest Income	1,645
State Sources:	
School Lunch Program	2,775
Federal Sources:	
National School Lunch Program	45,647
COVID 19 - Supply Chain Assistance Program	28,155
Food Distribution Program	<u>17,539</u>
Total Non-Operating Income	<u>95,761</u>
Change in Net Position	46,450
Net Position - Beginning of Year	<u>88,607</u>
Net Position - End of Year	<u><u>\$ 135,057</u></u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 143,357
Payments to Employees	(67,029)
Payments to Food Service Vendor	(88,783)
Payments to Suppliers	(15,107)
	<hr/>
Net Cash (Used for) Operating Activities	(27,562)
	<hr/>
Cash Flows Provided for Investing Activities:	
Interest Income	1,645
	<hr/>
Net Cash Provided by Investing Activities	1,645
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,802
Federal Sources	64,550
Interfund - General Fund	14,671
	<hr/>
Net Cash Provided by Noncapital Financing Activities	82,023
	<hr/>
Net Increase in Cash and Cash Equivalents	56,106
Cash and Cash Equivalents, July 1	77,148
	<hr/>
Cash and Cash Equivalents, June 30	\$ 133,254
	<hr/> <hr/>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (49,311)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	2,321
Food Distribution Program	17,539
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	1,743
(Increase)/Decrease in Other Accounts Receivable	(550)
Increase/(Decrease) In Unearned Revenue - Prepaid Sales	1,646
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(1,702)
Increase/(Decrease) in Accounts Payable	752
	<hr/>
Net Cash (Used for) Operating Activities	\$ (27,562)
	<hr/> <hr/>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$15,837 and Utilized Commodities Valued at \$17,539

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES
-----------------------



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Interest Rate	Balance June 30, 2023	Retired or Matured	Balance June 30, 2024
			Outstanding		Amount	June 30, 2024	June 30, 2024				
			Date								
Various Improvements to Borough Schools	12/15/16	\$ 6,242,000	07/15/24	\$	415,000		3.000%				
			07/15/25		425,000		3.000%				
			07/15/26		440,000		3.000%				
			07/15/27		450,000		3.000%				
			07/15/28		465,000		3.125%				
			07/15/29		480,000		3.125%				
			07/15/30		495,000		3.250%				
			07/15/31		510,000		3.250%	\$ 4,080,000	\$ 400,000	\$ 3,680,000	
Various Improvements to Borough Schools	04/19/23	9,498,000	05/01/25		345,000		3.00%				
			05/01/26		300,000		3.00%				
			05/01/27		300,000		3.00%				
			05/01/28		315,000		3.00%				
			05/01/29		325,000		3.00%				
			05/01/30		330,000		3.00%				
			05/01/31		340,000		3.00%				
			05/01/32		340,000		3.00%				
			05/01/33		600,000		3.00%				
			05/01/34		600,000		3.00%				
			05/01/35		600,000		3.13%				
			05/01/36		600,000		3.25%				
			05/01/37		600,000		3.38%				
			05/01/38		600,000		3.50%				
			05/01/39		600,000		3.63%				
05/01/40		600,000		3.75%							
05/01/41		600,000		4.00%							
05/01/42		600,000		4.00%							
05/01/43		600,000		4.00%							
								9,498,000	303,000	9,195,000	
								\$ 13,578,000	\$ 703,000	\$ 12,875,000	

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Chromebooks	2.29%	\$ 358,038	\$ 90,580		\$ 90,580	
Technology Equipment	3.51%	331,904	261,545		62,493	\$ 199,052
			<u>\$ 352,125</u>	<u>\$ -0-</u>	<u>\$ 153,073</u>	<u>\$ 199,052</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Xerox Copiers	3.10%	\$ 15,847	\$ 8,756		\$ 3,199	\$ 5,557
Xerox Copiers	3.10%	185,976	139,163		36,401	102,762
Board Office Lease	3.00%	254,176	119,391		39,814	79,577
Copiers	6.49%	231,987		\$ 231,987	16,595	215,392
			<u>\$ 267,310</u>	<u>\$ 231,987</u>	<u>\$ 96,009</u>	<u>\$ 403,288</u>

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS SUBSCRIPTION-BASED INFORMATION  
TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 958,953		\$ 958,953	\$ 958,953	
State Sources:					
Debt Service Aid Type II	176,831		176,831	176,831	
Total Revenues	1,135,784		1,135,784	1,135,784	
EXPENDITURES:					
Regular Debt Service:					
Interest	435,378		435,378	435,376	\$ 2
Redemption of Principal	703,000		703,000	703,000	
Total Regular Debt Service	1,138,378		1,138,378	1,138,376	2
Total Expenditures	1,138,378		1,138,378	1,138,376	2
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,594)		(2,594)	(2,592)	2
Fund Balance, July 1	62,171		62,171	62,171	
Fund Balance, June 30	\$ 59,577	\$ -0-	\$ 59,577	\$ 59,579	\$ 2
Recapitulation of Fund Balance:					
Restricted for Subsequent Year's Expenditures				\$ 59,579	

**STATISTICAL SECTION**  
**UNAUDITED**

This part of the School'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 School's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

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

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

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

J-14 thru J-15

**Operating Information**

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

J-16 thru J-20

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 11,962,473	\$ 12,246,143	\$ 12,692,104	\$ 13,000,985	\$ 13,302,968	\$ 13,676,743	\$ 13,162,492	\$ 12,989,393	\$ 13,052,868	\$ 13,652,555
Restricted	2,471,676	2,954,975	2,588,370	2,718,589	3,313,077	3,287,933	3,235,590	4,431,768	4,875,222	5,355,108
Unrestricted/(Deficit)	(2,108,562)	(2,251,451)	(2,415,185)	(2,384,597)	(2,458,730)	(2,116,281)	(1,882,082)	(1,478,836)	(1,348,054)	(1,311,436)
Total Governmental Activities Net Position	\$ 12,325,587	\$ 12,949,667	\$ 12,865,289	\$ 13,334,977	\$ 14,157,315	\$ 14,848,395	\$ 14,516,000	\$ 15,942,325	\$ 16,580,036	\$ 17,696,227
Business-Type Activities										
Investment in Capital Assets	\$ 18,652	\$ 15,112	\$ 23,412	\$ 19,533	\$ 18,632	\$ 17,731	\$ 17,010	\$ 13,625	\$ 18,394	\$ 16,073
Unrestricted	12,919	9,752	10,714	8,512	17,233	967	20,702	65,231	70,213	118,984
Total Business-Type Activities Net Position	\$ 31,571	\$ 24,864	\$ 34,126	\$ 28,045	\$ 35,865	\$ 18,698	\$ 37,712	\$ 78,856	\$ 88,607	\$ 135,057
District-Wide										
Net Investment in Capital Assets	\$ 11,981,125	\$ 12,261,255	\$ 12,715,516	\$ 13,020,518	\$ 13,321,600	\$ 13,694,474	\$ 13,179,502	\$ 13,003,018	\$ 13,071,262	\$ 13,668,628
Restricted	2,471,676	2,954,975	2,588,370	2,718,589	3,313,077	3,287,933	3,235,590	4,431,768	4,875,222	5,355,108
Unrestricted/(Deficit)	(2,095,643)	(2,241,699)	(2,404,471)	(2,376,085)	(2,441,497)	(2,115,314)	(1,861,380)	(1,413,605)	(1,277,841)	(1,192,452)
Total District Net Position	\$ 12,357,158	\$ 12,974,531	\$ 12,899,415	\$ 13,363,022	\$ 14,193,180	\$ 14,867,093	\$ 14,553,712	\$ 16,021,181	\$ 16,668,643	\$ 17,831,284

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,168,959	\$ 5,904,917	\$ 6,309,797	\$ 7,252,349	\$ 7,108,223	\$ 6,864,703	\$ 7,422,698	\$ 6,535,068	\$ 6,890,116	\$ 7,191,653
Special Education	1,880,116	2,033,797	2,441,312	2,209,507	1,767,664	1,773,076	1,588,062	2,050,684	2,151,726	2,181,571
Other Instruction	308,633	438,998	458,758	503,797	509,288	497,189	458,364	571,080	450,730	615,511
Support Services:										
Tuition	4,727,473	4,319,777	4,512,658	4,977,045	5,186,563	5,813,433	5,732,126	4,710,074	5,040,526	4,848,916
Student & Instruction Related Services	1,467,110	1,669,864	1,749,831	1,482,176	1,563,648	1,687,126	1,876,443	2,174,948	2,169,271	2,248,920
General and Business Administrative Services	372,336	431,732	492,622	526,262	529,941	489,169	439,217	507,550	503,178	526,464
School Administrative Services	539,080	565,157	684,924	729,600	668,636	680,986	809,599	792,945	635,362	675,845
Central Services	333,638	324,724	354,387	367,261	389,835	372,338	382,768	463,656	420,025	449,277
Administrative Information Technology	30,863	7,194	11,753	113,637	120,496	75,445	66,284	69,987	35,028	9,923
Plant Operations And Maintenance	1,143,834	1,101,142	1,208,502	1,084,206	1,141,241	1,108,983	1,187,284	1,385,650	1,393,825	1,358,698
Pupil Transportation	733,951	748,157	852,765	950,618	944,365	1,057,659	990,661	918,337	1,085,022	1,070,917
Interest On Long-Term Debt	140,297	125,363	210,353	274,171	243,933	212,284	179,953	148,084	164,627	429,370
Unallocated Depreciation	394,877	391,815	558,737	405,038	410,106	410,106	1,316,876	1,018,122	888,351	738,647
Capital Outlay	56,562	56,562	143,482	15,655	56,562	56,562	137,041	79,411	56,562	56,562
Charter Schools	37,483	66,386	92,960	114,316	97,200	191,920	210,707	129,944	180,066	209,405
Total Governmental Activities Expenses	17,335,212	18,185,585	20,082,841	21,005,638	20,737,701	21,290,979	22,798,083	21,555,540	22,064,415	22,611,679
Business-Type Activities:										
Food Service	128,552	119,095	105,046	126,300	115,679	114,368	141,838	215,728	182,317	192,668
Total Business-Type Activities Expense	128,552	119,095	105,046	126,300	115,679	114,368	141,838	215,728	182,317	192,668
Total District Expenses	\$ 17,463,764	\$ 18,304,680	\$ 20,187,887	\$ 21,131,938	\$ 20,853,380	\$ 21,405,347	\$ 22,939,921	\$ 21,771,268	\$ 22,246,732	\$ 22,804,347
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 73,704	\$ 175,851	\$ 126,687	\$ 140,969	\$ 216,942	\$ 206,343	\$ 90,266	\$ 82,820	\$ 93,421	\$ 156,483
Student & Instruction Related Services							40,576	101,736	83,703	118,676
Operating Grants and Contributions	2,428,623	2,910,463	3,688,320	4,396,740	3,731,898	3,394,228	3,732,722	3,879,470	3,020,226	3,075,260
Capital Grants and Contributions			141,669							
Total Governmental Activities Program Revenues	2,502,327	3,086,314	3,956,676	4,537,709	3,948,840	3,600,571	3,863,564	4,064,026	3,197,350	3,350,419



MORRIS PLAINS BOROUGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Continued)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 94,622	\$ 86,499	\$ 82,291	\$ 82,904	\$ 81,945	\$ 53,565	\$ 4,001	\$ 257,303	\$ 110,827	\$ 143,357
Operating Grants and Contributions	28,014	25,837	31,935	37,156	41,330	39,273	123,895	\$ 80,363	80,363	94,116
Total Business Type Activities Program Revenues	122,636	112,336	114,226	120,060	123,275	92,838	127,896	257,303	191,190	237,473
Total District Program Revenues	\$ 2,624,963	\$ 3,198,650	\$ 4,070,902	\$ 4,657,769	\$ 4,072,115	\$ 3,693,409	\$ 3,991,460	\$ 4,321,329	\$ 3,388,540	\$ 3,587,892
Net (Expense)/Revenue										
Governmental Activities	\$ (14,832,885)	\$ (15,099,271)	\$ (16,126,165)	\$ (16,467,929)	\$ (16,788,861)	\$ (17,690,408)	\$ (18,934,519)	\$ (17,491,514)	\$ (18,867,065)	\$ (19,261,260)
Business-Type Activities	(5,916)	(6,759)	9,180	(6,240)	7,596	(21,530)	(13,942)	41,575	8,873	44,805
Total District-Wide Net Expense	\$ (14,838,801)	\$ (15,106,030)	\$ (16,116,985)	\$ (16,474,169)	\$ (16,781,265)	\$ (17,711,938)	\$ (18,948,461)	\$ (17,449,939)	\$ (18,858,192)	\$ (19,216,455)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,444,951	\$ 14,661,625	\$ 14,954,858	\$ 15,253,955	\$ 15,961,667	\$ 16,545,423	\$ 16,954,830	\$ 17,293,927	\$ 17,639,806	\$ 18,116,055
Taxes Levied for Debt Service	543,350	538,550	533,350	871,762	850,313	802,005	816,025	783,217	813,748	958,953
Unrestricted Grants and Contributions	433,325	442,368	472,400	715,228	705,347	689,846	730,338	748,696	835,103	871,289
Investment Earnings	12,616	10,153	20,806	43,319	40,194	35,677	7,096	8,592	102,949	330,913
Miscellaneous Income	122,427	70,655	60,373	53,353	53,678	62,151	189,387	83,407	113,170	100,241
Transfers/Other Items						(4,220)	(32,937)			
Total Governmental Activities	15,556,669	15,723,351	16,041,787	16,937,617	17,611,199	18,130,882	18,664,739	18,917,839	19,504,776	20,377,451
Business-Type Activities:										
Investment Earnings	61	52	82	159	224	143	18	41	879	1,645
Transfers/Other Items						4,220	32,937	(472)		
Total Business-Type Activities	61	52	82	159	224	4,363	32,955	(431)	879	1,645
Total District-Wide	\$ 15,556,730	\$ 15,723,403	\$ 16,041,869	\$ 16,937,776	\$ 17,611,423	\$ 18,135,245	\$ 18,697,694	\$ 18,917,408	\$ 19,505,655	\$ 20,379,096
Change in Net Position										
Governmental Activities	723,784	624,080	(84,378)	469,688	822,338	440,474	(269,780)	1,426,325	637,711	1,116,191
Business-Type Activities	(5,855)	(6,707)	9,262	(6,081)	7,820	(17,167)	19,013	41,144	9,752	46,450
Total District	\$ 717,929	\$ 617,373	\$ (75,116)	\$ 463,607	\$ 830,158	\$ 423,307	\$ (250,767)	\$ 1,467,469	\$ 647,463	\$ 1,162,641

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

UNAUDITED  
(modified accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted										
Assigned	\$ 2,471,677	\$ 2,954,975	\$ 2,567,564	\$ 2,644,430	\$ 3,223,740	\$ 2,974,982	\$ 3,121,410	\$ 4,314,078	\$ 4,532,538	\$ 5,144,367
Unassigned	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	327,309	264,667
Total General Fund	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	604,177	577,285
Total General Fund	\$ 3,145,252	\$ 3,563,587	\$ 3,370,235	\$ 3,525,685	\$ 4,049,648	\$ 4,041,529	\$ 4,294,341	\$ 5,440,180	\$ 5,464,024	\$ 5,986,319
All Other Governmental Funds										
Restricted										
Committed	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 9,289,892	\$ 5,321,004
Total All Other Governmental Funds	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 9,289,892	\$ 5,321,004
Total Governmental Funds:										
Restricted	\$ 2,471,677	\$ 2,954,975	\$ 7,995,731	\$ 4,765,196	\$ 4,126,930	\$ 3,681,452	\$ 3,846,215	\$ 4,773,544	\$ 13,822,430	\$ 10,465,371
Committed	32,500	23,722								
Assigned	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	327,309	264,667
Unassigned	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	604,177	577,285
Total Governmental Funds	\$ 3,177,752	\$ 3,587,309	\$ 8,798,402	\$ 5,646,451	\$ 4,952,838	\$ 4,747,999	\$ 5,019,146	\$ 5,899,646	\$ 14,753,916	\$ 11,307,323

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 14,988,301	\$ 15,200,175	\$ 15,488,208	\$ 16,125,717	\$ 16,811,980	\$ 17,347,428	\$ 17,770,855	\$ 18,077,144	\$ 18,453,554	\$ 19,075,008
Tuition Charges	73,704	173,851	126,687	23,867	216,942	206,343	90,266	82,820	93,421	156,483
Interest Earned on Capital Reserve Funds				117,102	5,483	10,273	1,810	1,252	5,286	5,000
Miscellaneous	165,823	88,357	94,100	122,927	96,389	87,555	235,249	203,413	309,923	544,830
State Sources	1,806,254	1,976,083	2,322,749	2,749,885	3,069,759	3,139,963	3,644,888	4,405,717	4,717,637	5,032,172
Federal Sources	168,020	181,847	167,295	150,799	163,140	162,248	253,179	455,361	313,375	401,397
<b>Total Revenue</b>	<b>17,202,102</b>	<b>17,622,313</b>	<b>18,199,039</b>	<b>19,290,297</b>	<b>20,363,693</b>	<b>20,953,810</b>	<b>21,996,247</b>	<b>23,225,707</b>	<b>23,893,196</b>	<b>25,214,890</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	3,347,273	3,617,749	3,430,011	3,701,597	3,950,175	4,032,284	4,346,534	4,649,093	4,867,797	5,093,649
Special Education Instruction	1,201,399	1,232,179	1,344,195	1,231,958	1,144,352	1,079,407	964,101	1,248,639	1,483,941	1,550,425
School Sponsored/Other Instruction	194,545	259,094	247,550	305,226	282,012	290,857	283,110	319,259	380,955	413,160
<b>Support Services:</b>										
Tuition	4,727,473	4,319,777	4,512,658	4,977,045	5,186,563	5,813,433	5,732,126	4,710,074	5,040,526	4,848,916
Student & Instruction Related Services	1,304,982	1,446,812	1,462,409	1,252,319	1,250,656	1,403,142	1,583,261	1,678,506	1,831,737	1,817,593
General And Business Administrative Services	385,540	439,352	423,168	458,980	445,291	422,654	377,952	388,551	468,479	449,549
School Administrative Services	312,891	310,791	337,507	343,487	343,490	375,182	399,661	397,319	339,469	349,633
Central Services	276,511	259,958	278,036	292,317	293,216	295,326	311,975	324,067	356,036	362,366
Administrative Information Technology	30,863	7,194	11,753	91,617	93,012	61,606	57,976	67,844	71,808	57,365
Plant Operations And Maintenance	1,031,131	966,886	1,053,533	938,195	968,473	966,013	1,050,811	1,160,516	1,254,592	1,236,126
Pupil Transportation	733,667	748,157	852,765	950,618	944,365	1,057,659	990,661	918,337	1,085,022	1,070,917
Allocated and Unallocated Benefits	2,268,227	2,653,352	2,970,452	3,300,000	3,706,180	3,824,707	4,194,830	4,927,049	5,199,226	5,635,230
<b>Debt Service:</b>										
Principal	370,000	380,000	390,000	722,000	765,000	780,000	795,000	815,000	840,000	703,000
Interest And Other Charges	173,350	158,550	143,350	326,979	283,006	252,369	220,244	187,744	154,444	435,376
Capital Outlay	451,009	346,519	1,679,599	3,435,594	1,304,315	307,870	423,820	609,242	1,314,732	4,660,760
Charter Schools	37,483	66,386	92,960	114,316	97,200	191,920	210,707	129,944	180,066	209,405
<b>Total Expenditures</b>	<b>16,846,344</b>	<b>17,212,756</b>	<b>19,229,946</b>	<b>22,442,248</b>	<b>21,057,306</b>	<b>21,154,429</b>	<b>21,942,769</b>	<b>22,531,184</b>	<b>24,868,830</b>	<b>28,893,470</b>
<b>Excess/(Deficiency) Of Revenues Over/(Under) Expenditures</b>	<b>355,758</b>	<b>409,557</b>	<b>(1,030,907)</b>	<b>(3,151,951)</b>	<b>(693,613)</b>	<b>(200,619)</b>	<b>53,478</b>	<b>694,523</b>	<b>(975,634)</b>	<b>(3,678,580)</b>
<b>Other Financing Sources (Uses)</b>										
Leases (Non-Budgeted)								185,976	331,904	231,987
Finance Purchases Payable (Non-Budgeted)			6,242,000						9,498,000	
Bond Proceeds			791,183	53,353	35,983	26,361	3,235	2,594	59,577	279,246
Transfers In	25,800	25,800	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)
Transfers Out	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>6,242,000</b>	<b>28,733</b>	<b>10,366</b>	<b>(25,439)</b>	<b>(22,565)</b>	<b>(23,006)</b>	<b>9,498,000</b>	<b>(25,800)</b>
<b>Net Change In Fund Balances</b>	<b>355,758</b>	<b>409,557</b>	<b>(5,211,093)</b>	<b>(3,151,951)</b>	<b>(693,613)</b>	<b>(200,619)</b>	<b>20,541</b>	<b>880,499</b>	<b>8,854,270</b>	<b>(3,446,593)</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>3.31%</b>	<b>3.18%</b>	<b>3.03%</b>	<b>5.50%</b>	<b>5.29%</b>	<b>4.94%</b>	<b>4.71%</b>	<b>4.56%</b>	<b>4.21%</b>	<b>4.69%</b>

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2015	\$ 12,616	\$ 73,704	\$ 98,519	\$ 23,908	\$ 208,747
2016	10,153	175,851	65,827	4,828	256,659
2017	14,222	126,687	31,050	15,101	187,060
2018	26,536	140,969	1,040	15,742	184,288
2019	40,194	216,942	5,139	12,556	274,831
2020	35,677	206,343	17,796	11,809	271,625
2021	7,440	90,266	41,907	138,871 *	278,484
2022	5,998	82,820	58,917	24,490	172,225
2023	43,372	93,421		113,170	249,963
2024	51,667	156,483	65,330	34,911	308,391

\* - Includes an insurance refund

Source: Morris Plains Borough School District records

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	\$ 8,887,600	\$ 874,748,000	\$ 395,310,000	\$ 47,590,000	\$ 21,950,000	1,348,485,600	\$ 66,845,600	\$ 89	\$ 1,348,485,689	\$ 1.100	\$ 1,470,558,402
2015	9,046,500	874,850,100	389,508,600	47,590,000	21,950,000	1,342,945,200	64,684,000	89	1,342,945,289	1.124	1,470,558,402
2016	8,005,400	874,540,800	426,024,100	47,590,000	21,950,000	1,378,110,300	65,491,200	89	1,378,110,389	1.113	1,446,892,700
2017	7,255,000	876,719,800	424,884,500	47,590,000	21,950,000	1,378,399,300	68,493,000	89	1,378,399,300	1.165	1,479,276,731
2018	7,355,200	877,371,900	426,432,800	47,590,000	21,950,000	1,380,699,900	68,839,400		1,380,699,900	1.165	1,498,726,966
2019	69,176,700	879,158,500	331,448,800	32,676,000	69,450,000	1,381,910,000	69,222,600		1,381,910,000	1.231	1,596,184,686
2020	68,641,800	881,406,600	330,104,300	35,540,000	69,450,000	1,385,142,700	69,045,000		1,385,142,700	1.268	1,533,255,817
2021	71,948,500	880,930,400	318,877,900	35,540,000	69,450,000	1,376,746,800	69,142,300		1,376,746,800	1.302	1,563,545,425
2022	61,290,000	887,605,500	306,593,700	39,799,000	75,880,000	1,371,168,200	69,477,700		1,371,168,200	1.346	1,628,759,506
2023	46,839,800	947,177,800	296,265,800	38,296,300	75,880,000	1,404,459,700	69,477,700		1,404,459,700	1.358	1,681,807,565

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are \$100 per assessed value

Source: Municipal Tax Assessor

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(rate per \$100 of assessed value)*

Morris Plains Borough School District							
Year Ended December 31,	Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate	
	General		Total Direct	Morris			
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>		Municipality	County		
2014	\$ 1.060	0.040	\$ 1.100	\$ 0.749	\$ 0.279	\$ 2.128	
2015	1.084	0.040	1.124	0.723	0.267	2.114	
2016	1.073	0.040	1.113	0.761	0.268	2.142	
2017	1.102	0.063	1.165	0.776	0.279	2.220	
2018	1.106	0.059	1.165	0.791	0.245	2.201	
2019	1.174	0.057	1.231	0.809	0.301	2.341	
2020	1.210	0.058	1.268	0.831	0.301	2.400	
2021	1.246	0.056	1.302	0.852	0.295	2.449	
2022	1.286	0.059	1.346	0.841	0.305	2.492	
2023	1.290	0.068	1.358	0.858	0.305	2.521	

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

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

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

Source: Municipal Tax Collector and School Business Administrator

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

**BOROUGH OF MORRIS PLAINS**

	2024		2015			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Tabor Road Owner, LLC		\$ 47,992,000	3.50%	Mc Neil - PPC Inc. \$	\$ 145,000,000	10.57%
Mack-Cali Realty Corp		47,500,000	3.46%	Vornado Realty Trust	31,100,000	2.31%
Morris Plains Holding UE L.L.C.		35,450,000	2.59%	Individual Taxpayer #1	28,400,000	2.11%
Tabor Road Owner, LLC		25,000,000	1.82%	Forty East Hanover LLC	21,950,000	1.63%
Forty East Hanover LLC		21,950,000	1.60%	Mack-Cali Realty Corp	20,200,000	1.50%
SHP VI Morris Plains LLC		17,670,000	1.29%	WU LH 100 American LLC	19,050,000	1.41%
AMP Equities First LLC		17,325,000	1.26%	P.M.W. Associates LLC	18,000,000	1.33%
WU/LH 100 American LLC		17,194,300	1.25%	WU LH 500 American LLC	17,600,000	1.30%
WU/LH 500 American LLC		16,097,300	1.17%	Stop & Shop Supermarket Co.	16,500,000	1.22%
M&M at Morris Plains LLC		15,187,500	1.11%	M&M At Morris Plains LLC	16,350,000	1.21%
Total		\$ 261,366,100	19.06%		\$ 334,150,000	24.59%

Source: Municipal Tax Assessor

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 14,988,301	\$ 14,988,301	100.00%	-0-
2016	15,200,175	15,200,175	100.00%	-0-
2017	15,488,208	15,488,208	100.00%	-0-
2018	16,125,717	16,125,717	100.00%	-0-
2019	16,811,980	16,811,980	100.00%	-0-
2020	17,347,428	17,347,428	100.00%	-0-
2021	17,770,855	16,287,954	91.66%	\$ 1,482,901
2022	18,077,144	18,077,144	100.00%	-0-
2023	18,453,554	18,453,554	100.00%	-0-
2024	19,075,008	19,075,008	100.00%	-0-

Source: Morris Plains Borough School District records including the Certificate and Report of School Taxes (A4F form)

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



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases/ Leases			
2015	\$ 3,325,000	\$ 71,116	\$ 3,396,116	0.69%	\$ 610
2016	2,945,000		2,945,000	0.58%	531
2017	8,797,000		8,797,000	1.70%	1,593
2018	8,075,000		8,075,000	1.41%	1,369
2019	7,310,000		7,310,000	1.18%	1,169
2020	6,530,000		6,530,000	1.03%	1,049
2021*	5,735,000	490,989	6,225,989	0.94%	1,015
2022	4,920,000	524,663	5,444,663	0.79%	886
2023	13,578,000	619,435	14,197,435	1.95%	2,172
2024	12,875,000	602,340	13,477,340	1.85%	2,061

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

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

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 3,325,000	-0-	\$ 3,325,000	0.24%	\$ 597
2016	2,945,000	-0-	2,945,000	0.22%	531
2017	8,797,000	-0-	8,797,000	0.66%	1,593
2018	8,075,000	-0-	8,075,000	0.59%	1,369
2019	7,310,000	-0-	7,310,000	0.53%	1,169
2020	6,530,000	-0-	6,530,000	0.47%	1,049
2021	5,735,000	-0-	5,735,000	0.41%	935
2022	4,920,000	-0-	4,920,000	0.36%	801
2023	13,578,000	-0-	13,578,000	0.99%	2,077
2024	12,875,000	-0-	12,875,000	0.92%	1,969

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

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

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

Source: School District Financial Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Morris Plains	\$ 11,365,991	100.00%	\$ 11,365,991
Morris County General Obligation Debt	326,425,422	1.71% <sup>a</sup>	<u>5,593,207</u>
Subtotal, Overlapping Debt			16,959,198
Morris Plains School District Direct Debt			<u>13,178,000</u>
Total Direct And Overlapping Debt			<u>\$ 30,137,198</u>

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

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Morris Plains taxable equalized property values. Applicable percentages were estimated by determining the portion of Morris Plains Borough's equalized property value that is within the Morris County boundaries and dividing it by Morris County's total equalized property value.

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024			
	Equalized valuation basis		Morris Plains
	2023		Borough
			\$ 1,796,673,532
	2022		1,630,596,028
	2021		1,624,096,732
			<u>\$ 5,051,366,292</u>
Average Equalized Valuation of Taxable Property			
			\$ 1,683,788,764
			<u>\$ 50,513,663</u>
			12,875,000
			<u>\$ 37,638,663</u>

Fiscal Year June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 43,973,935	\$ 43,328,464	\$ 43,607,319	\$ 43,607,319	\$ 45,347,453	\$ 45,854,826	\$ 46,627,184	\$ 45,972,770	\$ 48,164,728	\$ 50,513,663
Total Net Debt Applicable to Limit	3,325,000	2,945,000	8,797,000	8,075,000	7,310,000	6,530,000	5,735,000	4,920,000	13,578,000	12,875,000
Legal Debt Margin	<u>\$ 40,648,935</u>	<u>\$ 40,383,464</u>	<u>\$ 34,810,319</u>	<u>\$ 35,532,319</u>	<u>\$ 38,037,453</u>	<u>\$ 39,324,826</u>	<u>\$ 40,892,184</u>	<u>\$ 41,052,770</u>	<u>\$ 34,586,728</u>	<u>\$ 37,638,663</u>
Total Net Debt Applicable to the Limit										
As a Percentage of Debt Limit	7.56%	6.80%	20.17%	18.52%	16.12%	14.24%	12.30%	10.70%	28.19%	25.49%

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

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Morris County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2015	5,567	\$ 491,554,966	\$ 88,298	4.20%
2016	5,544	505,901,088	91,252	4.00%
2017	5,522	516,549,968	93,544	4.00%
2018	5,900	573,739,600	97,244	3.30%
2019	6,251	619,724,140	99,140	2.90%
2020	6,223	636,158,621	102,227	7.80%
2021	6,135	661,150,545	107,767	5.30%
2022	6,145	685,763,565	111,597	3.00%
2023	6,538	729,621,186 *	111,597 **	3.40%
2024	6,538 *	729,621,186 *	111,597 **	N/A

\* - Latest population data available (2023) was used for calculation purposes.

\*\* - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

N/A - Not Available

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

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

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

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

Source: School District Reports

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - MORRIS COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

**COUNTY OF MORRIS**

2023			2014		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System	10,552	4.00%	U.S. Army Aramament R&D	5,841	2.33%
Novartis	6,500	2.46%	Novartis	5,035	2.01%
Picatinny Arsenal	6,000	2.27%	Atlantic Health System	4,463	1.78%
Barclays	3,374	1.28%	ADP	2,060	0.82%
Bayer Healthcare, LLC	2,713	1.03%	Bayer Healthcare, LLC	1,900	0.76%
ADP	2,400	0.91%	County of Morris	1,674	0.67%
Accenture	2,344	0.89%	Wyndham Worldwide Corporation	1,653	0.66%
PricewaterhouseCooper	2,095	0.79%	St. Clare's Health	1,642	0.65%
Cigna	1,686	0.64%	BASF Corporation	1,500	0.60%
Deloitte & Touche	1,646	0.62%	Accenture	1,480	0.59%
Total	39,310	14.90%		27,248	10.86%
Total County Labor Force	263,900			250,919	

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

Source: Morris County Treasurer's Office

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

<u>Function/Program</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>	<u>2024</u>
Instruction:										
Regular	41.0	48.0	49.0	49.0	52.5	54.1	56.1	55.1	59.2	58.3
Special Education	29.0	28.0	29.0	29.0	32.0	31.0	30.0	33.0	20.3	21.8
Other Instruction	2.0	2.0	2.0	2.0	2.0					
Support Services:										
Student & Instruction Related Services		7.0	7.5	7.5	7.5	8.7	9.0	8.5	8.5	10.1
School Administration Services	5.0	5.0	5.0	5.0	5.0	4.5	4.5	4.7	3.7	3.8
General Administration Services	7.0	7.0	7.0	7.0	6.5	2.0	2.0	2.0	2.0	2.0
Other Administrative Services										
Central Services	3.0	3.0	3.0	3.0	3.0	3.9	3.7	3.7	3.7	3.9
Other Support Services	0.5	0.5	0.5	0.5	0.5	2.5	2.5	2.3	3.3	3.2
Plant Operations and Maintenance	8.0	3.0	8.5	8.5	8.5	8.5	8.0	8.5	8.5	9.5
Pupil Transportation	0.5	0.5	0.5	0.5	0.5					
Total	96.0	104.0	112.0	112.0	118.0	115.2	115.8	117.8	109.1	112.5

Source: District Personnel Records

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	611.0	15,851,985	25,944	7.47%	64.0	1:10.9	612.0	581.8	-4.08%	95.06%
2016	575.0	16,327,687	28,396	9.45%	72.0	1:10.9	602.0	579.5	-1.63%	96.26%
2017	583.0	17,016,997	29,189	2.79%	80.0	1:10.9	574.6	560.3	-4.55%	97.51%
2018	573.0	17,957,675	31,340	7.37%	80.0	1:10.9	571.0	548.0	-0.63%	95.97%
2019	570.0	18,704,985	32,816	4.71%	84.5	1:10.9	572.0	549.0	0.18%	95.98%
2020	600.0	19,814,190	33,024	0.63%	85.1	1:10.9	701.5	682.0	22.64%	97.22%
2021	576.0	20,503,705	35,597	7.79%	86.1	1:10.9	569.9	556.8	-18.76%	97.70%
2022	581.0	20,919,198	36,006	1.15%	88.2	1:10.9	570.7	544.1	0.15%	95.32%
2023	572.0	22,559,654	39,440	9.54%	79.5	1:10.9	589.9	560.4	3.36%	95.00%
2024	631.0	23,094,334	36,600	-7.20%	80.1	1:07.9	607.3	579.7	2.95%	95.44%

Note: Enrollment based on annual October district count.

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

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

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Morris Plains Borough School District records



MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</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>	<u>2024</u>
Mountain Way School (1969, 1985)										
Square Feet	29,658	29,658	29,658	29,653	29,653	29,653	29,653	29,653	29,653	29,653
Capacity (students)	265	265	265	265	265	265	265	265	265	265
Enrollment	207	208	211	204	201	216	193	209	197	209
Borough School (1972, 1992)										
Square Feet	90,200	90,200	90,200	90,200	20,200	20,200	20,200	20,200	20,200	20,200
Capacity (students)	697	697	697	697	697	697	697	697	697	697
Enrollment	404	367	372	369	369	384	383	372	375	422

Number of Schools at June 30, 2024

    Elementary = 1

    Middle School = 1

Note: Year of original construction is shown first in parentheses.

    Enrollment is based on the annual October district count.

Source: Morris Plains Borough School District Facilities Office

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

## Undistributed Expenditures:

Required Maintenance for School Facilities 11-000-261-XXX

<u>School Facilities</u>	<u>Projects #</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Borough	N/A	\$ 227,129	\$ 159,230	\$ 194,747	\$ 174,245	\$ 151,187
Mountain Way	N/A	49,858	77,234	94,461	84,517	75,593
		<u>\$ 276,987</u>	<u>\$ 236,464</u>	<u>\$ 289,208</u>	<u>\$ 258,762</u>	<u>\$ 226,780</u>

<u>School Facilities</u>	<u>Projects #</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Borough	N/A	\$ 174,900	\$ 208,262	\$ 174,147	\$ 194,800	\$ 189,930
Mountain Way	N/A	99,306	106,271	93,250	99,948	97,450
		<u>\$ 274,206</u>	<u>\$ 314,533</u>	<u>\$ 267,397</u>	<u>\$ 294,748</u>	<u>\$ 287,380</u>

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

N/A - Not Applicable

Source: Morris Plains Borough School District records

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2024  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building and Contents	\$ 350,000,000	\$ 2,500
Electronic Data Processing	350,000,000	1,000
Comprehensive General Liability	31,000,000	
Comprehensive Automotive Liability	31,000,000	
Comprehensive Fire Damage Limit	31,000,000	
Comprehensive Personal and Advertising Injury	31,000,000	
Comprehensive Products/Completed Operations	31,000,000	
Sexual Abuse	15,000,000	
Cyber & Privacy Liability - NJSIG		
Each Claim	2,000,000	\$25,000 or \$250,000
Annual Aggregate	2,000,000	ingent upon controls in place
School District Legal Liability - NJSIG		
Coverage A	31,000,000	5,000
Coverage B (each claim)	100,000	5,000
Coverage B (each policy period)	300,000	
Surety Bonds - NJSIG		
Board Secretary	300,000	
Treasurer	300,000	
Worker's Compensation - NJSIG		
Bodily Injury by Accident- Each Accident	3,000,000	
Bodily Injury by Disease- Each Employee	3,000,000	
Bodily Injury by Disease- Aggregate	3,000,000	
Student Accident - Zurich		
Accident Medical	1,000,000	

Source: Morris Plains Borough School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Morris Plains Borough School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members  
of the Board of Education  
Morris Plains Borough School District  
Page 2

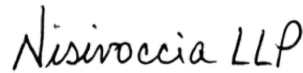
### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

October 21, 2024  
Mount Arlington, New Jersey



NISIVOCIA LLP



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Valerie A. Dolan

Licensed Public School Accountant #2526

Certified Public Accountant

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

Independent Auditors' Report

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

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

***Opinion on Each Major State Program***

We have audited the Morris Plains Borough School District (the District) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

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

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

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

The Honorable President and Members  
of the Board of Education  
Morris Plains Borough School District  
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### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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



The Honorable President and Members  
of the Board of Education  
Morris Plains Borough School District  
Page 3

### Report on Internal Control Over Compliance

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

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

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

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

October 21, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

**MORRIS PLAINS BOROUGH SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Repay Prior Years' Balance	Balance at June 30, 2024		Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Unearned Revenue	Due to Grantor		Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education: Special Education Cluster: I.D.E.A. Part B, Basic I.D.E.A. Part B, Basic I.D.E.A. Part B, Preschool Total Special Education Cluster	84.027 84.027 84.173	IDEA338024 IDEA338023 IDEA338024	7/1/23-9/30/24 7/1/22-9/30/23 7/1/23-9/30/24	\$ 147,700 143,221 6,488			\$ 1,959	\$ 1,959	\$ 165,442 6,641 172,083	\$ (165,442) (6,641) (172,083)	
Elementary and Secondary Education Act Title I Total Title I	84.010A	ESEA338024	7/1/23-9/30/24	27,140					16,032 16,032	(16,032) (16,032)	
Title II, Part A Title II, Part A Total Title II, Part A	84.367A 84.367A	ESEA338024 ESEA338023	7/1/23-9/30/24 7/1/22-9/30/23	12,289 12,289			907	907	20,118 20,118	(20,118) (20,118)	
Title III Title III Total Title III	84.367A 84.367A	ESEA338024 ESEA338023	7/1/23-9/30/24 7/1/22-9/30/23	3,332 3,332	\$ 2,500 2,500				2,500 2,500	(3,493) (3,493)	\$ 3,493
Title IV Total Title IV	84.424	ESEA338024	7/1/23-9/30/24	14,950					14,950 14,950	(14,950) (14,950)	
Education Stabilization Fund: COVID-19 - CRRSA: Learning Acceleration COVID-19 - ARP: Accelerated Learning Coach and Educator Support Summer Learning and Enrichment Beyond the School Day ESSER III Total Education Stabilization Fund	84.425D 84.425U 84.425U 84.425U 84.425U	S425D210027 S425U210027 S425U210027 S425U210027 S425U210027	3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24	25,000 68,535 40,000 40,000 117,056	2,421 1,229 609 4,259				2,421 18,808 10,823 8,994 44,546	(53,265) (12,454) (5,900) (8,994) (80,613)	34,457 2,860 3,009 40,326
Total U.S. Department of Education					6,759		2,866	2,866	270,229	(307,289)	43,819
U.S. Department of Treasury Passed-through State Department of Education: COVID-19 Additional or Compensatory Special Education and Related Services Total U.S. Department of Treasury	21.027	N/A	7/1/23-9/30/24	95,650					59,395 59,395	(95,650) (95,650)	36,255 36,255
Total Special Revenue Fund					6,759		2,866	2,866	329,624	(402,939)	80,074

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grant Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Repay Prior Years' Balance	Balance at June 30, 2024		Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Unearned Revenue	Due to Grantor		Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Agriculture: Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	\$ 16,592		\$ 4,379					
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	15,837					\$ 15,837	\$ 2,677	
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	50,401	\$ 3,369				3,369		
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	45,647					43,236	\$ 2,411	
COVID 19 - Supply Chain Assistance Program	10.555	N/A	7/1/22-6/30/24	40,529		26,825				(26,825)	
COVID 19 - Supply Chain Assistance Program	10.555	N/A	7/1/23-6/30/24	17,945					17,945	16,615	
Total Child Nutrition Cluster - Total U.S. Department of Agriculture					3,369	31,204			80,387	19,292	
Total Federal Awards					\$ 10,128	\$ 31,204	\$ 2,866	\$ 2,866	\$ 82,485	\$ 19,292	\$ -0-

N/A - Not Available/Applicable

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Balance at June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue				GAAP Accounts Receivable	Budgetary Unearned Revenue		Budgetary Accounts Receivable	Cumulative Total Expenditures
General Fund:													
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	854,560	\$ 75,126	\$		\$ 75,126						\$ 854,560
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	29,819	2,622			2,622						29,819
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	232,384	20,429			20,429						232,384
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	301,946	301,946			301,946						301,946
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	95,804	8,422			8,422						95,804
Non Public Transportation	23-495-034-5120-014	7/1/22-6/30/23	19,591	19,591			19,591						19,591
Homeless Tuition	N/A	7/1/22-6/30/23	48,659	48,659			48,659						48,659
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	437,771	20,922			20,922						437,771
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	911,645				824,375	\$ (911,645)				\$ 87,270	911,645
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	86,280				78,021	(86,280)				8,259	86,280
School Choice Aid	24-495-034-5120-068	7/1/23-6/30/24	247,008				223,362	(247,008)				23,646	247,008
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	283,519					(283,519)	\$ 283,519			283,519	283,519
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	124,830				112,880	(124,830)				11,950	124,830
Non Public Transportation	24-495-034-5120-014	7/1/23-6/30/24	26,958					(26,958)	26,958			26,958	26,958
Homeless Tuition	N/A	7/1/23-6/30/24	59,547					(59,547)	59,547			59,547	59,547
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	450,692				428,560	(450,692)	22,132			22,132	450,692
On Behalf Contributions:													
TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	572,346				572,346	(572,346)					572,346
TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,079,238				2,079,238	(2,079,238)					2,079,238
TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	23,713				23,713	(23,713)					23,713
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	924				924	(924)					924
Total General Fund State Aid/General Fund				497,717			4,841,136	(4,866,700)	392,156			523,281	6,887,234
Special Revenue Fund:													
School Development Authority:													
Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	13,167				13,167	(13,167)					13,167
Total Special Revenue Fund							13,167	(13,167)					13,167
Debt Service Fund:													
Debt Service Aid Type II	24-100-034-5120-123	7/1/23-6/30/24	176,831				176,831	(176,831)					176,831
Total Debt Service Fund							176,831	(176,831)					176,831

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Budgetary Total Expenditures	Cumulative Total Expenditures
Enterprise Fund:											
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	\$ 2,775			\$ 2,631	\$ 144		\$	\$ 144	\$ 2,775
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	2,613	\$ 171		171					2,613
Total Enterprise Fund				171		2,802	144			144	5,388
Total State Awards Subject to Single Audit Determination				\$ 497,888	\$ -0-	\$ 5,033,936	\$ 392,300	\$ -0-	\$	\$ 523,425	\$ 7,082,620
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	572,346							\$ 572,346	
TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,079,238							2,079,238	
TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	23,713							23,713	
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	924							924	
Subtotal - On-Behalf TPAF Pension System Contributions										2,676,221	
Total State Awards Subject to Single Audit Major Program Determination										\$ (2,383,252)	

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

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Morris Plains School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$24,526) for the general fund and (\$1,542) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, and special revenue funds.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,842,174	\$ 4,842,174
Special Revenue Fund	\$ 401,397	13,167	414,564
Debt Service Fund		176,831	176,831
Food Service Fund	<u>91,341</u>	<u>2,775</u>	<u>94,116</u>
	<u>\$ 492,738</u>	<u>\$ 5,034,947</u>	<u>\$ 5,527,685</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Morris Plains Borough School District had no loan balances outstanding at June 30, 2024.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

### Section I - Summary of Auditors' Results

#### Financial Statements

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

Unmodified

Internal control over financial reporting:

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

#### Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

#### State Awards

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

Unmodified

Internal control over major programs:

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

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

_____	Yes	_____	X	No
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Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 911,645	\$ 911,645
School Choice Aid	24-495-034-5120-068	7/1/23	6/30/24	247,008	247,008
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	86,280	86,280

Dollar threshold used to distinguish between Type A and B programs	_____	Yes	_____	X	No
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Auditee qualified as low-risk auditee?	_____	Yes	_____	X	No
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MORRIS PLAINS BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year audit findings.