

MORRIS SCHOOL DISTRICT

COUNTY OF MORRIS
MORRISTOWN, NEW JERSEY



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

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

JUNE 30, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
Introductory Section	1
Letter of Transmittal	2
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10
Financial Section	11
Independent Auditors' Report	12
Required Supplementary Information – Part I	16
Management's Discussion and Analysis	17
Basic Financial Statements	26
A. Government-wide Financial Statements	27
A- 1 Statement of Net Position	28
A- 2 Statement of Activities	29
B. Fund Financial Statements	30
Governmental Funds:	31
B- 1 Balance Sheet	32
B- 2 Statement of Revenues, Expenditures, and Changes in Fund Balances	34
B- 3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds:	36
B- 4 Statement of Net Position	37
B- 5 Statement of Revenues, Expenses, and Changes in Net Position	38
B- 6 Statement of Cash Flows	39
Notes to the Financial Statements	40

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

JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
Financial Section (continued)	
Required Supplementary Information – Part II	73
C. Budgetary Comparison Schedules	74
C- 1 Budgetary Comparison Schedule (Budgetary Basis) – General Fund	75
C- 2 Budgetary Comparison Schedule (Budgetary Basis) – Special Revenue Fund	89
Notes to the Required Supplementary Information	91
C- 3 Budget to GAAP Reconciliation	92
Required Supplementary Information – Part III	93
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	94
L- 1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	95
L- 2 Schedule of District Contributions – PERS	96
L- 3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	97
L- 4 Notes to Required Supplementary Information	98
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	99
M- 1 Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District State Health Benefits Local Education Retired Employees' Plan	100
M- 2 Notes to Required Supplementary Information	101
Other Supplementary Information	102
E. Special Revenue Fund:	103
E- 1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	104
E- 2 Schedule of Preschool Aid Expenditures - Budgetary Basis	108

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

JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
Financial Section (continued)	
F. Capital Projects Fund:	109
F- 1 Summary Schedule of Project Expenditures	110
F- 2 Summary Schedule of Revenues, Expenditures, and Change in Fund Balance - Budgetary Basis	111
F- 2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Electrical Upgrades	112
F- 2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Security Vestibules	113
F- 2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – AH Field Improvements	114
F- 2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – MHS Turf Light and Scoreboard	115
F- 2e Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – WD Renovations	116
F- 2f Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – MHS Roof	117
F- 2g Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – FMS Boiler	118
F- 2h Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – HC HVAC Controls	119
F- 2i Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – HC Roof	120
F- 2j Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – TJ HVAC Controls	121
F- 2k Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – AH HVAC Controls	122
F- 2l Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – MHS Culinary Arts Lab	123
F- 2m Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – FMS Elevator Replacement	124
F- 2n Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – NP Fire Alarm Upgrade	125
F- 2o Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – AV Fire Alarm Upgrade	126
I. Long-Term Debt:	127
I- 1 Schedule of Serial Bonds	N/A
I- 2 Schedule of Financed Purchases Payable	128
I- 3 Budgetary Comparison Schedule - Debt Fund Service	N/A

MORRIS SCHOOL DISTRICT
COUNTY OF MORRIS, NEW JERSEY

JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
Statistical Section – Other Information (Unaudited)	129
Financial Trends:	
J- 1 Net Position by Component	131
J- 2 Changes in Net Position	132
J- 3 Fund Balances, Governmental Funds	134
J- 4 Change in Fund Balances, Governmental Funds	135
J- 5 General Fund – Other Local Revenue by Source	136
Revenue Capacity:	
J- 6 Assessed Value and Actual Value of Taxable Property	137
J- 7 Direct and Overlapping Property Tax Rates	138
J- 8 Principal Property Taxpayers	139
J- 9 Property Tax Levies and Collections	140
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	141
J-11 Ratios of Net General Bonded Debt Outstanding	142
J-12 Direct and Overlapping Governmental Activities Debt	143
J-13 Legal Debt Margin Information	144
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	145
J-15 Principal Employers	146
Operating Information:	
J-16 Full-time Equivalent District Employees by Function/Program	147
J-17 Operating Statistics	148
J-18 School Building Information	149
J-19 Schedule of Required Maintenance for School Facilities	150
J-20 Insurance Schedule	151
Single Audit Section	152
K- 1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	153
K- 2 Independent Auditors' Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	155
K- 3 Schedule of Expenditures of Federal Awards, Schedule A – Supplementary Information	158
K- 4 Schedule of Expenditures of State Financial Assistance, Schedule B – Supplementary Information	160
K- 5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	161
K- 6 Schedule of Findings and Questioned Costs	163
K- 7 Summary Schedule of Prior Audit Findings	N/A

INTRODUCTORY SECTION



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January 10, 2025

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

Dear President Cole and Board Members:

The Annual Comprehensive Financial Report of the Morris School District (the "District") as of and for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of these data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements and schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general, vocational, special education, bilingual, gifted and talented and advanced placement programs that address the Morris School District's student needs. The District completed the 2023-24 fiscal year with an average daily enrollment of 5,129 students, which represented a decrease of 114 students from the previous year. Average daily enrollment (ADE) and average daily attendance (ADA) information appears below.

AVERAGE DAILY ENROLLMENT AND ATTENDANCE DATA

<u>Fiscal Year</u>	<u>ADE</u>	<u>ADE Percent Change</u>	<u>ADA</u>
2014-15	5,239	2.50%	5,012
2015-16	5,249	0.19%	5,002
2016-17	5,198	(0.97%)	4,925
2017-18	5,057	(2.71%)	4,776
2018-19	5,117	1.19%	4,852
2019-20	5,205	1.72%	5,005
2020-21	5,020	(3.54%)	4,720
2021-22	5,077	1.12%	4,702
2022-23	5,243	3.27%	4,863
2023-24	5,129	(2.17%)	4,855

2. ECONOMIC CONDITION AND OUTLOOK:

The District serves an affluent area in northern New Jersey comprised of the Town of Morristown and the Township of Morris. Located in southeastern Morris County within easy access to New York City and Pennsylvania, Morristown and Morris Township experience different enrollment drivers for the District. Higher wealth statistics are centered in the Township which is the larger of the two municipalities in terms of population, per capita income and geographic area. Numerous developments are being constructed and scheduled to be built in the near future in both municipalities. The District's enrollment over the last 10 years has shown a cumulative decrease in the amount of (2.1%).

The estimated population in the Township has increased from 22,313 in 2014 to 23,507 in 2023, or a cumulative increase of 5.3% over ten years. The Town's population has increased from 18,497 in 2014 to 20,571 in 2023 or a cumulative increase of 11.2% over ten years.

The tax levy saw a shift of 1.4139 percentage points for the 2023-24 school year due to an increase in Morris Township's equalized value and a decrease for Morristown. The total tax base of the District was allocated 67.1878% to the Township and 32.8122% to the Town. As one of the largest employers in the area, the Morris School District significantly impacts the economy of its larger community and service area.

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

3. MAJOR INITIATIVES:

The Morris School District remains committed to continuously enhancing educational opportunities to meet the diverse needs of its students. The 2023-2024 school year saw significant progress across three primary goals, underscoring our dedication to academic rigor, social-emotional development, and optimal learning environments.

Goal 1: Increase Academic Rigor and Publicly Report Student Achievement

- **Curriculum and Instruction Enhancements:**

The District revised its curriculum to align with the New Jersey Student Learning Standards (NJSLS), utilizing tools like Rubicon Atlas to document progress. Programs such as the Pre-AP Pilot for English 1 were launched, supported by extended PSAT testing and the *Morristown Promise* partnership with County College of Morris, which provides first-generation college students with counseling and academic supports.

- **Achievement Monitoring:**

A K-8 iReady Diagnostic Testing Schedule was established, and NJSLA student performance data were reviewed to set achievement goals for all subgroups in preparation for the April 2024 administration. Reports on AP exam participation and NJGPA pass rates were presented to the Board alongside action plans to address areas of improvement.

- **Culturally Responsive Teaching:**

Training on culturally responsive teaching methods was implemented, with evidence of mastery included in the revised Teacher Evaluation Model approved in June 2024. Additionally, the Multilingual/ESL plan was updated, integrating WIDA standards into K-12 instruction, with results shared with the Curriculum Committee and Full Board.

Goal 2: Enhance Programs to Address Social-Emotional and Co-Curricular Needs

- **Restorative Practices and Bias Training:**

Updates to the FMS and MHS Codes of Conduct included restorative practices and natural consequences. Beyond Bias training, delivered to administrators and subsequently turned into staff-wide training, further emphasized equity and inclusion.

- **Master Scheduling Overhaul:**

Frelinghuysen Middle School (FMS) underwent a comprehensive schedule redesign, including better alignment of teacher strengths to classroom assignments and the creation of the 6th Grade Academy. At Morristown High School (MHS), scheduling improvements addressed later start times and shorter lunches, laying the groundwork for future structural changes.

- **Screen Time and Experiential Learning:**

Policies were enacted to reduce daily screen time, supplemented by partnerships to provide hands-on learning opportunities.

Goal 3: Integrate Facility Planning into Capital Improvement Efforts

The Long-Range Facilities Plan and individual school assessments were leveraged to create a capital improvement schedule prioritizing optimal learning environments. Projects such as outdoor classrooms, maker spaces, mindfulness rooms, and enhanced playgrounds have bolstered both academic and extracurricular offerings.

4. AWARDS AND RECOGNITIONS:

The Morris School District community celebrates the success of its students and staff, reflecting a shared commitment to excellence in education. Highlights include:

- **Early Childhood Education Excellence:**
Lafayette Learning Center continues to excel as a model for preschool education, supported by an \$9.4 million NJ Department of Education grant. Its urban farm initiative and collaborations with local preschool partners enhance learning opportunities for hundreds of young children.
- **Elementary Success:**
Science specialists in each school, STEM-focused curricula, and strong results in standardized assessments showcase the District's dedication to foundational learning.
- **Middle School Achievements:**
Frelinghuysen Middle School's music, arts, and engineering programs have gained recognition, with students earning distinctions in regional and state competitions.
- **High School Accomplishments:**
Morristown High School's robust AP offerings, STEM and Humanities academies, and comprehensive athletic programs prepare students for success in higher education and beyond. Initiatives like the Seal of Biliteracy and Global Navigator Scholarships underscore the District's focus on global readiness.

The Morris School District's efforts during the 2023-2024 school year demonstrate a commitment to fostering academic excellence, promoting equity and inclusion, and enhancing facilities to support holistic student development. As we continue to build on these successes, our students and staff remain at the heart of all we do, striving for a future that reflects the strength and diversity of our community.

5. INTERNAL ACCOUNTING CONTROLS:

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

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

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

6. BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

8. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund for the fiscal year ended June 30, 2024 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
Local Sources	\$ 107,901,303	\$ 104,673,296	\$ 3,228,007	3.08%
State Sources	49,041,039	47,823,770	1,217,269	2.55%
Federal Sources	6,276,308	5,264,133	1,012,175	19.23%
Total	<u>\$ 163,218,650</u>	<u>\$ 157,761,199</u>	<u>\$ 5,457,451</u>	<u>3.46%</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2024 and the amount and percentage of decreases/increases in relation to prior year expenditures.

<u>Expenditures</u>	<u>2024</u>	<u>2023</u>	<u>Increase</u>	<u>Increase</u>
Instruction	\$ 45,054,762	\$ 42,786,676	\$ 2,268,086	5.30%
Undistributed	94,630,120	93,749,079	881,041	0.94%
Charter Schools	1,543,620	1,526,872	16,748	1.10%
Capital Outlay	1,254,677	4,066,022	(2,811,345)	-69.14%
Special Revenue	18,439,826	16,870,912	1,568,914	9.30%
Total	<u>\$ 160,923,005</u>	<u>\$ 158,999,561</u>	<u>\$ 1,923,444</u>	<u>1.21%</u>

9. DEBT ADMINISTRATION: The District has no outstanding bonded debt at June 30, 2024.

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

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

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

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

Respectfully submitted,



Dr. Anne Mucci
Superintendent

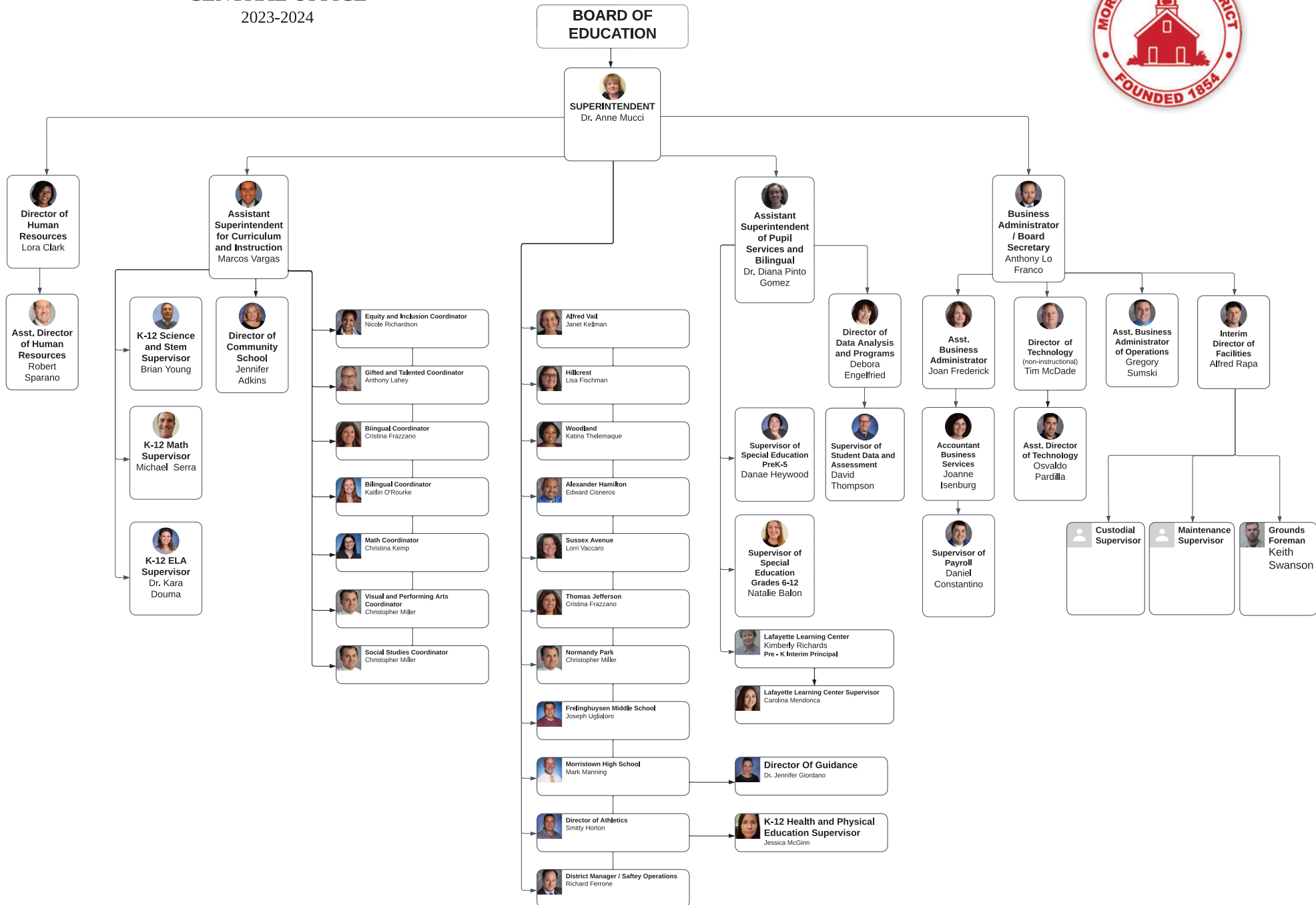


Anthony LoFranco
Business Administrator/Board Secretary

MORRIS SCHOOL DISTRICT

CENTRAL OFFICE

2023-2024



MORRIS SCHOOL DISTRICT
BOARD OF EDUCATION
MORRIS COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2024

PRESIDENT

Mrs. Kathleen (Katie) Cole 2024

VICE-PRESIDENT

Ms. Meredith Davidson 2026

MEMBERS

Mr. Cary Lloyd 2025

Ms. Linda K. Murphy 2024

Mrs. Susan Pedalino 2025

Dr. Vivian Rodriguez 2024

Mr. Alan Smith 2026

Mrs. Melissa Spiotta 2025

Mrs. Elisabeth (Beth) Wall 2026

Ms. Lucia Galdi (Morris Plains Rep)

OTHER OFFICIALS

Dr. Anne Mucci, Superintendent

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

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

Gregory Sumski, Assistant Business Administrator of Operations

James McCreedy, Esq., Board Attorney

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Morris School District (the "District") as of and for the year ended June 30, 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 and each major fund of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards and requirements are further described in the Auditors' 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

PKF O'CONNOR DAVIES, LLP
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**Honorable President and Members
of the Board of Education
Morris School District**

Page 2

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

**Honorable President and Members
of the Board of Education
Morris School District**

Page 3

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Annual Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Honorable President and Members
of the Board of Education
Morris School District**

Page 4

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 10, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
Year ended June 30, 2024

As management of the Morris School District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2023-2024) and the prior fiscal year (2022-2023) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and the capital projects fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on pages 32-34 of this report.

Proprietary funds. The District maintains one proprietary fund type, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service program and community school program, both of which are major funds of the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40-72 of this report.

Other information. The combining statements referred to earlier in connection with governmental funds and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 102-108 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2024 and 2023:

Morris School District Net Position

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 51,307,079	\$ 2,625,458	\$ 53,932,537	\$ 54,347,248	\$ 2,851,769	\$ 57,199,017
Capital assets, net	64,168,022	321,940	64,489,962	61,693,818	207,126	61,900,944
Total assets	115,475,101	2,947,398	118,422,499	116,041,066	3,058,895	119,099,961
Deferred outflows of resources	3,812,118		3,812,118	4,429,993		4,429,993
Liabilities:						
Current liabilities	9,456,536	425,646	9,882,182	11,069,843	481,470	11,551,313
Net pension liabilities	22,242,180		22,242,180	22,585,976		22,585,976
Long-term liabilities outstanding	7,027,694	20,872	7,048,566	7,441,588	23,205	7,464,793
Total Liabilities	38,726,410	446,518	39,172,928	41,097,407	504,675	41,602,082
Deferred inflow of resources	1,547,841		1,547,841	3,846,334		3,846,334
Net position:						
Net investment in capital assets	60,028,079	321,940	60,350,019	57,161,574	207,126	57,368,700
Restricted	36,270,280		36,270,280	34,611,045		34,611,045
Unrestricted	(17,285,391)	2,178,940	(15,106,451)	(16,245,301)	2,347,094	(13,898,207)
Total net position	\$ 79,012,968	\$ 2,500,880	\$ 81,513,848	\$ 75,527,318	\$ 2,554,220	\$ 78,081,538

Governmental Activities

Current and other assets and current liabilities decreased from the prior year primarily due to a decrease of approximately \$2,470,000 in the cash balance. This decrease resulted from an increase in support services expenses, which resulted from an increase in preschool aid expenses approximately by \$1,310,000. Additionally, there was a reduction to the accounts payable balance from the prior year approximately of \$1,300,000.

Capital assets increased approximately \$2,500,000 from the prior year as a direct result of the purchase of approximately \$5,600,000 in licensed vehicles, technology equipment, buildings and building improvements net of current year depreciation of approximately \$3,100,000.

Significant changes to the deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB Statement No. 68 net pension liability calculation. The changes in 2024 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2022 and rolled forward to 2023. The net pension liability associated with the District's governmental activities at June 30, 2024 amounted to \$22,242,180, which was a decrease of approximately \$340,000 and resulted from changes in the net pension calculation.

The largest portion of the District's governmental activities net position is its net investment in capital assets, \$60,028,079 (e.g., land, construction-in-progress, buildings and improvements, and furniture and equipment), less accumulated depreciation and amortization and any related debt (financed leases payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted portion of the net position in the amount of \$36,270,280 is comprised of amounts restricted for maintenance reserve in the amount of \$5,221,629, amounts restricted for capital reserve in the amount of \$6,251,631, amounts restricted for unemployment compensation in the amount of \$2,096,968, amounts restricted for scholarships in the amount of \$88,898, amounts restricted for student activities in the amount of \$246,101, amounts restricted for future capital related projects in the amount of \$11,049,169 and excess surplus in the amount of \$11,315,884 that is restricted to be utilized in the District's 2025 and 2026 fiscal year budgets.

The remaining deficit balance, (\$17,285,391) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability and the accrued pension contributions which are offset by year-end encumbrances in the amount of \$438,580 and amounts designated for subsequent year's expenditures approved in the budget in the amount of \$4,166,771.

Business-Type Activities

There was a decrease from the prior year of approximately \$53,000 in net position reported in connection with the District's business-type activities as a result of the expenses exceeding the revenues in the current year. This was driven primarily from the decrease in nonoperating revenues from the federal sources of approximately \$275,000. The District realized approximately \$250,000 of the American Rescue Plan (ARP) Stabilization Grant in the Community School Fund in prior year whereas approximately \$81,000 was realized in current year. The remaining difference was the result of a decrease in Supply Chain Assistance Grant in the Food Service Fund compared to the prior year by approximately \$165,000.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2024 and 2023 are as follows:

**Morris School District
Changes In Net Position**

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,522,942	\$ 1,952,065	\$ 6,475,007	\$ 4,786,271	\$ 2,148,877	\$ 6,935,148
Operating and capital grants and contributions	17,410,224	1,968,296	19,378,520	15,705,559	1,921,684	17,627,243
General revenues:						
Property taxes	100,806,429		100,806,429	98,829,832		98,829,832
Federal and state sources, unrestricted	28,343,887		28,343,887	29,120,515		29,120,515
Interest income	1,092,825		1,092,825	59,205		59,205
Other restricted miscellaneous revenues	3,454		3,454	3,476		3,476
Miscellaneous	829,374	2,186	831,560	1,529,847	2,023	1,531,870
Total revenues	153,009,135	3,922,547	156,931,682	150,034,705	4,072,584	154,107,289
Expenses:						
Instructional services	73,354,767	1,443,947	74,798,714	69,613,511	1,189,888	70,803,399
Support services	76,168,718	2,531,940	78,700,658	74,377,245	2,218,946	76,596,191
Total expenses	149,523,485	3,975,887	153,499,372	143,990,756	3,408,834	147,399,590
Change in net position	3,485,650	(53,340)	3,432,310	6,043,949	663,750	6,707,699
Net position - beginning	75,527,318	2,554,220	78,081,538	69,483,369	1,890,470	71,373,839
Net position - ending	\$ 79,012,968	\$ 2,500,880	\$ 81,513,848	\$ 75,527,318	\$ 2,554,220	\$ 78,081,538

Governmental Activities

Governmental operating and capital grants and contributions increased approximately \$1,700,000 in the current year primarily driven by the increase in American Rescue Plan (ARP) Education Stabilization reimbursements and Preschool State Aid.

The total general fund tax levy in 2024 was \$100,806,429. That is an increase of approximately \$1,980,000 over the 2023 general fund tax levy of \$98,829,832. The 2023-2024 tax levy increase is in line with the state-mandated 2% cap.

The interest income increased approximately by \$1,000,000 compared to the prior year. This increase primarily resulted from the interest earned from the NJ ARM account, which was opened during the current year.

Total governmental expenses increased approximately \$5,500,000 as a direct result of an increase of approximately \$3,000,000 in regular and support student and instruction related services and approximately \$1,500,000 in employee benefits.

The current year impacts of Governmental Accounting Standards Board (GASB) Statement No. 75 "OPEB" and Statement No. 68 "Accounting and Financial Reporting for Pensions" contributed primarily to the changes to the federal and state source revenue. Actuarial calculations can be volatile and are driven by variables including the discount rate, various assumptions and deferred inflows and deferred outflows.

Business-type Activities

Business-type expenses increased by approximately \$570,000 compared to the prior year. This increase is directly related to an increase in cost of sales, salaries, employee benefits and cafeteria staffing services.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned and unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund and Special Revenue Fund revenues for the fiscal year ended June 30, 2024, and the increases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase from 2023	Percent of Increase
Local Sources	\$107,901,303	66.11%	\$3,228,007	3.08%
State Sources	49,041,039	30.05%	1,217,269	2.55%
Federal Sources	6,276,307	3.84%	1,012,174	19.23%
Total	<u>\$163,218,649</u>	<u>100.00%</u>	<u>\$5,457,450</u>	<u>3.54%</u>

The increase in local sources is mainly attributable to the general fund tax levy increase. As mentioned previously, the District's overall increase in the tax levy is in line with the 2% levy cap as promulgated by the State Legislature.

The increase in state sources is largely driven by the increase in state aid for the preschool program. The District is receiving additional state funding to expand the program. The increase in federal source revenue is directly the result of an increase in the realized revenue for the ARP education stabilization and IDEA funds.

The following schedule presents a summary of the General Fund and the Special Revenue Fund expenditures for the fiscal year ended June 30, 2024 and the increases related to the prior year:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$51,000,086	31.69%	\$1,978,063	4.04%
Undistributed expenditures	108,575,623	67.47%	2,783,481	2.63%
Capital outlay	1,347,295	0.84%	(2,838,101)	-67.81%
Total	<u>\$160,923,004</u>	<u>100.00%</u>	<u>\$1,923,443</u>	<u>1.21%</u>

The large increase in instruction and undistributed expenditures were primarily related to the following conditions. First, there was a large increase of approximately \$2,200,000 in salaries, which resulted from contractual salary increases and new special education programs provided by the District. Next, the health benefits increased approximately \$1,500,000 due to the rising rates of health care costs. Finally, on-behalf pension contributions increased approximately \$600,000.

General Fund

The fund balance decreased by approximately \$3,500,000 during the 2024 fiscal year primarily the result of an increase in expenditures. As of June 30, 2024, the District has an unassigned fund balance of \$4,325,759 and excess surplus generated in the current year in the amount of \$7,251,448. The District designated \$4,064,436 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$6,251,631 for future capital improvements, as well as a maintenance reserve restricted fund balance in the amount of \$5,221,629 for future maintenance projects. \$2,096,968 is restricted for unemployment compensation. \$438,580 is recorded in encumbrances and assigned for other purposes and \$4,166,771 is assigned to fund balance designated for subsequent year's expenditures.

Special Revenue Fund

The fund balance in the special revenue fund decreased approximately \$2,000 as a direct result of the District's various student club's activities for the year ended June 30, 2024.

Capital Projects Fund

As of June 30, 2024, the District's capital project's fund balance was \$11,049,169, which is restricted and earmarked for the District's future capital related projects.

Capital Asset and Debt Administration

Capital Assets. The District has capital assets, net of accumulated depreciation, including land, construction in progress, buildings and building improvements, machinery, equipment and vehicles noted as follows at June 30, 2024 and 2023:

For more detailed information, please refer to Note 3 to the basic financial statements.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,331,700	\$ 3,331,700			\$ 3,331,700	\$ 3,331,700
Construction in process	4,103,217	4,339,452			4,103,217	4,339,452
Buildings and building improvements	82,461,847	78,100,505			82,461,847	78,100,505
Machinery, equipment and vehicles	19,169,063	17,870,304	\$ 931,476	\$ 816,230	20,100,539	18,686,534
Total capital assets	109,065,827	103,641,961	931,476	816,230	109,997,303	104,458,191
Less:						
Accumulated Depreciation	44,897,805	41,948,143	609,536	609,104	45,507,341	42,557,247
Capital Assets - Net	\$ 64,168,022	\$ 61,693,818	\$ 321,940	\$ 207,126	\$ 64,489,962	\$ 61,900,944

Debt Administration. The District's long-term liabilities, excluding the net pension liability, are as follows for the governmental activities at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financed purchases payable	\$4,139,943	\$4,532,244
Compensated absences	<u>3,994,608</u>	<u>3,891,770</u>
Total long-term liabilities	<u>\$8,134,551</u>	<u>\$8,424,014</u>

For more detailed information, please refer to Note 4 to the basic financial statements.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget other than transfers between appropriation accounts, withdrawal to the capital reserve and an adjustment for prior year encumbrances.

Described below are explanations for variations in realized revenues and expenditures for those lines where the final budgeted amounts differ from the actual amounts by more than \$500,000 and 5%. All other fluctuations less than \$500,000 and 5% are considered immaterial.

- Interest income is a non-budgeted item. A large variance of approximately \$690,000 was primarily attributable to the investment interest income earned from the NJ ARM account.
- Miscellaneous revenue is difficult to estimate as it fluctuates year to year. A large variance of approximately \$400,000 was primarily attributable to the increase in transportation fees collected from the other LEA.
- On-behalf TPAF pension and reimbursed social security contributions are unbudgeted revenue sources. Consequently, actual revenues as well as the related expenditures exceeded the final budgeted amount by 100%.
- Extraordinary aid awarded is not known at the time of the budget and therefore the actual amount received exceeds the final budget by 100%.
- The District provided new special education program starting the current year, which resulted in a decrease in student transportation services for special education students.
- Due to the rising rates of health care costs, approximately \$1,200,000 more was budgeted than actual expended to avoid other budget transfers and the potential of over expenditures.

Economic Factors and Next Year's Budget

- A significant element is the continued increase and demographic makeup of our student population throughout the district. Overall enrollment has decreased 2.1% over the last 10 years.
- The District's architect completed an evaluation of all buildings to determine needed repairs due to the age of our buildings. This information will be valuable as we prioritize annual capital projects.
- Another particularly significant element is the restriction of the District's budget increase to 2% of its statutory tax levy. This cap along with increasing expenses continues to exert pressure on the District's budget.
- Employment contracts have been renewed as of July 1, 2022, for a four year period ending June 30, 2026.
- The District has been utilizing capital reserve funds for building renovations. The June 30, 2024 balance was \$6,251,631. This reserve will serve the District well in planning and executing necessary capital projects for the District in the future.

Requests for Information

This financial report is designed to provide a general overview of the Morris School District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, 31 Hazel Street, Morristown, New Jersey, 07960.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
SECTION - A

MORRIS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 44,755,880	\$ 2,170,828	\$ 46,926,708
Receivables, net	6,551,199	445,655	6,996,854
Prepaid Expenses		8,975	8,975
Capital Assets, non-depreciable	7,434,917		7,434,917
Capital Assets, net of depreciation and amortization	56,733,105	321,940	57,055,045
Total Assets	115,475,101	2,947,398	118,422,499
Deferred Outflows of Resources:			
Pension Deferrals	3,812,118		3,812,118
Liabilities:			
Accounts Payable	5,313,511	91,807	5,405,318
Accrued Salaries	324,115	40,186	364,301
Accrued Interest Payable	96,350		96,350
Payroll Deductions and Withholdings Payable	665,530		665,530
Unemployment Compensation Claims Payable	179,388		179,388
Payable to Federal Government	93,243		93,243
Payable to State Government	102,803	69,616	172,419
Unearned Revenue	1,574,739	224,037	1,798,776
Noncurrent Liabilities:			
Due within One Year	1,106,857		1,106,857
Due beyond One Year	7,027,694	20,872	7,048,566
Net Pension Liability	22,242,180		22,242,180
Total Liabilities	38,726,410	446,518	39,172,928
Deferred Inflows of Resources:			
Pension Deferrals	1,547,841		1,547,841
Net Position:			
Net Investment in Capital Assets	60,028,079	321,940	60,350,019
Restricted for:			
Capital Projects	11,049,169		11,049,169
Capital Reserve Account	6,251,631		6,251,631
Maintenance Reserve Account	5,221,629		5,221,629
Excess Surplus - Designated for Subsequent Years			
Expenditures	4,064,436		4,064,436
Reserve for Excess Surplus	7,251,448		7,251,448
Unemployment Reserve	2,096,968		2,096,968
Student Activities	246,101		246,101
Scholarships	88,898		88,898
Unrestricted(Deficit)	(17,285,391)	2,178,940	(15,106,451)
Total Net Position	\$ 79,012,968	\$ 2,500,880	\$ 81,513,848

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

MORRIS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 51,343,317	\$ 4,276,841		\$ (47,066,476)		\$ (47,066,476)
Special Education	15,191,089		\$ 5,945,324	(9,245,765)		(9,245,765)
Other Special Instruction	4,202,178			(4,202,178)		(4,202,178)
Other Instruction	2,618,183			(2,618,183)		(2,618,183)
Support Services:						
Tuition	5,849,994		2,225,419	(3,624,575)		(3,624,575)
Student & Instruction Related Services	30,926,878	246,101	9,146,863	(21,533,914)		(21,533,914)
School Administrative Services	6,886,191			(6,886,191)		(6,886,191)
General and Business Administrative Services	5,699,891			(5,699,891)		(5,699,891)
Plant Operations and Maintenance	12,644,579		92,618	(12,551,961)		(12,551,961)
Pupil Transportation	12,617,565			(12,617,565)		(12,617,565)
Charter Schools	1,543,620			(1,543,620)		(1,543,620)
Total Governmental Activities	<u>149,523,485</u>	<u>4,522,942</u>	<u>17,410,224</u>	<u>(127,590,319)</u>		<u>(127,590,319)</u>
Business-type Activities:						
Food Service	2,531,940	634,112	1,887,225		\$ (10,603)	(10,603)
Community School	1,443,947	1,317,953	81,071		(44,923)	(44,923)
Total Business-type Activities	<u>3,975,887</u>	<u>1,952,065</u>	<u>1,968,296</u>	<u>-</u>	<u>(55,526)</u>	<u>(55,526)</u>
Total Primary Government	<u>\$ 153,499,372</u>	<u>\$ 6,475,007</u>	<u>\$ 19,378,520</u>	<u>(127,590,319)</u>	<u>(55,526)</u>	<u>(127,645,845)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				100,806,429		100,806,429
Federal and State Aid not Restricted				28,343,887		28,343,887
Miscellaneous Income				829,374		829,374
Interest Income				1,092,825	2,186	1,095,011
Other Restricted Miscellaneous Revenues				3,454		3,454
Total General Revenues				<u>131,075,969</u>	<u>2,186</u>	<u>131,078,155</u>
Change in Net Position				3,485,650	(53,340)	3,432,310
Net Position—Beginning				75,527,318	2,554,220	78,081,538
Net Position—Ending				<u>\$ 79,012,968</u>	<u>\$ 2,500,880</u>	<u>\$ 81,513,848</u>

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

FUND FINANCIAL STATEMENTS
SECTION - B

GOVERNMENTAL FUNDS

MORRIS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Exhibit B-1
Page 1 of 2

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 30,991,118	\$ 2,074,084	\$ 11,690,678	\$ 44,755,880
Accounts Receivable:				
Due from Federal Government	16,978	1,508,097		1,525,075
Due from State Government	3,775,647	15,991		3,791,638
Taxes Receivable	1			1
Other Accounts Receivable	1,215,118	19,367		1,234,485
Total Assets	<u>\$ 35,998,862</u>	<u>\$ 3,617,539</u>	<u>\$ 11,690,678</u>	<u>\$ 51,307,079</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 1,016,235	\$ 1,508,127	\$ 641,509	\$ 3,165,871
Accrued Salaries	309,703	14,412		324,115
Due to State Government		102,803		102,803
Due to Federal Government		93,243		93,243
Payroll Deductions and Withholdings Payable	665,530			665,530
Unemployment Compensation Claims Payable	179,388			179,388
Unearned Revenue	10,784	1,563,955		1,574,739
Total Liabilities	<u>2,181,640</u>	<u>3,282,540</u>	<u>641,509</u>	<u>6,105,689</u>
Fund Balances:				
Restricted Fund Balance:				
Capital Reserve Account	6,251,631			6,251,631
Maintenance Reserve Account	5,221,629			5,221,629
Excess Surplus - Designated for Subsequent Year's Expenditures	4,064,436			4,064,436
Reserve for Excess Surplus	7,251,448			7,251,448
Capital Projects			11,049,169	11,049,169
Unemployment Reserve	2,096,968			2,096,968
Student Activities		246,101		246,101
Scholarships		88,898		88,898
Assigned Fund Balance:				
Year-end Encumbrances	438,580			438,580
Designated for Subsequent Year's Expenditures	4,166,771			4,166,771
Unassigned Fund Balance	4,325,759			4,325,759
Total Fund Balances	<u>33,817,222</u>	<u>334,999</u>	<u>11,049,169</u>	<u>45,201,390</u>
Total Liabilities and Fund Balances	<u>\$ 35,998,862</u>	<u>\$ 3,617,539</u>	<u>\$ 11,690,678</u>	<u>\$ 51,307,079</u>

MORRIS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Exhibit B-1
Page 2 of 2

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$ 45,201,390
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$109,065,827 and the accumulated depreciation is \$44,897,805.	64,168,022
Long term liabilities, including financed purchases payable and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(8,134,551)
Short-term liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.	(96,350)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds:	
Deferred outflows of resources	\$ 3,812,118
Deferred inflows of resources	<u>(1,547,841)</u>
	2,264,277
Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(2,147,640)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(22,242,180)</u>
Net position of governmental activities	<u><u>\$ 79,012,968</u></u>

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

MORRIS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Local Tax Levy	\$ 100,806,429			\$ 100,806,429
Tuition Charges	4,276,841			4,276,841
Interest Income	1,092,825			1,092,825
Miscellaneous	829,374			829,374
Other Restricted Miscellaneous Revenues	3,454			3,454
Local Sources		\$ 892,380		892,380
State Sources	37,912,387	11,128,652		49,041,039
Federal Sources	641,014	5,635,294		6,276,308
Total Revenues	<u>145,562,324</u>	<u>17,656,326</u>		<u>163,218,650</u>
Expenditures:				
Current:				
Regular Instruction	30,367,929	5,945,324		36,313,253
Special Education Instruction	10,050,151			10,050,151
Other Special Instruction	2,778,200			2,778,200
Other Instruction	1,858,482			1,858,482
Support Services and Undistributed Costs:				
Tuition	5,689,895			5,689,895
Student & Instruction Related Services	12,588,237	12,401,884		24,990,121
School Administrative Services	4,542,144			4,542,144
Other Administrative Services	4,385,734			4,385,734
Plant Operations and Maintenance	11,009,278			11,009,278
Pupil Transportation	9,906,244			9,906,244
Unallocated Benefits	46,508,588			46,508,588
Charter Schools	1,543,620			1,543,620
Capital Outlay	1,254,677	92,618	\$ 4,103,217	5,450,512
Total Expenditures	<u>142,483,179</u>	<u>18,439,826</u>	<u>4,103,217</u>	<u>165,026,222</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>3,079,145</u>	<u>(783,500)</u>	<u>(4,103,217)</u>	<u>(1,807,572)</u>
Other Financing Sources (Uses):				
Financed Purchase Agreement	590,126			590,126
Transfers In	152,107	781,544	6,554,230	7,487,881
Transfers Out	(7,335,774)		(152,107)	(7,487,881)
Total Other Financing Sources (Uses)	<u>(6,593,541)</u>	<u>781,544</u>	<u>6,402,123</u>	<u>590,126</u>
Net Change in Fund Balances	(3,514,396)	(1,956)	2,298,906	(1,217,446)
Fund Balance—July 1	37,331,618	336,955	8,750,263	46,418,836
Fund Balance—June 30	<u>\$ 33,817,222</u>	<u>\$ 334,999</u>	<u>\$ 11,049,169</u>	<u>\$ 45,201,390</u>

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

MORRIS SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds (from B-2) \$ (1,217,446)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (3,137,983)	
Capital outlays	5,617,740	
Loss on disposal of assets	<u>(5,553)</u>	2,474,204

Repayment of financed purchases payables (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

982,427

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Financed purchases payable	(590,126)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

10,284

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

(102,838)

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense were below the expenditure reported in the funds is a deduction.

1,929,145

Change in net position of governmental activities (A-2)

\$ 3,485,650

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

PROPRIETARY FUNDS

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

	Business Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Community School	Totals
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 921,848	\$ 1,248,980	\$ 2,170,828
Receivables from Other Governments:			
State	15,799		15,799
Federal	258,349		258,349
Accounts Receivable	154,109	17,398	171,507
Prepaid Expenses		8,975	8,975
Total Current Assets	<u>1,350,105</u>	<u>1,275,353</u>	<u>2,625,458</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	909,801	21,675	931,476
Less Accumulated Depreciation	<u>(592,754)</u>	<u>(16,782)</u>	<u>(609,536)</u>
Total Noncurrent Assets	<u>317,047</u>	<u>4,893</u>	<u>321,940</u>
Total Assets	<u>\$ 1,667,152</u>	<u>\$ 1,280,246</u>	<u>\$ 2,947,398</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 85,492	\$ 6,315	\$ 91,807
Due to Federal Government		69,616	69,616
Accrued Salaries		40,186	40,186
Unearned Revenue	31,489	192,548	224,037
Total Current Liabilities	<u>116,981</u>	<u>308,665</u>	<u>425,646</u>
Noncurrent Liabilities:			
Compensated Absences		20,872	20,872
Total Noncurrent Liabilities	<u>-</u>	<u>20,872</u>	<u>20,872</u>
Total Liabilities	<u>116,981</u>	<u>329,537</u>	<u>446,518</u>
Net Position:			
Investment in Capital Assets	317,047	4,893	321,940
Unrestricted	1,233,124	945,816	2,178,940
Total Net Position	<u>\$ 1,550,171</u>	<u>\$ 950,709</u>	<u>\$ 2,500,880</u>

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

MORRIS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Business Type Activities - Enterprise Fund</u>		
	<u>Major Funds</u>		
	<u>Food Service</u>	<u>Community School</u>	<u>Total Enterprise Fund</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 537,874		\$ 537,874
Daily Sales - Non-Reimbursable Programs	96,238		96,238
Program Fees		\$ 1,317,953	1,317,953
Total Operating Revenues	<u>634,112</u>	<u>1,317,953</u>	<u>1,952,065</u>
Operating Expenses:			
Cost of Sales - Program	1,108,712		1,108,712
Cost of Sales - Nonprogram	36,408		36,408
Salaries	77,857	938,101	1,015,958
Employee Benefits	29,853	136,943	166,796
Rent		166,831	166,831
Purchased Professional Services	23,940	48,739	72,679
Purchased Property Services	28,688		28,688
Other Purchased Services	1,096,776	14,721	1,111,497
Supplies and Materials	11,834	103,233	115,067
Other Expenses	96,655	32,237	128,892
Depreciation	18,466	3,142	21,608
Total Operating Expenses	<u>2,529,189</u>	<u>1,443,947</u>	<u>3,973,136</u>
Operating (Loss) Income	<u>(1,895,077)</u>	<u>(125,994)</u>	<u>(2,021,071)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	55,744		55,744
State School Breakfast Program	24,217		24,217
Summer EBT Administrative Cost Reimbursement	1,556		1,556
Federal Sources:			
National School Lunch Program	1,035,436		1,035,436
School Breakfast Program	408,607		408,607
Food Distribution Program	229,745		229,745
Supply Chain Assistance Grant	124,316		124,316
Local Food for Schools Cooperative Grant	4,925		4,925
Summer EBT Administrative Cost Reimbursement	1,556		1,556
Child Care Stabilization Grant		81,071	81,071
Interest and Investment Revenue	1,123	2,186	3,309
Loss on Disposal of Fixed Assets	(2,751)		(2,751)
Total Nonoperating Revenues	<u>1,884,474</u>	<u>83,257</u>	<u>1,967,731</u>
Change in Net Position	(10,603)	(42,737)	(53,340)
Total Net Position—Beginning	1,560,774	993,446	2,554,220
Total Net Position—Ending	<u>\$ 1,550,171</u>	<u>\$ 950,709</u>	<u>\$ 2,500,880</u>

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

MORRIS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Business Type Activities - Enterprise Fund</u>		
	<u>Major Funds</u>		
	<u>Food Service Fund</u>	<u>Community School</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 556,081	\$ 1,333,058	\$ 1,889,139
Payments to Suppliers	(2,393,134)	(379,118)	(2,772,252)
Payments to Employees	(77,857)	(915,181)	(993,038)
Payments for Employee Benefits	(29,853)	(139,276)	(169,129)
Net Cash (Used in) Operating Activities	<u>(1,944,763)</u>	<u>(100,517)</u>	<u>(2,045,280)</u>
Cash Flows From Noncapital Finance Activities:			
Federal and State Sources	1,700,529		1,700,529
Receipts and Payments to Other Funds		(24,434)	(24,434)
Net Cash Provided by (Used in) Noncapital Finance Activities	<u>1,700,529</u>	<u>(24,434)</u>	<u>1,676,095</u>
Cash Flows From Capital and Related Financing Activities:			
Purchases of Capital Assets	(139,173)		(139,173)
Net Cash (Used in) Capital and Related Financing Activities	<u>(139,173)</u>	<u>-</u>	<u>(139,173)</u>
Cash Flows from Investing Activities:			
Interest and Dividends	1,123	2,186	3,309
Net Cash Provided by Investing Activities	<u>1,123</u>	<u>2,186</u>	<u>3,309</u>
Net Increase in Cash and Cash Equivalents	(382,284)	(122,765)	(505,049)
Balances—Beginning of Year	1,304,132	1,371,745	2,675,877
Balances—End of Year	<u>\$ 921,848</u>	<u>\$ 1,248,980</u>	<u>\$ 2,170,828</u>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities:			
Operating (Loss)	\$ (1,895,077)	\$ (125,994)	\$ (2,021,071)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used in) Operating Activities:			
Depreciation	18,466	3,142	21,608
(Increase) in Accounts Receivable, net	(78,031)	(15,123)	(93,154)
Decrease in Inventory	29,034		29,034
(Increase) in Prepaid Expenses		(4,611)	(4,611)
(Decrease) in Compensated Absences		(2,333)	(2,333)
(Decrease) in Accounts Payable	(22,974)	(8,746)	(31,720)
Increase in Accrued Salaries		22,920	22,920
Increase in Unearned Revenue	3,819	30,228	34,047
Total Adjustments	<u>(49,686)</u>	<u>25,477</u>	<u>(24,209)</u>
Net Cash (Used in) Operating Activities	<u>\$ (1,944,763)</u>	<u>\$ (100,517)</u>	<u>\$ (2,045,280)</u>

Noncash Noncapital Related Financing Activities:

The District received \$229,745 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2024.

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

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

B. Reporting Entity

The Morris School District is a Combined Type II district located in the County of Morris, State of New Jersey, comprising the Town of Morristown and the Township of Morris. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the District is to educate students in grades K-12. The Morris School District had an approximate enrollment at June 30, 2024 of 5,129 students.

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

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

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

D. Basis of Presentation - Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from capital reserve, state grants, and temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. The District did not have any outstanding debt principle or interest for the year ended June 30, 2024. Therefore, this fund was not utilized in the current year.

The District reports the following proprietary funds:

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

F. Budgets/Budgetary Control

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The District did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

G. Cash, Cash Equivalents and Investments

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

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

H. Tuition Receivable/Payable

Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. Adjustments were made to the preliminary rates originally established for the 2024-2025 school year based upon the certification of 2022-2023 rates.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

I. Inventories and Prepaid Expenses

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

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

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items in both the government-wide and fund financial statements.

J. Short-Term Interfund Receivables/Payables

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

K. Capital Assets

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

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

L. Compensated Absences

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

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

M. Leases

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

The District recognizes lease liabilities with an initial, individual value of \$50,000 or more. The District maintains full ownership of the underlying assets under obligations. The District did not have any new or prior year leases that would require recognition of a right-to-use asset ("lease asset") and a corresponding liability for the year ended June 30, 2024.

N. Pensions

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

O. Deferred Outflows/Inflows of Resources

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

P. Unearned Revenue/Advances from Grantors

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

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

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

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

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

S. Fund Balance Policies

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

T. Recently Issued Accounting Pronouncements (cont'd)

The GASB issued Statement No. 100, “*Accounting Changes and Error Corrections*” in June 2022. This Statement provides guidance on the accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement are effective for periods beginning after June 15, 2023.

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

The GASB issued Statement No. 102, “*Certain Risk Disclosures*” in January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, “*Financial Reporting Model Improvements*” in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, “*Disclosures of Certain Capital Assets*” in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

U. District-Wide Financial Statement Classifications

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

V. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. The District's Community School Program proprietary fund reports operating revenues earned from the tuition charges collected for the program. Expenses for the District's Community School Program proprietary fund include salaries and costs resulting from operating the program. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation. The District's Community School Program realized a grant program as non-operating revenues. The Childcare Stabilization Grant was awarded to the District by the federal government to rebuild a stronger childcare system that was impacted by the global pandemic, COVID-19.

W. Accrued Salaries and Wages

The District has accrued at June 30, 2024 \$324,115 and \$40,186 for governmental activities and business-type activities, respectively, for part-time employee salaries and stipends for services rendered during the last two weeks of June 2024 that were not paid until the subsequent fiscal year.

X. Management Estimates

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

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

At June 30, 2024, the book value of the District's cash, cash equivalents and investments is \$46,926,708.

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

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 257,570
Insured - NJGUDPA (N.J.S.A. 17:9-41)	15,149,323
Uninsured	<u>747,615</u>
Total Deposits	<u>\$ 16,154,508</u>

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$747,615 of the District's bank balance of \$16,154,508 was considered exposed to custodial risk. (See Note 1-G relating to statutory mitigation of custodial risk in the event of a bank failure).

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

Credit Risk – GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the District does not have an investment policy regarding Credit Risk except to the extent outlined under the District's investment policy.

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

Investments – New Jersey Statutes permit the District to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA.

New Jersey Asset and Rebate Management Fund – The NJARM is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rate. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At June 30, 2024, the District's balance was \$32,612,225 with NJARM.

New Jersey Cash Management Fund – All investments in the fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for the reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. At June 30, 2024, the District had no funds on deposit with the New Jersey Cash Management Fund.

All of the District's investments are classified as cash equivalents at June 30, 2024.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 3. CAPITAL ASSETS

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

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 3,331,700				\$ 3,331,700
Construction in Progress	4,339,452	\$ 4,103,217		\$ (4,339,452)	4,103,217
Total Capital Assets Not Being Depreciated	7,671,152	4,103,217		(4,339,452)	7,434,917
Capital Assets Being Depreciated:					
Buildings and Building Improvements	78,100,505	21,890		4,339,452	82,461,847
Machinery, Equipment, Furniture & Vehicles	17,870,304	1,492,633	\$ (193,874)		19,169,063
Totals at Historical Cost	95,970,809	1,514,523	(193,874)	4,339,452	101,630,910
Less Accumulated Depreciation For:					
Buildings and Building Improvements	(32,231,595)	(1,460,821)			(33,692,416)
Equipment, Furniture, and Vehicles	(9,716,548)	(1,677,162)	188,321		(11,205,389)
Total Accumulated Depreciation	(41,948,143)	(3,137,983)	188,321	-	(44,897,805)
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	54,022,666	(1,623,460)	(5,553)	4,339,452	56,733,105
Governmental Activities Capital Assets, Net	\$ 61,693,818	\$ 2,479,757	\$ (5,553)	\$ -	\$ 64,168,022
Business-type Activities					
Equipment	\$ 816,230	\$ 139,173	\$ (23,927)		\$ 931,476
Less Accumulated Depreciation for:					
Equipment	(609,104)	(21,608)	21,176		(609,536)
Business-type Activities Capital Assets, Net	\$ 207,126	\$ 117,565	\$ (2,751)	\$ -	\$ 321,940

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,792,805
General and business administrative services	345,178
Total depreciation expense	<u>\$ 3,137,983</u>

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 4. LONG TERM LIABILITIES

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

Long-term liability activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Other Liabilities:					
Financed Purchases Payable	\$ 4,532,244	\$ 590,126	\$ 982,427	\$ 4,139,943	\$ 1,106,857
Compensated Absences Payable	3,891,770	102,838		3,994,608	
Total Other Liabilities	8,424,014	692,964	982,427	8,134,551	1,106,857
Subtotal	8,424,014	692,964	982,427	8,134,551	1,106,857
Net Pension Liability (PERS)	22,585,976		343,796	22,242,180	
Total Liabilities	\$ 31,009,990	\$ 692,964	\$ 1,326,223	\$ 30,376,731	\$ 1,106,857
Business-type activities					
Enterprise fund:					
Compensated Absences Payable	\$ 23,205		\$ 2,333	\$ 20,872	
Total Liabilities	\$ 23,205	\$ -	\$ 2,333	\$ 20,872	\$ -

For the governmental activities, the liability for financed purchases payable, compensated absences, and the net pension liability are generally liquidated in the general fund.

A. Bonds Payable -- Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2024, the District had no bonds outstanding.

B. Bonds Authorized But Not Issued -- As of June 30, 2024, the District had no bonds authorized but not issued.

C. Financed Purchases Payable --The District has entered into financed purchase agreements totaling with a remaining balance of \$4,139,943 beginning on September 1, 2018. The equipment and assets purchased by the District through the financed purchase agreements with the lessors belong to the District outright and immediately. The following is a schedule of the remaining future minimum lease payments as of June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,106,857	\$ 105,498	\$ 1,212,355
2026	1,128,487	87,292	1,215,779
2027	708,008	62,434	770,442
2028	1,070,930	37,091	1,108,021
2029	125,661	5,504	131,165
Total	\$ 4,139,943	\$ 297,819	\$ 4,437,762

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS

Description of Plans – Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

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

Funding Policy - The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Pursuant to P.L. 2011, c.78 (Chapter 78), the Pension and Health Benefit Reform, the PERS and TPAF employees' pension contribution rates were increased to 7.5% of employees' annual pensionable compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

During the year ended June 30, 2024, the State of New Jersey contributed \$21,682,434 to the TPAF for normal costs of pension, post-retirement medical and long-term disability insurance benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,637,887 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The reimbursement was made to the General Fund. This amount has been included as both revenues and expenditures in the government-wide and fund financial statements. The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023 and 2022 were \$2,137,458, \$1,989,810 and \$1,700,135, respectively, equal to the required contributions for each year.

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

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

Public Employees' Retirement System (PERS)

At June 30, 2024, the District reported a liability of \$22,242,180 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 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 school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.1535598310%, which was an increase of 0.0038983616% from its proportion measured as of June 30, 2023.

Actuarial Assumptions

For the year ended June 30, 2024, the District recognized full accrual pension benefit of \$1,929,145 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 212,664	\$ 90,919
Change in assumptions	48,862	1,347,971
Net difference between projected and actual investment earnings on pension plan investments	102,428	
Change in proportion	1,300,524	108,951
District contributions subsequent to the measurement date	<u>2,147,640</u>	
Total	<u>\$ 3,812,118</u>	<u>\$ 1,547,841</u>

\$2,147,640 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. These contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the net pension liability as follows:

Year ending <u>June 30,</u>	
2025	\$ (712,960)
2026	(333,597)
2027	1,166,225
2028	(16,413)
2029	<u>13,382</u>
	<u>\$ 116,637</u>

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%

Mortality Rates

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

Long-Term Rate of Return

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	3.00%	8.40%
Real Assets	8.00%	8.58%
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%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 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 on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability (Local)	\$ 28,954,586	\$ 22,242,180	\$ 16,529,035

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separate issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the local group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 1,080,204,730
Deferred inflows of resources	1,780,216,457
Net pension liability	14,606,489,066
District's proportion	0.1535598310%

Collective pension benefit for the local group for the measurement period ended June 30, 2023 is \$(79,181,803).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57 and 5.72 years, respectively.

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$69,365.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

Special Funding Situation – Teachers Pensions and Annuity Fund (TPAF)

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.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$207,427,431. The District's proportionate share was \$0. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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 State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District's relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4064600827%, which was an increase of 0.0051786869% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$5,095,888 for contributions incurred by the State.

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%

Mortality Rates

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

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 Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	3.00%	8.40%
Real Assets	8.00%	8.58%
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%
	<u>100.00%</u>	

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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 244,594,582	\$ 207,427,431	\$ 176,123,856

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the local group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 2,498,730,891
Deferred inflows of resources	14,719,080,314
Net pension liability	51,032,669,551
District's proportion	0.4064600827%

Collective pension expense for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 is 7.93, 7.83, 7.93, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.30 years, respectively.

DEFINED CONTRIBUTION RETIREMENT PLAN

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5. PENSION PLANS (CONT'D)

DEFINED CONTRIBUTION RETIREMENT PLAN (CONT'D)

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

For the year ended June 30, 2024 and 2023 the District's total payroll for all employees was \$74,613,312 and \$72,206,082, respectively. Total DCRP covered payroll was \$2,150,499 and \$2,575,242, respectively. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan. District and employee contributions to the DCRP for the year ended June 30, 2024 were \$64,417 and \$118,277, respectively and for the year ended June 30, 2023 were \$77,257 and \$141,638, respectively.

NOTE 6. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan:

General Information about the OPEB Plan:

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

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

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

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2024, 2023 and 2022 were \$4,637,072, \$4,425,631 and \$3,914,04, respectively, which equaled the required contributions for each year.

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

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.html.

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2023</u>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total Plan Members	<u>369,595</u>

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2023 was \$203,057,457. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial Assumptions and Other Inputs:

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 that was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:	2.75-4.25%	2.75-6.55%
	Based on Years of Service	Based on Years of Service

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the actual experience studies for the periods July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Discount Rate:

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Healthcare 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 seven years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 17.40% 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

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

Changes to the District's total Non-employer OPEB Liability during the fiscal year ended June 30, 2024 were as follows:

	<u>District Allocation</u>
Non-employer OPEB Liability Balance - June 30, 2023	<u>\$ 194,702,871</u>
Changes During the Current Year:	
Service Cost	8,487,171
Interest on the Total OPEB Liability	7,151,435
Difference between expected and actual experiences	(2,301,906)
Changes in assumption	409,280
Gross benefit payments	183,266
Employee Contributions	<u>(5,574,660)</u>
Net Changes	<u>8,354,586</u>
Non-employer OPEB Liability Balance - June 30, 2024	<u><u>\$ 203,057,457</u></u>

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

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2023, calculated using the discount rate as disclosed above, as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease <u>(2.54%)</u>	At Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835
District's proportionate share of the OPEB liability	\$ 238,050,008	\$ 203,057,457	\$ 174,962,501

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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

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

The following presents the total non-employer OPEB liability as of June 30, 2023 calculated using the healthcare trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320
District's proportionate share of the OPEB liability	\$ 168,568,995	\$ 203,057,457	\$ 248,185,698

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$6,369,496 for OPEB expenses incurred by the State.

Additional Information:

Collective balances of the SHBLEREP at June 30, 2023 were as follows:

Deferred Outflows of Resources	\$ 17,347,811,894
Deferred Inflows of Resources	30,503,688,706
State's Total Non-employer OPEB Liability	1,369,124,126

Special Funding Situation:

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

NOTE 7. COMPENSATED ABSENCES

A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies.

The liability for vested compensated absences of the District is recorded for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

As of June 30, 2024, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,994,608 and a liability in the proprietary fund types in the amount of \$20,872.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

NOTE 9. RESERVE ACCOUNTS

Capital Reserve Account

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

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

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

Beginning balance, July 1, 2023	\$ 10,468,385
Board Resolution	1,000,000
Budgeted Increase in Capital Reserve	1,000,000
Transferred from Capital Projects Fund	152,107
Interest Earnings	<u>185,369</u>
Total Deposits	<u>2,337,476</u>
Withdrawal	
Transferred to Capital Projects Fund	<u>6,554,230</u>
Ending balance, June 30, 2024	<u><u>\$ 6,251,631</u></u>

The June 30, 2024 LRFP balance of local support costs of uncompleted projects exceeds the amount set aside in capital reserve. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 9. RESERVE ACCOUNTS (CONT'D)

Maintenance Reserve Account

Pursuant to enabling legislation and rulemaking, the District is permitted to establish legally restricted Reserve funds for Maintenance. The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 4,604,219
Board Resolution	400,000
Interest Earnings	<u>217,410</u>
Ending balance, June 30, 2024	<u><u>\$ 5,221,629</u></u>

Unemployment Reserve Account

The unemployment reserve was established in the general fund in 2021 resulting from the implementation of GASB Statement No. 84, which required the District to record these funds as governmental activities. The activity of the unemployment reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 2,093,514
Interest Earnings	<u>3,454</u>
Ending balance, June 30, 2024	<u><u>\$ 2,096,968</u></u>

NOTE 10. TRANSFERS

During the year ending June 30, 2024, the District transferred \$6,554,230 to the Capital Projects Fund. There were \$1,489,240 of Security Vestibules, \$4,329,306 of the roof projects, and \$735,684 of HVAC controls project. There were refunds of unspent amounts for \$152,107 of MHS Turf Light and Scoreboard project. The District transferred \$781,544 to the Special Revenue Fund, which represents the preschool inclusion children charged to the Special Revenue Fund.

NOTE 11. RISK MANAGEMENT

Property and Liability Insurance - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the school year ended June 30, 2024, the District continued to transfer all insurable risks through the purchase of commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage during each of the past three fiscal years. During the year ended June 30, 2024, there were no significant reductions in coverages from those provided in the previous year.

NOTE 12. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet at June 30, 2024.

NOTE 14. INVENTORY

The District changed their Food Service Management Company starting 2024-2025 school year. Therefore, there was no inventory to report in the Food Service Fund at June 30, 2024.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the \$33,817,222 General Fund balance at June 30, 2024, \$7,251,448 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, \$6,251,631 has been restricted in the Capital Reserve Account; \$5,221,629 is restricted for the Maintenance Reserve Account; \$2,096,968 is restricted for Unemployment Reserve Account; \$4,166,771 has been assigned and included as anticipated revenue for the year ending June 30, 2025; \$4,325,759 is unassigned and \$438,580 has been assigned as Reserve for Encumbrances.

Special Revenue Fund (B-1) – Of the \$334,999 Special Revenue Fund balance at June 30, 2024, \$246,101 is restricted for student activities and \$88,898 is restricted for scholarships.

Capital Projects Fund (B-1) - The fund balance at June 30, 2024 is \$11,049,169. The entire amount of \$11,049,169 is restricted for future capital projects.

NOTE 16. DEFICIT FUND BALANCES

The District did not have any deficit fund balances at June 30, 2024 that would have been reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable.

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

NOTE 17. FUND BALANCE RESERVED FOR TUITION ADJUSTMENTS

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$11,315,884. Of this amount, \$4,064,436 has been appropriated in the 2024-25 budget and the remaining \$7,251,448 is required to be appropriated in the 2025-26 budget.

NOTE 19. TAX ABATEMENTS

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

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

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2024 User Friendly Budget for Morris Township recognized revenue of \$10,000 from the annual service charge in lieu of payment of taxes in 2023 and taxes in 2023 that otherwise would have been due on these long-term tax exemptions amounted to \$666,831, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$666,831 abatement would have been allocated to the District. The 2024 User Friendly Budget for the Town of Morristown recognized revenue of \$2,179,390 from the annual service charge in lieu of payment of taxes in 2023 and taxes in 2023 that otherwise would have been due on these long-term tax exemptions amounted to \$4,850,726, based upon the assessed valuations of the long-term tax exemptions properties.

NOTE 20. PENDING LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 21. COMMITMENTS

The District has contractual commitments at June 30, 2024 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$438,580 and in the Capital Projects Fund as restricted for capital projects in the amount of \$3,373,269.

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 22. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$60,028,079 indicated as part of the Governmental Activities net position is calculated as follows:

Capital Assets, Net of Depreciation	\$ 64,168,022
Financed Purchases Payable	<u>(4,139,943)</u>
Total Net Investment in Capital Assets	<u>\$ 60,028,079</u>

NOTE 23. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and January 10, 2025, the date the financial statements were available for issuance. No such events or transactions were noted requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES
SECTION - C

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 1 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 100,806,429		\$ 100,806,429	\$ 100,806,429	
Tuition from Other LEAs within the State	4,211,328		4,211,328	4,276,841	\$ 65,513
Maintenance Reserve Interest	2,000		2,000	217,410	215,410
Capital Reserve Interest	7,000		7,000	185,369	178,369
Interest Income				690,046	690,046
Miscellaneous	120,500		120,500	829,374	708,874
Other Restricted Miscellaneous Revenues				3,454	3,454
Total - Local Sources	<u>105,147,257</u>	<u>-</u>	<u>105,147,257</u>	<u>107,008,923</u>	<u>1,861,666</u>
State Sources:					
School Choice Aid	302,950		302,950	302,950	
Categorical Special Education Aid	5,547,008		5,547,008	5,547,008	
Categorical Security Aid	1,302,293		1,302,293	1,302,293	
Adjustment Aid	218,451		218,451	218,451	
Categorical Transportation Aid	1,763,234		1,763,234	1,763,234	
Extraordinary Aid				3,418,074	3,418,074
Nonpublic School Transportation Aid				179,217	179,217
On-Behalf TPAF Pension					
Contributions - Not Budgeted				17,037,826	17,037,826
On-Behalf Post Retirement Medical					
Contributions - Not Budgeted				4,637,072	4,637,072
On-Behalf Long-Term Disability Insurance					
Contributions - Not Budgeted				7,536	7,536
On-Behalf TPAF Social Security					
Contributions - Not Budgeted				3,637,887	3,637,887
Total - State Sources	<u>9,133,936</u>	<u>-</u>	<u>9,133,936</u>	<u>38,051,548</u>	<u>28,917,612</u>
Federal Sources:					
Medical Reimbursements	172,748		172,748	168,271	(4,477)
E Rate Reimbursement	175,000		175,000	472,743	297,743
Total - Federal Sources	<u>347,748</u>	<u>-</u>	<u>347,748</u>	<u>641,014</u>	<u>293,266</u>
Total Revenues	<u>114,628,941</u>	<u>-</u>	<u>114,628,941</u>	<u>145,701,485</u>	<u>31,072,544</u>

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 2 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	\$ 1,396,300	\$ 230,170	\$ 1,626,470	\$ 1,620,519	\$ 5,951
Grades 1 - 5	9,820,467	(354,457)	9,466,010	9,460,364	5,646
Grades 6 - 8	6,664,037	(70,117)	6,593,920	6,593,920	
Grades 9 -12	9,656,758	(165,503)	9,491,255	9,491,255	
Home Instruction - Regular Programs					
Salaries of Teachers	103,400	(56,121)	47,279	30,906	16,373
Other Salaries for Instruction	5,170	(5,170)			
Purchased Professional/Educational Services	162,000		162,000	101,523	60,477
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	330,009	135,871	465,880	464,662	1,218
Purchased Professional/Educational Services	180,563	7,651	188,214	187,472	742
Purchased Technical Services	89,492	(10,542)	78,950	74,327	4,623
Other Purchased Services	1,057,147	(48,636)	1,008,511	960,888	47,623
General Supplies	1,476,644	(45,591)	1,431,053	1,298,386	132,667
Textbooks	102,200	(25,075)	77,125	76,187	938
Other Objects	9,600	(2,079)	7,521	7,520	1
	<u>31,053,787</u>	<u>(409,599)</u>	<u>30,644,188</u>	<u>30,367,929</u>	<u>276,259</u>
Total Instruction - Regular Programs					

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 3 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Special Education					
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	\$ 161,640	\$ 148,178	\$ 309,818	\$ 307,213	\$ 2,605
Other Salaries for Instruction	47,228	221,038	268,266	267,904	362
General Supplies	3,900	5,799	9,699	7,179	2,520
Total Learning and/or Language Disabilities - Mild/Moderate	212,768	375,015	587,783	582,296	5,487
Learning and/or Language Disabilities - Severe					
Salaries of Teachers		238,780	238,780	238,420	360
Other Salaries for Instruction		343,885	343,885	343,067	818
General Supplies		350	350	350	
Total Learning and/or Language Disabilities - Severe	-	583,015	583,015	581,837	1,178
Multiple Disabilities					
Salaries of Teachers	1,246,227	(514,787)	731,440	579,794	151,646
Other Salaries for Instruction	2,042,043	(726,560)	1,315,483	1,252,842	62,641
Purchased Professional Educational Services	36,000	(36,000)			
Other Purchased Services	200	80	280		280
General Supplies	39,000	55,456	94,456	70,693	23,763
Other Objects		130	130	130	
Total Multiple Disabilities	3,363,470	(1,221,681)	2,141,789	1,903,459	238,330
Resource Room/Resource Center					
Salaries of Teachers	5,375,878	(65,725)	5,310,153	5,271,322	38,831
Other Salaries for Instruction	500		500		500
General Supplies	27,948	(4,998)	22,950	9,799	13,151
Other Objects		458	458	458	
Total Resource Room/Resource Center	5,404,326	(70,265)	5,334,061	5,281,579	52,482
Autism					
Salaries of Teachers		423,389	423,389	419,337	4,052
Other Salaries for Instruction		737,903	737,903	734,480	3,423
General Supplies		15,151	15,151	14,093	1,058
Total Autism	-	1,176,443	1,176,443	1,167,910	8,533
Preschool Disabilities-Full Time					
Salaries of Teachers	306,941	(7,357)	299,584	176,970	122,614
Other Salaries for Instruction	584,044	(219,263)	364,781	351,631	13,150
Purchased Professional Educational Services	1,400		1,400		1,400
Purchased Technical Services	900		900		900
Other Purchased Services	1,000		1,000		1,000
General Supplies	10,000	(100)	9,900	2,887	7,013
Other Objects	3,500		3,500	1,582	1,918
Total Preschool Disabilities-Full Time	907,785	(226,720)	681,065	533,070	147,995
Total Special Education	9,888,349	615,807	10,504,156	10,050,151	454,005

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 4 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Basic Skills/Remedial					
Salaries of Teachers	\$ 335,122		\$ 335,122	\$ 231,987	\$ 103,135
General Supplies	1,200	\$ 50	1,250	1,196	54
Total Basic Skills/Remedial	336,322	50	336,372	233,183	103,189
Bilingual Education					
Salaries of Teachers	2,910,552	(233,941)	2,676,611	2,425,527	251,084
Purchased Professional-Educational Services	6,100	(500)	5,600	4,500	1,100
Purchased Technical Services	54,150	9,300	63,450	56,888	6,562
Other Purchased Services	2,000	746	2,746	515	2,231
General Supplies	76,361	(5,710)	70,651	57,587	13,064
Other Objects	8,500	(1,500)	7,000		7,000
Total Bilingual Education	3,057,663	(231,605)	2,826,058	2,545,017	281,041
School-Sponsored Cocurricular/Extra Activities					
Salaries	304,069	40,642	344,711	341,538	3,173
Purchased Services	11,800	12,878	24,678	23,497	1,181
Supplies and Materials	16,700	(5,325)	11,375	10,748	627
Other Objects	11,050	4,121	15,171	14,790	381
Total School-Sponsored Cocurricular/Extra Activities	343,619	52,316	395,935	390,573	5,362
School-Sponsored Athletics					
Salaries	1,000,013	55,874	1,055,887	1,048,605	7,282
Purchased Services	167,890	10,401	178,291	167,596	10,695
Supplies and Materials	128,550	26,230	154,780	152,717	2,063
Other Objects	90,025	2,895	92,920	92,241	679
Total School-Sponsored Athletics	1,386,478	95,400	1,481,878	1,461,159	20,719
Before/After School Programs					
Salaries of Teachers	54,674	(42,716)	11,958	6,750	5,208
Total Before/After School Programs	54,674	(42,716)	11,958	6,750	5,208
Total Instruction	46,120,892	79,653	46,200,545	45,054,762	1,145,783

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 5 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within the State-Regular		\$ 15,895	\$ 15,895	\$ 15,590	\$ 305
Tuition to Other LEA's Within the State-Special	\$ 1,031,282	11,152	1,042,434	868,734	173,700
Tuition to County Vocational School Regular	407,200	38,160	445,360	435,798	9,562
Tuition to County Vocational School - Special	41,351	(7,427)	33,924	33,924	
Tuition to CSSD and Reg Day Schools		321,443	321,443	246,348	75,095
Tuition to Private School Disabled Within the State	4,641,304	(684,231)	3,957,073	3,661,531	295,542
Tuition to Private School Disabled Other LEAs-Special	288,480	(17,063)	271,417	233,373	38,044
Tuition - State Facilities	123,225		123,225	123,225	
Tuition - Other	336,320	(165,429)	170,891	71,372	99,519
Total Undistributed Expenditures - Instruction	6,869,162	(487,500)	6,381,662	5,689,895	691,767
Attendance and Social Work					
Salaries	111,094	1,600	112,694	101,084	11,610
Total Attendance and Social Work	111,094	1,600	112,694	101,084	11,610
Health Services					
Salaries	1,199,751	(11,600)	1,188,151	1,094,365	93,786
Purchased Professional/Technical Services	224,980	13,500	238,480	195,803	42,677
Other Purchased Services	1,050	2,256	3,306	2,647	659
Supplies and Materials	30,000	(3,348)	26,652	16,637	10,015
Total Health Services	1,455,781	808	1,456,589	1,309,452	147,137
Speech, OT, PT and Related Services					
Salaries	1,277,289	148,904	1,426,193	1,392,356	33,837
Purchased Professional - Educational Services	862,078	127,042	989,120	862,387	126,733
Supplies and Materials	78,361	17,772	96,133	71,941	24,192
Total Speech, OT, PT and Related Services	2,217,728	293,718	2,511,446	2,326,684	184,762

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 6 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Other Support Services Student-Extra Services					
Salaries	\$ 826,174	\$ (420,658)	\$ 405,516	\$ 381,341	\$ 24,175
Total Other Support Services Student - Extra Services	826,174	(420,658)	405,516	381,341	24,175
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	2,362,321	21,950	2,384,271	2,312,841	71,430
Salaries of Secretarial and Clerical Assistants	212,911	(3,307)	209,604	193,723	15,881
Clerical Vacation Pay		3,307	3,307	3,307	
Purchased Professional - Educational Services	283,208	300	283,508	282,516	992
Other Purchased Professional and Technical Services	15,045	(366)	14,679	14,568	111
Travel	1,950	(1,000)	950	173	777
Supplies and Materials	16,600	1,086	17,686	16,907	779
Other Objects	350	(20)	330	330	
Total Guidance	2,892,385	21,950	2,914,335	2,824,365	89,970
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	2,528,187	103,168	2,631,355	2,593,854	37,501
Salaries of Secretarial and Clerical Assistants	251,032	(7,276)	243,756	226,046	17,710
Unused Vacation Payment to Terminated/Retired Staff		5,942	5,942	5,942	
Other Purchased Professional and Technical Services	167,745	9,981	177,726	137,989	39,737
Other Purchased Services	11,539		11,539	2,782	8,757
Supplies and Materials	47,582	5,082	52,664	31,716	20,948
Other Objects	3,278	1,904	5,182	4,989	193
Total Child Study Teams	3,009,363	118,801	3,128,164	3,003,318	124,846

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 7 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Current Expense (Cont'd.):					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 395,847	\$ 8,811	\$ 404,658	\$ 404,658	
Salaries of Secretarial and Clerical Staff	41,847	(366)	41,481	41,336	\$ 145
Purchased Professional - Educational Services	2,900	18,200	21,100	21,100	
Other Purchased Professional and Technical Services	211,383	78,124	289,507	289,433	74
Other Purchased Services	15,924	(9,685)	6,239	4,707	1,532
Supplies and Materials	17,998	(8,919)	9,079	8,161	918
Other Objects	5,000	1,861	6,861	6,258	603
Total Improvement of Instruction Services	690,899	88,026	778,925	775,653	3,272
Undistributed Expenditures:					
Educational Media Services/School Library					
Salaries	1,128,328	17,451	1,145,779	1,029,680	116,099
Salaries of Technology Coordinators	760,655	(81,912)	678,743	655,574	23,169
Unused Vacation Payment to Terminated/Retired Staff		4,229	4,229	4,229	
Purchased Professional/Technical Services	60,182	(10,590)	49,592	39,754	9,838
Other Purchased Services	3,034	(352)	2,682		2,682
Supplies and Materials	45,700	(3,481)	42,219	39,029	3,190
Other Objects	2,000	965	2,965	2,957	8
Total Educational Media Services/School Library	1,999,899	(73,690)	1,926,209	1,771,223	154,986
Instructional Staff Training Services					
Salaries of Other Professional Staff	56,870	(24,165)	32,705	32,705	
Salaries of Secretarial and Clerical Staff	13,779		13,779	13,779	
Purchased Professional/Educational Services	65,200	(3,115)	62,085	48,358	13,727
Other Purchased Services		275	275	275	
Supplies and Materials	6,700	(1,875)	4,825		4,825
Total Instructional Staff Training Services	142,549	(28,880)	113,669	95,117	18,552

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 8 of 14

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Undistributed Expenditures:					
Support Services General Administration					
Salaries	\$ 333,672	\$ 10,000	\$ 343,672	\$ 343,671	\$ 1
Legal Services	281,000	(18,553)	262,447	193,356	69,091
Audit Fees	47,000	8,753	55,753	54,903	850
Other Purchased Professional Services	101,200	116,800	218,000	176,735	41,265
Purchased Technical Services	24,400	13,564	37,964	17,695	20,269
Communications/Telephone	932,178	(68,880)	863,298	828,484	34,814
BOE Other Purchased Services	3,500	(1,300)	2,200	2,183	17
Miscellaneous Purchased Services	241,198	9,046	250,244	245,947	4,297
General Supplies	20,000	29,283	49,283	42,629	6,654
BOE In-House Training/Meeting Supplies	10,500	753	11,253	8,289	2,964
Miscellaneous Expenditures	11,378	(373)	11,005	5,105	5,900
BOE Membership Dues and Fees	32,000	1,932	33,932	29,127	4,805
Total Support Services General Administration	2,038,026	101,025	2,139,051	1,948,124	190,927
Support Services School Administration					
Salaries of Principals/Assistant Principals	3,352,371	(232,094)	3,120,277	3,120,273	4
Salaries of Other Professional Staff	262,151	171,819	433,970	433,823	147
Salaries of Secretarial and Clerical Assistants	836,956	(14,719)	822,237	822,235	2
Unused Vacation Payment to Terminated/Retired Staff		78,889	78,889	78,889	
Purchased Professional Technical Services	24,958	1,980	26,938	21,724	5,214
Other Purchased Services	45,354	(22,774)	22,580	6,855	15,725
Supplies and Materials	38,324	10,915	49,239	47,449	1,790
Other Objects	12,653	457	13,110	10,896	2,214
Total Support Services School Administration	4,572,767	(5,527)	4,567,240	4,542,144	25,096
Central Services					
Salaries	1,482,518	29,138	1,511,656	1,507,970	3,686
Unused Vacation Payment to Terminated/Retired Staff		8,163	8,163	8,163	
Purchased Professional Services	31,075	(1,688)	29,387	25,195	4,192
Purchased Technical Services	42,621	51,362	93,983	89,122	4,861
Miscellaneous Purchased Services	325,355	(41,957)	283,398	262,892	20,506
Supplies and Materials	20,900	12,144	33,044	30,972	2,072
Miscellaneous Expenditures	19,950	1,768	21,718	19,598	2,120
Total Central Services	1,922,419	58,930	1,981,349	1,943,912	37,437

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 9 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Undistributed Expenditures:					
Administrative Information Technology					
Salaries	\$ 274,045	\$ (26,000)	\$ 248,045	\$ 247,160	\$ 885
Purchased Professional Services	11,450		11,450	10,244	1,206
Purchased Technical Services	254,948	(27,575)	227,373	227,373	
Other Purchased Services	13,000	(3,295)	9,705	6,160	3,545
Supplies and Materials	15,000	(13,209)	1,791	1,136	655
Other Objects	2,700	(1,070)	1,630	1,625	5
Total Administrative Information Technology	571,143	(71,149)	499,994	493,698	6,296
Required Maintenance For School Facilities					
Salaries	682,350	(81,811)	600,539	596,208	4,331
Unused Vacation Payment to Terminated/Retired Staff		10,096	10,096	10,096	
Cleaning, Repair and Maintenance Services	2,006,863	(20,448)	1,986,415	1,649,775	336,640
General Supplies	278,900	13,408	292,308	261,235	31,073
Other Objects	12,440	500	12,940	10,300	2,640
Total Required Maintenance For School Facilities	2,980,553	(78,255)	2,902,298	2,527,614	374,684
Custodial Services					
Salaries	3,004,039	(191,513)	2,812,526	2,808,342	4,184
Salaries of Non-Instructional Aides	92,596	217,863	310,459	300,989	9,470
Unused Vacation Payment to Terminated/Retired Staff		36,546	36,546	36,546	
Purchased Professional and Technical Services	286,536	(77,395)	209,141	179,896	29,245
Cleaning, Repair and Maintenance Services	227,500	10,625	238,125	201,000	37,125
Other Purchased Property Services	245,000		245,000	200,886	44,114
Insurance	616,532	21,320	637,852	637,848	4
Miscellaneous Purchased Services	4,000	(3,300)	700		700
General Supplies	270,400	173,009	443,409	398,679	44,730
Energy (Natural Gas)	676,000	(75,000)	601,000	408,761	192,239
Energy (Electricity)	927,000	75,000	1,002,000	905,636	96,364
Energy (Gasoline)	42,200		42,200	29,115	13,085
Other Objects	30,400	(3,025)	27,375	26,398	977
Total Custodial Services	6,422,203	184,130	6,606,333	6,134,096	472,237

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 10 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES (CONT'D.):					
Care and Upkeep of Grounds					
Salaries	\$ 593,929	\$ (44,150)	\$ 549,779	\$ 549,202	\$ 577
Unused Vacation Payment to Terminated/Retired Staff		17,086	17,086	17,086	
Cleaning, Repair and Maintenance Services	124,784	30,556	155,340	149,504	5,836
General Supplies	67,780	12,690	80,470	79,991	479
Total Care and Upkeep of Grounds	786,493	16,182	802,675	795,783	6,892
Security					
Salaries	843,781	60,420	904,201	888,682	15,519
Purchased Professional and Technical Services	596,000	5,626	601,626	566,067	35,559
Cleaning, Repair and Maintenance Services	100,000		100,000	50,669	49,331
Travel	1,500	(1,500)			
General Supplies	53,500	(1,500)	52,000	46,367	5,633
Total Security	1,594,781	63,046	1,657,827	1,551,785	106,042
Total Maintenance and Custodial Services	11,784,030	185,103	11,969,133	11,009,278	959,855
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	2,816,743	(57,945)	2,758,798	2,741,120	17,678
Salaries for Pupil Transportation (Between Home and School) - Special	1,480,530	(200,874)	1,279,656	1,279,164	492
Salaries for Pupil Transportation (Other than Between Home and School)	387,750	395,499	783,249	783,249	
Unused Vacation Payment to Terminated/Retired Staff		13,855	13,855	13,855	
Management Fee - ESC Transportation Program	157,400		157,400	119,323	38,077
Other Purchased Professional/Technical Services	35,373	19,500	54,873	52,300	2,573
Cleaning, Repair, and Maintenance Services	81,846	(9,428)	72,418	71,230	1,188
Lease Purchase Payments - School Buses	902,979		902,979	902,978	1
Contracted Services - Aid in Lieu of Payments	400,000		400,000	270,251	129,749
Contracted Services (Between Home and School) - Vendors		36,900	36,900	30,075	6,825
Contracted Services (Other than Between Home and School) - Vendors	86,000	2,763	88,763	48,250	40,513
Contracted Services (Special Education Students) - Vendors	84,721		84,721	53,442	31,279
Contracted Services (Regular Students) ESCs	310,671		310,671	187,630	123,041
Contracted Services (Special Education Students) ESCs	3,282,183	(112,900)	3,169,283	2,601,181	568,102
Miscellaneous Purchased Services - Transportation	43,982		43,982	23,568	20,414
General Supplies	603,000	160,360	763,360	691,779	71,581
Miscellaneous Expenditures	17,450	31,270	48,720	36,849	11,871
Total Student Transportation Services	10,690,628	279,000	10,969,628	9,906,244	1,063,384

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 11 of 14

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Unallocated Benefits - Employee Benefits					
Group Insurance	\$ 64,000		\$ 64,000	\$ 53,624	\$ 10,376
Social Security Contributions	1,770,000	\$ 35,000	1,805,000	1,620,993	184,007
Other Retirement Contributions - PERS	2,596,000	(157,019)	2,438,981	2,137,458	301,523
Unemployment Compensation	100,000		100,000		100,000
Workmen's Compensation	862,533	(24,085)	838,448	699,677	138,771
Health Benefits	16,962,407	(27,064)	16,935,343	15,729,366	1,205,977
Tuition Reimbursements	223,000		223,000	171,523	51,477
Other Employee Benefits	523,000	100,000	623,000	609,706	13,294
Unused Sick Payments to Terminated/Retired Staff	201,000		201,000	165,920	35,080
Total Unallocated Benefits	23,301,940	(73,168)	23,228,772	21,188,267	2,040,505
On-Behalf TPAF Pension					
Contributions - Not Budgeted				17,037,826	(17,037,826)
On-Behalf Post Retirement Medical					
Contributions - Not Budgeted				4,637,072	(4,637,072)
On-Behalf Long-Term Disability Insurance					
Contributions - Not Budgeted				7,536	(7,536)
On-Behalf TPAF Social Security					
Contributions - Not Budgeted				3,637,887	(3,637,887)
Total Undistributed Expenditures	75,095,987	(11,611)	75,084,376	94,630,120	(19,545,744)
Interest Deposit to Maintenance Reserve	2,000		2,000		2,000
Total Expenditures - Current Expense	121,218,879	68,042	121,286,921	139,684,882	(18,397,961)

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 12 of 14

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Equipment:					
Regular Programs - Instruction					
Grades 1-5		\$ 9,416	\$ 9,416	\$ 9,416	
Grades 6-8		10,258	10,258	10,248	\$ 10
Grades 9-12		5,081	5,081	5,081	
School-Sponsored and Other Instructional Program	\$ 20,000	95,411	115,411	95,426	19,985
Non-Instructional Equipment		4,600	4,600	4,600	
Central Services		12,935	12,935	12,935	
Administration Information Technology	90,000	56,634	146,634	146,634	
Required Maintenance for School Facilities	210,463	(53,429)	157,034	111,977	45,057
Custodial Services	35,066	12,041	47,107	17,289	29,818
Care and Upkeep of Grounds	18,200	87,000	105,200	99,168	6,032
Security	130,000	24,392	154,392	24,392	130,000
Student Transportation - Non-Instructional Equipment		90,371	90,371	89,647	724
School Buses - Regular		590,126	590,126	590,126	
Total Equipment	503,729	944,836	1,448,565	1,216,939	231,626
Facilities Acquisitions and Construction Services					
Assessment for Debt Service on SDA Funding	37,738		37,738	37,738	
Total Facilities Acquisitions and Construction Services	37,738	-	37,738	37,738	-
Increase in Capital Reserve	1,000,000		1,000,000		1,000,000
Interest Deposit to Capital Reserve	7,000		7,000		7,000
Total Capital Outlay	1,548,467	944,836	2,493,303	1,254,677	1,238,626

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 13 of 14

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONT'D.):					
Transfer of Funds to Charter School	\$ 1,629,538	\$ (65,100)	\$ 1,564,438	\$ 1,543,620	\$ 20,818
Total Expenditures	<u>124,396,884</u>	<u>\$ 947,778</u>	<u>125,344,662</u>	<u>142,483,179</u>	<u>(17,138,517)</u>
(Deficiency)/Excess of Revenues (Under)/Over Expenditures	<u>(9,767,943)</u>	<u>(947,778)</u>	<u>(10,715,721)</u>	<u>3,218,306</u>	<u>13,934,027</u>
Other Financing (Uses) Sources					
Capital Reserve Transfer to Capital Projects	(8,804,163)	2,249,933	(6,554,230)	(6,554,230)	
Capital Reserve Transfer from Capital Projects				152,107	152,107
Financed Purchase Agreement		590,126	590,126	590,126	
Operating Transfers Out - Special Revenue Fund	<u>(781,544)</u>		<u>(781,544)</u>	<u>(781,544)</u>	
Total Other Financing (Uses) Sources	<u>(9,585,707)</u>	<u>2,840,059</u>	<u>(6,745,648)</u>	<u>(6,593,541)</u>	<u>152,107</u>
(Deficiency) of Revenues (Under) Expenditures and Other Financing Uses	<u>(19,353,650)</u>	<u>1,892,281</u>	<u>(17,461,369)</u>	<u>(3,375,235)</u>	<u>14,086,134</u>
Fund Balances, July 1	<u>38,939,117</u>		<u>38,939,117</u>	<u>38,939,117</u>	
Fund Balances, June 30	<u>\$ 19,585,467</u>	<u>\$ 1,892,281</u>	<u>\$ 21,477,748</u>	<u>\$ 35,563,882</u>	<u>\$ 14,086,134</u>

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Exhibit C-1
Page 14 of 14

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Recapitulation of (Deficiency) <u>of Revenues (Under) Expenditures:</u>					
Budgeted Fund Balance	\$ (10,549,487)		\$ (10,549,487)	\$ 3,384,540	\$ 13,934,027
Budgeted Transfer to Capital Reserve, Net	(8,804,163)	\$ 2,249,933	(6,554,230)	(6,402,123)	152,107
Adjustment for Prior Year Encumbrances		<u>(357,652)</u>	<u>(357,652)</u>	<u>(357,652)</u>	
Total	<u>\$ (19,353,650)</u>	<u>\$ 1,892,281</u>	<u>\$ (17,461,369)</u>	<u>\$ (3,375,235)</u>	<u>\$ 14,086,134</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for					
Subsequent Years Expenditures				\$ 4,064,436	
Reserve for Excess Surplus				7,251,448	
Maintenance Reserve				5,221,629	
Capital Reserve				6,251,631	
Unemployment Compensation				2,096,968	
Assigned Fund Balance:					
Year-end Encumbrances				438,580	
Designated for Subsequent Year's Expenditures				4,166,771	
Unassigned Fund Balance				<u>6,072,419</u>	
Budgetary Fund Balance				35,563,882	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(1,746,660)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 33,817,222</u>	

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Other Sources	\$ 495,800	\$ 161,425	\$ 657,225	\$ 892,380	\$ (235,155)
State Sources	12,964,732	491,960	13,456,692	11,128,652	2,328,040
Federal Sources	4,807,327	1,995,167	6,802,494	5,635,294	1,167,200
Total Revenues	18,267,859	2,648,552	20,916,411	17,656,326	3,260,085
EXPENDITURES:					
Instruction					
Salaries of Teachers	3,587,031	(1,461,704)	2,125,327	1,895,390	229,937
Salaries of Other Professional Staff	329,946	149,391	479,337	333,637	145,700
Purchased Professional - Educational Services	634,276	201,206	835,482	504,001	331,481
Purchased Technical Services	1	3,238	3,239	1,274	1,965
Other Purchased Services (Including Tuition)	2,041,095	503,182	2,544,277	2,544,277	
Rentals		2,823	2,823	2,823	
Travel		4,648	4,648	3,089	1,559
General Supplies	210,872	201,525	412,397	365,064	47,333
Textbooks	110,931	13,014	123,945	113,119	10,826
Instructional Equipment		177,132	177,132	177,132	
Other Objects		12,260	12,260	5,518	6,742
Total Instruction	6,914,152	(193,285)	6,720,867	5,945,324	775,543
Support Services					
Salaries of Teachers	18,917	214,482	233,399	129,555	103,844
Salaries of Supervisors of Instruction	110,123		110,123	110,123	
Salaries of Program Directors	164,549		164,549	119,800	44,749
Salaries of Other Professional Staff	489,053		489,053	464,908	24,145
Salaries of Secretarial and Clerical Assistants	145,891	7,001	152,892	150,807	2,085
Other Salaries	89,526	53,920	143,446	130,086	13,360
Salaries of Community Parent Involvement Specialists	67,295		67,295	66,967	328
Salaries of Master Teachers	373,490		373,490	324,223	49,267
Unused Vacation Payment to Terminated	20,000		20,000		20,000
Personal Services - Employee Benefits	917,228	920,420	1,837,648	1,581,061	256,587
Purchased Education Services - Contracted Pre-K	7,210,742	(15,022)	7,195,720	6,411,534	784,186
Purchased Education Services - Head Start	559,020		559,020	512,435	46,585
Purchased Professional - Educational Services	539,790	499,660	1,039,450	836,800	202,650
Other Purchased Professional Services		568,964	568,964	568,964	
Cleaning, Repair, and Maintenance Services	85,014	137,936	222,950	137,936	85,014
Travel	2,000	93,789	95,789	69,629	26,160
Supplies & Materials	48,969	282,083	331,052	207,176	123,876
Student Activities	294,100		294,100	575,630	(281,530) Note 1
Scholarships	16,000		16,000	4,250	11,750 Note 1
Total Support Services	11,151,707	2,763,233	13,914,940	12,401,884	1,513,056

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.):					
Facilities Acquisition and Construction Services:					
Construction Services		\$ 54,235	\$ 54,235	\$ 54,235	
Instructional Equipment	\$ 202,000	(214)	201,786	13,800	\$ 187,986
Noninstructional Equipment		24,583	24,583	24,583	
Total Facilities Acquisition and Construction Services	<u>202,000</u>	<u>78,604</u>	<u>280,604</u>	<u>92,618</u>	<u>187,986</u>
Total Expenditures	18,267,859	2,648,552	20,916,411	18,439,826	2,476,585
Other Financing Sources					
Transfers In				781,544	781,544
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,544</u>	<u>781,544</u>
Deficiency of Revenues Under Expenditures	\$ -	\$ -	\$ -	(1,956)	\$ 1,956
Fund Balance, July 1				336,955	
Fund Balance, June 30				<u>\$ 334,999</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 246,101	
Scholarships				88,898	
Total Fund Balance				<u>\$ 334,999</u>	

Note 1 - Not required to budget for these funds.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
YEAR ENDED JUNE 30, 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 (C-series)	(C-1)	\$ 145,701,485	(C-2)	\$ 17,656,326
Difference - budget to GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(1,746,660)		
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		<u>1,607,499</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	(B-2)	<u>\$ 145,562,324</u>	(B-2)	<u>\$ 17,656,326</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule Includes(rounding differences)	(C-1)	<u>\$ 142,483,179</u>	(C-2)	<u>\$ 18,439,826</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 142,483,179</u>	(B-2)	<u>\$ 18,439,826</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

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

Last Ten Fiscal Years

	<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>
District's Proportionate Share of the Net Pension Liability	0.156220%	0.151854%	0.150884%	0.146604%	0.140246%	0.141784%	0.144333%	0.142744%	0.148405%	0.153559%
District's Proportionate Share of the Net Pension Liability	\$ 29,248,653	\$ 34,088,177	\$ 44,687,450	\$ 34,127,005	\$ 27,613,727	\$ 25,725,108	\$ 23,722,093	\$ 17,090,384	\$ 22,585,976	\$ 22,242,180
District's Covered-Employee Payroll	\$ 10,045,414	\$ 10,250,422	\$ 9,879,763	\$ 9,994,439	\$ 10,039,977	\$ 10,155,364	\$ 10,445,967	\$ 10,804,652	\$ 11,377,092	\$ 12,206,458
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	291.16%	332.55%	452.31%	341.46%	275.04%	253.32%	227.09%	158.18%	198.52%	182.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (Local Share)	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

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

Last Ten Fiscal Years

	<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>
Contractually Required Contribution	\$ 1,287,855	\$ 1,305,537	\$ 1,347,305	\$ 1,378,853	\$ 1,401,308	\$ 1,394,605	\$ 1,591,353	\$ 1,700,135	\$ 1,989,810	\$ 2,137,458
Contribution in Relation to Contractually Required Contribution	<u>(1,287,855)</u>	<u>(1,305,537)</u>	<u>(1,347,305)</u>	<u>(1,378,853)</u>	<u>(1,401,308)</u>	<u>(1,394,605)</u>	<u>(1,591,353)</u>	<u>(1,700,135)</u>	<u>(1,989,810)</u>	<u>(2,137,458)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 10,250,422	\$ 9,879,763	\$ 9,994,439	\$ 10,039,977	\$ 10,155,364	\$ 10,445,967	\$ 10,804,652	\$ 11,377,092	\$ 12,206,458	\$ 12,965,911
Contributions as a percentage of Covered Employee Payroll	12.56%	13.21%	13.48%	13.73%	13.80%	13.35%	14.73%	14.94%	16.30%	16.49%

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

Last Ten Fiscal Years

	<u>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>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.399083%	0.393263%	0.379691%	0.384072%	0.392361%	0.396233%	0.398667%	0.400510%	0.401281%	0.406460%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$213,296,708	\$248,558,926	\$298,689,277	\$258,955,494	\$249,611,378	\$243,171,994	\$262,517,122	\$192,546,165	\$207,038,792	\$207,427,431
District's Covered-Employee Payroll	\$38,236,306	\$39,593,507	\$40,870,999	\$42,605,004	\$43,656,955	\$44,653,674	\$45,586,010	\$46,772,168	\$47,628,013	\$49,165,903
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	557.84%	627.78%	730.81%	607.81%	571.76%	544.57%	575.87%	411.67%	434.70%	421.89%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

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

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contributions are presented in Note 5.

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

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

Last Ten Fiscal Years*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's Proportion of the Net OPEB Liability	0.3751982%	0.3751536%	0.3788959%	0.3761813%	0.3753883%	0.3842511%	0.3844353%	0.3877979%
District's Proportionate Share of the Net OPEB Liability	\$ 216,983,826	\$ 201,231,802	\$ 174,712,060	\$ 156,976,983	\$ 254,550,691	\$ 230,580,034	\$ 194,702,871	\$ 203,057,457
District's Covered Employee Payroll	\$ 50,750,762	\$ 52,599,443	\$ 53,696,932	\$ 54,809,038	\$ 56,031,977	\$ 58,149,260	\$ 59,834,471	\$ 62,131,814
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Employee Payroll	427.55%	382.57%	325.37%	286.41%	454.30%	396.53%	325.40%	326.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 216,983,826	\$ 201,231,802	\$ 174,712,060	\$ 156,976,983	\$ 254,550,691	\$ 230,580,034	\$ 194,702,871	
Increased by:								
Service cost		8,614,150	7,137,933	6,289,779	6,658,031	12,011,587	10,794,518	8,487,171
Interest cost		6,366,019	7,379,613	6,915,152	5,652,671	5,981,489	5,159,841	7,151,435
Changes of benefit terms						(245,424)		
Differences between expected and actual experiences					43,062,541	(37,386,973)	5,346,282	(2,301,906)
Changes of assumptions				2,340,540	46,497,664	227,485	(52,230,792)	409,280
Member Contributions		171,628	161,463	142,840	134,319	152,917	163,963	183,266
	15,151,797	14,679,009	15,688,311	102,005,226	(19,258,919)	(30,766,188)	13,929,246	
Decreased by:								
Differences between expected and actual experiences			16,477,930	28,604,663				
Changes of assumptions		26,242,865	20,049,083					
Gross benefit payments		4,660,956	4,671,738	4,818,725	4,431,518	4,711,738	5,110,975	5,574,660
	30,903,821	41,198,751	33,423,388	4,431,518	4,711,738	5,110,975	5,574,660	
Ending Balance	\$ 201,231,802	\$ 174,712,060	\$ 156,976,983	\$ 254,550,691	\$ 230,580,034	\$ 194,702,871	\$ 203,057,457	

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

MORRIS SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB
LIABILITY AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the OPEB liability are
presented in Note 6.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
SECTION - E

MORRIS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I SIA	Title I Part D	IDEA Basic Regular	IDEA Preschool	High Impact Tutoring	Homeless Children and Youth II ARP Program	Totals
REVENUES:									
State Sources	\$ 11,093,495								\$ 11,093,495
Federal Sources	2,705,509	\$ 792,326	\$ 33,042	\$ 36,109	\$ 1,971,627	\$ 65,518	\$ 30,152	\$ 1,011	5,635,294
Local Sources	892,380								892,380
Total Revenues	14,691,384	792,326	33,042	36,109	1,971,627	65,518	30,152	1,011	17,621,169
EXPENDITURES:									
Instruction:									
Salaries of Teachers	\$ 1,369,202	\$ 480,172	\$ 12,473	\$ 33,543					\$ 1,895,390
Salaries of Other Professional Staff	333,637								333,637
Purchased Professional - Educational Services	473,502	347					\$ 30,152		504,001
Purchased Technical Services	1,274								1,274
Other Purchased Services (Including Tuition)	580,680				\$ 1,898,079	\$ 65,518			2,544,277
Rentals	2,823								2,823
Travel	3,089								3,089
General Supplies	356,938	8,126							365,064
Textbooks	113,119								113,119
Instructional Equipment	177,132								177,132
Other Objects	5,518								5,518
Total Instruction	3,416,914	488,645	12,473	33,543	1,898,079	65,518	30,152		5,945,324
Support Services:									
Salaries of Teachers	128,055		1,500						129,555
Salaries of Supervisors of Instruction	110,123								110,123
Salaries of Program Directors	119,800								119,800
Salaries of Other Professional Staff	464,908								464,908
Salaries of Secretarial & Clerical Assistants	150,807								150,807
Other Salaries	130,086								130,086
Salaries of Community Parent Involvement Specialists	66,967								66,967
Salaries of Master Teachers	324,223								324,223
Personal Services - Employee Benefits	1,336,987	240,439	1,069	2,566					1,581,061
Purchased Education Services - Contracted Pre-K	6,411,534								6,411,534
Purchased Education Services - Head Start	512,435								512,435
Purchased Professional - Educational Services	710,095		18,000		73,548				801,643
Other Purchased Professional Services	567,953							\$ 1,011	568,964
Cleaning, Repair, and Maintenance Services	137,936								137,936
Travel	6,387	63,242							69,629
Supplies and Materials	207,176								207,176
Student Activities	575,630								575,630
Scholarships	4,250								4,250
Total Support Services	11,965,352	303,681	20,569	2,566	73,548			1,011	12,366,727
Facilities Acquisitions & Construction Services:									
Construction Services	54,235								54,235
Instructional Equipment	13,800								13,800
Noninstructional Equipment	24,583								24,583
Total Facilities Acquisitions & Construction Services	92,618								92,618
Total Expenditures	15,474,884	792,326	33,042	36,109	1,971,627	65,518	30,152	1,011	18,404,669
(Deficiency) of Revenues (Under) Expenditures	(783,500)								(783,500)
Other financing sources									
Transfers in	781,544								781,544
Total other financing sources	781,544								781,544
Fund Balance, July 1	336,955								336,955
Fund Balance, June 30	\$ 334,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,999

MORRIS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONTD)
YEAR ENDED JUNE 30, 2024

	Total Brought Forward (Ex E-1b)	Title II	Title III	Title III Immigrant	Title IV	Elementary and Secondary School Emergency Relief ARP Program	Elementary and Secondary School Emergency Relief Evidence-Based Comprehensive Beyond the School Day Activities Grant-ARP Program	Elementary and Secondary School Emergency Relief Learning Coach and Educator Support Grant - ARP Program	Elementary and Secondary School Emergency Relief Mental Health Grant-ARP Program	Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) Learning Acceleration Grant Program	Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) Mental Health Grant	Elementary and Secondary School Emergency Relief (ESSER) Grant Program	Additional or Compensatory Special Education and Related Services (ACRSERS)	Total Carried Forward
REVENUES:														
State Sources	\$ 11,093,495													\$ 11,093,495
Federal Sources		\$ 63,025	\$ 244,311	\$ 5,721	\$ 14,985	\$ 1,342,003	\$ 2,863	\$ 462,345	\$ 39,000	\$ 46,123	\$ 13,619	\$ 91,459	\$ 380,055	2,705,509
Local Sources	892,380													892,380
Total Revenues	11,985,875	63,025	244,311	5,721	14,985	1,342,003	2,863	462,345	39,000	46,123	13,619	91,459	380,055	14,691,384
EXPENDITURES:														
Instruction:														
Salaries of Teachers	\$ 627,389		\$ 41,372			\$ 374,920	\$ 2,576	\$ 284,981		\$ 37,151		\$ 813		\$ 1,369,202
Salaries of Other Professional Staff	236,632		93,298	\$ 3,707										333,637
Purchased Professional - Educational Services	473,033											469		473,502
Purchased Technical Services	1,274													1,274
Other Purchased Services (Including Tuition)	349,010												\$ 231,670	580,680
Rentals	2,823													2,823
Travel	3,089													3,089
General Supplies	250,849		14,237			91,762	90							356,938
Textbooks	113,119													113,119
Instructional Equipment	177,132													177,132
Other Objects	5,518													5,518
Total Instruction	2,239,868		148,907	3,707		466,682	2,666	284,981		37,151		1,282	231,670	3,416,914
Support Services:														
Salaries of Teachers		\$ 304	33,656		\$ 6,000	61,750				5,694	\$ 12,651	8,000		128,055
Salaries of Supervisors of Instruction	110,123													110,123
Salaries of Program Directors	119,800													119,800
Salaries of Other Professional Staff	464,908													464,908
Salaries of Secretarial & Clerical Assistants	150,807													150,807
Other Salaries	129,636				450									130,086
Salaries of Community Parent Involvement Specialists	66,967													66,967
Salaries of Master Teachers	324,223													324,223
Personal Services - Employee Benefits	859,516	23	56,448	2,014	493	236,012	197	177,364		3,278	968	674		1,336,987
Purchased Education Services - Contracted Pre-K	6,411,534													6,411,534
Purchased Education Services - Head Start	512,435													512,435
Purchased Professional - Educational Services	579,155	59,098	5,300		8,042	19,500			\$ 39,000					710,095
Other Purchased Professional Services						419,568							148,385	567,953
Cleaning, Repair, and Maintenance Services	137,936													137,936
Travel	2,787	3,600												6,387
Supplies and Materials	982					124,691						81,503		207,176
Student Activities	575,630													575,630
Scholarships	4,250													4,250
Total Support Services	10,450,689	63,025	95,404	2,014	14,985	861,521	197	177,364	39,000	8,972	13,619	90,177	148,385	11,965,352
Facilities Acquisitions & Construction Services:														
Construction Services	54,235													54,235
Instructional Equipment						13,800								13,800
Noninstructional Equipment	24,583													24,583
Total Facilities Acquisitions & Construction Services	78,818					13,800								92,618
Total Expenditures	12,769,375	63,025	244,311	5,721	14,985	1,342,003	2,863	462,345	39,000	46,123	13,619	91,459	380,055	15,474,884
(Deficiency) of Revenues (Under) Expenditures	(783,500)													(783,500)
Other financing sources														
Transfers in	781,544													781,544
Total other financing sources	781,544													781,544
Fund Balance, July 1	336,955													336,955
Fund Balance, June 30	\$ 334,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,999

MORRIS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
YEAR ENDED JUNE 30, 2024

	Total Brought Forward (Ex. E-1c)	N.J. NP Auxiliary Services Ch. 192			N.J. NP Handicapped Services Ch. 193			Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Security	Total Carried Forward
		Home Instruction	ESL	Compensatory Education	Supplemental Instruction	Examination & Classification	Corrective Speech					
REVENUES:												
State Sources	\$ 9,654,160	\$ 15,991	\$ 2,381	\$ 76,244	\$ 89,291	\$ 122,495	\$ 44,268	\$ 334,023	\$ 126,554	\$ 113,119	\$ 514,969	\$ 11,093,495
Federal Sources												
Local Sources	892,380											892,380
Total Revenues	10,546,540	15,991	2,381	76,244	89,291	122,495	44,268	334,023	126,554	113,119	514,969	11,985,875
EXPENDITURES:												
Instruction:												
Salaries of Teachers	\$ 627,389											\$ 627,389
Salaries of Other Professional Staff	236,632											236,632
Purchased Professional - Educational Services	62,927	\$ 15,991	\$ 2,381		\$ 89,291				\$ 3,330		\$ 299,113	473,033
Purchased Technical Services	1,274											1,274
Other Purchased Services (Including Tuition)	349,010											349,010
Travel	3,089											3,089
Rentals	2,823											2,823
General Supplies	128,735								96,980		25,134	250,849
Instructional Equipment	22,914								26,244		127,974	177,132
Other Objects	5,518											5,518
Total Instruction	1,440,311	15,991	2,381		89,291				126,554	113,119	452,221	2,239,868
Support Services:												
Salaries of Teachers												
Salaries of Supervisors of Instruction	110,123											110,123
Salaries of Program Directors	119,800											119,800
Salaries of Other Professional Staff	464,908											464,908
Salaries of Secretarial & Clerical Assistants	150,807											150,807
Other Salaries	79,716										49,920	129,636
Salaries of Community Parent Involvement Specialists	66,967											66,967
Salaries of Master Teachers	324,223											324,223
Personal Services - Employee Benefits	855,438										4,078	859,516
Purchased Education Services - Contracted Pre-K	6,411,534											6,411,534
Purchased Education Services - Head Start	512,435											512,435
Purchased Professional - Educational Services	2,125			\$ 76,244		\$ 122,495	\$ 44,268	\$ 334,023				579,155
Cleaning, Repair, and Maintenance Services	137,936											137,936
Travel	2,787											2,787
Supplies and Materials	982											982
Student Activities	575,630											575,630
Scholarships	4,250											4,250
Total Support Services	9,819,661			76,244		122,495	44,268	334,023			53,998	10,450,689
Facilities Acquisitions & Construction Services:												
Construction Services	54,235											54,235
Instructional Equipment	15,833										8,750	24,583
Noninstructional Equipment												
Total Facilities Acquisitions & Construction Services	70,068										8,750	78,818
Total Expenditures	11,330,040	15,991	2,381	76,244	89,291	122,495	44,268	334,023	126,554	113,119	514,969	12,769,375
(Deficiency) of Revenues (Under) Expenditures	(783,500)											(783,500)
Other financing sources												
Transfers in	781,544											781,544
Total other financing sources	781,544											781,544
Fund Balance, July 1	336,955											336,955
Fund Balance, June 30	\$ 334,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,999

MORRIS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
YEAR ENDED JUNE 30, 2024

	Tutoring Program	Rosina Santora Foundation	HSA Clubs	Preschool Education	SDA Emergent Needs Grant	Morris Education Foundation	Miscellaneous Grants	Scholarship Fund	Student Activity Fund	Total Carried Forward
REVENUES:										
State Sources				\$ 9,516,224	\$ 137,936					\$ 9,654,160
Federal Sources										
Local Sources	\$ 390	\$ 982	\$ 49,030			\$ 191,796	\$ 72,258	\$ 4,383	\$ 573,541	892,380
Total Revenues	390	982	49,030	9,516,224	137,936	191,796	72,258	4,383	573,541	10,546,540
EXPENDITURES:										
Instruction:										
Salaries of Teachers			\$ 45,327	\$ 577,262		\$ 4,800				\$ 627,389
Salaries of Other Professional Staff				236,632						236,632
Purchased Professional - Educational Services				20,500		42,427				62,927
Purchased Technical Services	\$ 390			884						1,274
Other Purchased Services (Including Tuition)				332,010		17,000				349,010
Rentals				2,823						2,823
Travel						3,089				3,089
General Supplies				30,497		96,048	\$ 2,190			128,735
Instructional Equipment						22,914				22,914
Other Objects						5,518				5,518
Total Instruction	390		45,327	1,200,608		191,796	2,190			1,440,311
Support Services:										
Salaries of Teachers										
Salaries of Supervisors of Instruction				110,123						110,123
Salaries of Program Directors				119,800						119,800
Salaries of Other Professional Staff				464,908						464,908
Salaries of Secretarial & Clerical Assistants				150,807						150,807
Other Salaries				79,716						79,716
Salaries of Community Parent Involvement Specialists				66,967						66,967
Salaries of Master Teachers				324,223						324,223
Personal Services - Employee Benefits			3,703	851,735						855,438
Purchased Education Services - Contracted Pre-K				6,411,534						6,411,534
Purchased Education Services - Head Start				512,435						512,435
Purchased Professional - Educational Services				2,125						2,125
Cleaning, Repair, and Maintenance Services					\$ 137,936					137,936
Travel				2,787						2,787
Supplies and Materials		\$ 982								982
Student Activities									\$ 575,630	575,630
Scholarships								\$ 4,250		4,250
Total Support Services		982	3,703	9,097,160	137,936			4,250	575,630	9,819,661
Facilities Acquisitions & Construction Services:										
Construction Services							54,235			54,235
Instructional Equipment										
Noninstructional Equipment							15,833			15,833
Total Facilities Acquisitions & Construction Services							70,068			70,068
Total Expenditures	390	982	49,030	10,297,768		191,796	72,258	4,250	575,630	11,330,040
(Deficiency) Excess of Revenues (Under) Over Expenditures				(781,544)				133	(2,089)	(783,500)
				(781,544)				133	(2,089)	(783,500)
Other financing sources										
Transfers in				781,544						781,544
Total other financing sources				781,544						781,544
Fund Balance, July 1								88,765	248,190	336,955
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,898	\$ 246,101	\$ 334,999

MORRIS SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>EXPENDITURES</u>			
Instruction:			
Salaries of Teachers	\$ 608,405	\$ 577,262	\$ 31,143
Other Salaries for Instruc.	261,036	236,632	24,404
Purchased Prof. Educational Services	20,500	20,500	
Purchased Technical Services	1,089	884	205
Rentals	2,823	2,823	
Tuition to Other LEAs in State Regular	332,010	332,010	
General Supplies	41,891	30,497	11,394
Total Instruction	<u>1,267,754</u>	<u>1,200,608</u>	<u>67,146</u>
Support Services:			
Salaries of Supervisors of Instruction	110,123	110,123	
Salaries of Program Directors	164,549	119,800	44,749
Salaries of Other Professional Staff	489,053	464,908	24,145
Salaries of Secr. and Clerical Assistants	152,892	150,807	2,085
Other Salaries	89,526	79,716	9,810
Salaries of Community Parent Involvement Spec.	67,295	66,967	328
Salaries of Master Teachers	373,490	324,223	49,267
Unused Vacation Payment to Terminated/Retired Staff	20,000		20,000
Personnel Services - Employee Benefits	917,228	851,735	65,493
Purch. Prof. - Educ. Services - Contracted Pre-K	7,195,720	6,411,534	784,186
Purch. Prof. - Educ. Services - Head Start	559,020	512,435	46,585
Purch. Prof. - Educ. Services	3,000	2,125	875
Purch. Prof. Services	85,000	35,157	49,843
Cleaning, Repair, and Maintenance Services	85,014		85,014
Travel	3,000	2,787	213
General Supplies	5,969		5,969
Total Support Services	<u>10,320,879</u>	<u>9,132,317</u>	<u>1,188,562</u>
Facilities Acquis. & Const. Serv.:			
Instructional Equipment	<u>187,986</u>		<u>187,986</u>
Total Facil. Acquis. & Const. Serv.	<u>187,986</u>	<u>-</u>	<u>187,986</u>
Total Expenditures	<u>\$ 11,776,619</u>	<u>\$ 10,332,925</u>	<u>\$ 1,443,694</u>
Total Revised 2023-2024 Preschool Education Aid Allocation			\$ 9,446,446
Actual Preschool Aid Carryover (June 30, 2023)			1,650,456
Budgeted Transfer From General Fund			781,544
Total Preschool Education Funds Available 2023-2024 Budget			11,878,446
Less: 2023-2024 Budgeted Preschool Education Aid (Incl. Prior Year Budgeted Carryover)			<u>11,776,619</u>
Available & Unbudgeted Preschool Education Funds as of June 30, 2024			101,827
Add: June 30, 2024 Unexpended Preschool Education Aid			1,443,694
2023-2024 Actual Carryover - Preschool Education Aid			<u>\$ 1,545,521</u>
2023-2024 Preschool Ed Aid Carryover Budgeted in 2024-2025			\$ 1,261,774
2023-2024 Preschool Ed Aid Carryover Budgeted in 2025-2026			283,747
			<u>\$ 1,545,521</u>

CAPITAL PROJECT FUND
SECTION - F

MORRIS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

<u>PROJECT TITLE / ISSUE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>		<u>TRANSFERS OUT</u>	<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>		
<u>FY 2020</u>					
Electrical Upgrades	\$ 600,000		\$ 34,551		\$ 565,449
<u>FY 2021</u>					
Security Vestibules	2,133,240	\$ 54,781	51,698		2,026,761
<u>FY 2022</u>					
AH Field Improvements	2,120,000	822,646	59,265		1,238,089
MHS Turf Light and Scoreboard	1,624,461	926,524	545,830	\$ 152,107	
WD Renovations	8,326,800	2,761,047	3,135,393		2,430,360
<u>FY 2024</u>					
MHS Roof	2,005,735		20,003		1,985,732
FMS Boiler	643,650		500		643,150
HC HVAC Controls	30,252		206		30,046
HC Roof	2,045,471		30,000		2,015,471
TJ HVAC Controls	30,288		200		30,088
AH HVAC Controls	31,494		200		31,294
<u>FY 2025</u>					
MHS Culinary Arts Lab	132,500		108,145		24,355
FMS Elevator Replacement	51,100		41,129		9,971
NP Fire Alarm Upgrade	39,900		32,892		7,008
AV Fire Alarm Upgrade	54,600		43,205		11,395
Totals	<u>\$ 21,737,832</u>	<u>\$ 6,433,339</u>	<u>\$ 4,103,217</u>	<u>\$ 152,107</u>	<u>\$ 11,049,169</u>

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ 6,554,230
Total Revenues and Other Financing Sources	<u>6,554,230</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	461,220
Construction Services	3,641,997
Transfer to Capital Reserve	152,107
Total Expenditures and Other Financing Uses	<u>4,255,324</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,298,906
Fund Balance - Beginning	8,750,263
Fund Balance - Ending	<u><u>\$ 11,049,169</u></u>

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve	\$ 600,000		\$ 600,000	\$ 600,000
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>\$ 600,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		34,551	34,551	
Land and Improvements				
Construction Services				
Equipment Purchases				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>34,551</u>	<u>34,551</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 600,000</u>	<u>\$ (34,551)</u>	<u>\$ 565,449</u>	
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 600,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 600,000			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	6%			
Original Target Completion Date	Aug-22			
Revised Target Completions Date	Dec-25			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
SECURITY VESTIBULES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve	\$ 644,000	\$ 1,489,240	\$ 2,133,240	\$ 2,133,240
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>644,000</u>	<u>1,489,240</u>	<u>2,133,240</u>	<u>\$ 2,133,240</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	54,781	51,698	106,479	
Land and Improvements				
Construction Services				
Equipment Purchases				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>54,781</u>	<u>51,698</u>	<u>106,479</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 589,219</u>	<u>\$ 1,437,542</u>	<u>\$ 2,026,761</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 644,000			
Additional Authorized Cost	1,489,240			
Revised Authorized Cost	\$ 2,133,240			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	5%			
Original Target Completion Date	Aug-21			
Revised Target Completions Date	Dec-25			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
AH FIELD IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve	\$ 2,120,000		\$ 2,120,000	\$ 2,120,000
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>2,120,000</u>	<u>-</u>	<u>2,120,000</u>	<u>\$ 2,120,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	309,049	\$ 59,265	368,314	
Land and Improvements				
Construction Services	513,597		513,597	
Equipment Purchases				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>822,646</u>	<u>59,265</u>	<u>881,911</u>	
Excess (Deficiency) of Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,297,354</u>	<u>\$ (59,265)</u>	<u>\$ 1,238,089</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	2,000,000			
Revised Authorized Cost	\$ 2,120,000			
Percentage Increase over Original				
Authorized Cost	1667%			
Percentage Completion	42%			
Original Target Completion Date	Aug-22			
Revised Target Completions Date	Dec-25			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MHS TURF LIGHT AND SCOREBOARD
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve	\$ 1,624,461		\$ 1,624,461	\$ 1,624,461
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>1,624,461</u>	<u>-</u>	<u>1,624,461</u>	<u>\$ 1,624,461</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	94,335	\$ 5,498	99,833	
Land and Improvements				
Construction Services	832,189	540,332	1,372,521	
Equipment Purchases				
Transfer to Capital Reserve		152,107	152,107	
Total Expenditures and Other Financing Uses	<u>926,524</u>	<u>697,937</u>	<u>1,624,461</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 697,937</u>	<u>\$ (697,937)</u>	<u>\$ -</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,340,000			
Additional Authorized Cost	284,461			
Revised Authorized Cost	\$ 1,624,461			
Percentage Increase over Original Authorized Cost	21%			
Percentage Completion	100%			
Original Target Completion Date	Aug-22			
Revised Target Completions Date	Dec-25			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WD RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve	\$ 8,326,800		\$ 8,326,800	\$ 8,326,800
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>8,326,800</u>	<u>-</u>	<u>8,326,800</u>	<u>\$ 8,326,800</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	504,724	33,728	538,452	
Land and Improvements				
Construction Services	2,256,323	3,101,665	5,357,988	
Equipment Purchases				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>2,761,047</u>	<u>3,135,393</u>	<u>5,896,440</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 5,565,753</u>	<u>\$ (3,135,393)</u>	<u>\$ 2,430,360</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 5,600,000			
Additional Authorized Cost	2,726,800			
Revised Authorized Cost	\$ 8,326,800			
Percentage Increase over Original Authorized Cost	49%			
Percentage Completion	71%			
Original Target Completion Date	Aug-22			
Revised Target Completions Date	Dec-25			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MHS ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 2,005,735	\$ 2,005,735	\$ 2,005,735
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>2,005,735</u>	<u>2,005,735</u>	<u>\$ 2,005,735</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		20,003	20,003	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>20,003</u>	<u>20,003</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 1,985,732</u>	<u>\$ 1,985,732</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,283,835			
Additional Authorized Cost	(278,100)			
Revised Authorized Cost	\$ 2,005,735			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	1%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
FMS BOILER
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 643,650	\$ 643,650	\$ 643,650
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>643,650</u>	<u>643,650</u>	<u>\$ 643,650</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		500	500	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>500</u>	<u>500</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 643,150</u>	<u>\$ 643,150</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 643,650			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 643,650			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	0%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
HC HVAC CONTROLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 30,252	\$ 30,252	\$ 30,252
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>30,252</u>	<u>30,252</u>	<u>\$ 30,252</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		206	206	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>206</u>	<u>206</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 30,046</u>	<u>\$ 30,046</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 30,252			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 30,252			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	1%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
HC ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 2,045,471	\$ 2,045,471	\$ 2,045,471
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>2,045,471</u>	<u>2,045,471</u>	<u>\$ 2,045,471</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		30,000	30,000	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>30,000</u>	<u>30,000</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 2,015,471</u>	<u>\$ 2,015,471</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,045,471			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 2,045,471			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	1%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
TJ HVAC CONTROLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 30,288	\$ 30,288	\$ 30,288
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>30,288</u>	<u>30,288</u>	<u>\$ 30,288</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		200	200	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>200</u>	<u>200</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 30,088</u>	<u>\$ 30,088</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 30,288			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 30,288			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	1%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
AH HVAC CONTROLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 31,494	\$ 31,494	\$ 31,494
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>31,494</u>	<u>31,494</u>	<u>\$ 31,494</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		200	200	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>200</u>	<u>200</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 31,294</u>	<u>\$ 31,294</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 31,494			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 31,494			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	1%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MHS CULINARY ARTS LAB
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 132,500	\$ 132,500	\$ 132,500
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>132,500</u>	<u>132,500</u>	<u>\$ 132,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 108,145	108,145	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>108,145</u>	<u>108,145</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 24,355</u>	<u>\$ 24,355</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 132,500			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 132,500			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	18%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
FMS ELEVATOR REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 51,100	\$ 51,100	\$ 51,100
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>51,100</u>	<u>51,100</u>	<u>\$ 51,100</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 41,129	41,129	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>41,129</u>	<u>41,129</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 9,971</u>	<u>\$ 9,971</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 51,100			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 51,100			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	20%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NP FIRE ALARM UPGRADE
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 39,900	\$ 39,900	\$ 39,900
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>39,900</u>	<u>39,900</u>	<u>\$ 39,900</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 32,892	32,892	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>32,892</u>	<u>32,892</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 7,008</u>	<u>\$ 7,008</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 39,900			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 39,900			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	18%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

MORRIS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
AV FIRE ALARM UPGRADE
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant				
Bond Proceeds and Transfers				
Contribution from Private Source				
Transfer from Capital Reserve		\$ 54,600	\$ 54,600	\$ 54,600
Transfer from Capital Outlay				
Total Revenues and Other Financing Sources	<u>-</u>	<u>54,600</u>	<u>54,600</u>	<u>\$ 54,600</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 43,205	43,205	
Land and Improvements				
Construction Services				
Transfer to Capital Reserve				
Total Expenditures and Other Financing Uses	<u>-</u>	<u>43,205</u>	<u>43,205</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 11,395</u>	<u>\$ 11,395</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 54,600			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 54,600			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	21%			
Original Target Completion Date	Dec-26			
Revised Target Completions Date	N/A			

LONG-TERM DEBT

SECTION - I

MORRIS SCHOOL DISTRICT
SCHEDULE OF FINANCED PURCHASES PAYABLE
LONG-TERM DEBT
JUNE 30, 2024

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30,	ADDITIONS	RETIRED	BALANCE JUNE 30,
			PRINCIPAL	INTEREST		2023			2024
Copy Machines	09/01/18	5 Years	\$ 69,077	\$ 7,687	4.230%	\$ 2,303		\$ 2,303	
Copy Machines	10/01/18	5 Years	40,713	5,973	5.520%	4,251		4,251	
Buses	08/01/18	6 Years	108,000	10,394	3.220%	31,389		31,389	
Dump Trucks & Copiers	07/15/19	5 Years	320,000	16,725	2.614%	65,629		65,629	
Buses	07/15/19	6 Years	610,000	46,881	2.687%	265,845		87,634	\$ 178,211
Various Equipment	09/18/20	5 Years	142,000	10,907	1.000%	54,343		26,795	27,548
Buses	09/18/20	6 Years	1,395,000	30,825	1.000%	812,356		197,223	615,133
Copy Machines	08/20/21	4 Years	128,579	5,754	2.238%	77,122		25,140	51,982
Buses & Various Equipment	07/15/22	6 Years	3,853,111	320,128	3.020%	3,219,006		542,063	2,676,943
Buses	02/01/24	6 Years	590,126	65,702	4.380%		\$ 590,126		590,126
Total						\$ 4,532,244	\$ 590,126	\$ 982,427	\$ 4,139,943

STATISTICAL SECTION (UNAUDITED)
SECTION - J

Statistical Section
Unaudited

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

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

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

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

	2015	2016	2017	2018	2019	June 30, 2020 (Restated)	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 34,762,605	\$ 43,696,718	\$ 44,935,291	\$ 49,610,975	\$ 51,308,245	\$ 52,065,708	\$ 51,476,541	\$ 53,787,682	\$ 57,161,574	\$ 60,028,079
Restricted	30,024,003	23,910,031	23,357,422	22,058,286	21,658,087	26,448,842	33,393,653	34,671,336	34,611,045	36,270,280
Unrestricted	(32,984,938)	(31,840,835)	(31,684,701)	(32,720,614)	(29,763,515)	(29,215,685)	(27,351,738)	(18,975,649)	(16,245,301)	(17,285,391)
Total Governmental Activities Net Position/Net Assets	<u>\$ 31,801,670</u>	<u>\$ 35,765,914</u>	<u>\$ 36,608,012</u>	<u>\$ 38,948,647</u>	<u>\$ 43,202,817</u>	<u>\$ 49,298,865</u>	<u>\$ 57,518,456</u>	<u>\$ 69,483,369</u>	<u>\$ 75,527,318</u>	<u>\$ 79,012,968</u>
Business-type Activities										
Investment in Capital Assets	\$ 74,299	\$ 95,157	\$ 117,324	\$ 173,851	\$ 207,799	\$ 225,659	\$ 224,498	\$ 226,284	\$ 207,126	\$ 321,940
Unrestricted	492,135	416,454	468,154	515,885	673,376	511,244	475,482	1,664,186	2,347,094	2,178,940
Total Business-type Activities Net Position/Net Assets	<u>\$ 566,434</u>	<u>\$ 511,611</u>	<u>\$ 585,478</u>	<u>\$ 689,736</u>	<u>\$ 881,175</u>	<u>\$ 736,903</u>	<u>\$ 699,980</u>	<u>\$ 1,890,470</u>	<u>\$ 2,554,220</u>	<u>\$ 2,500,880</u>
Government-wide										
Investment in Capital Assets	\$ 34,836,904	\$ 43,791,875	\$ 45,052,615	\$ 49,784,826	\$ 51,516,044	\$ 52,291,367	\$ 51,701,039	\$ 54,013,966	\$ 57,368,700	\$ 60,350,019
Restricted	30,024,003	23,910,031	23,357,422	22,058,286	21,658,087	26,448,842	33,393,653	34,671,336	34,611,045	36,270,280
Unrestricted	(32,492,803)	(31,424,381)	(31,216,547)	(32,204,729)	(29,090,139)	(28,704,441)	(26,876,256)	(17,311,463)	(13,898,207)	(15,106,451)
Total District Net Position/Net Assets	<u>\$ 32,368,104</u>	<u>\$ 36,277,525</u>	<u>\$ 37,193,490</u>	<u>\$ 39,638,383</u>	<u>\$ 44,083,992</u>	<u>\$ 50,035,768</u>	<u>\$ 58,218,436</u>	<u>\$ 71,373,839</u>	<u>\$ 78,081,538</u>	<u>\$ 81,513,848</u>

Source: ACFR Schedule A-1

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

Reflects Implementation of GASB 84 for 2021, which required the restatement of beginning net position.

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

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 28,387,065	\$ 29,237,127	\$ 31,710,468	\$ 32,297,670	\$ 35,374,952	\$ 34,895,344	\$ 37,313,269	\$ 37,641,978	\$ 48,769,071	\$ 51,343,317
Special Education	7,781,595	8,153,686	6,421,612	6,566,012	6,389,428	6,670,823	7,367,452	8,774,782	13,788,298	15,191,089
Other Special Education	1,496,083	1,894,853	1,953,758	2,166,629	2,338,259	3,165,913	3,236,607	2,919,552	4,685,944	4,202,178
Other Instruction	1,371,203	1,391,027	1,470,913	1,508,941	1,571,308	1,458,586	1,352,825	1,585,169	2,370,198	2,618,183
Support Services:										
Tuition	5,628,722	5,846,949	5,681,478	5,926,763	5,753,469	5,370,532	5,050,199	4,772,210	5,533,510	5,849,994
Student & Instruction Related Services	14,330,155	14,443,418	15,362,877	15,545,329	14,497,741	16,597,308	20,869,737	21,479,462	29,449,566	30,926,878
School Administrative Services	2,832,511	3,016,712	3,096,687	3,891,005	3,980,819	3,916,523	3,918,595	4,274,361	6,815,832	6,886,191
General Administrative Services	3,384,791	3,312,990	3,299,714	3,307,097	3,415,943	3,381,422	3,487,420	4,115,906	5,134,356	5,699,891
Plant Operations and Maintenance	7,784,633	7,443,979	7,703,340	8,040,375	9,165,015	9,492,529	8,679,155	10,009,081	12,104,876	12,644,579
Pupil Transportation	6,041,059	6,249,298	6,961,605	6,242,152	6,761,122	6,945,237	6,531,871	8,691,087	13,812,233	12,617,565
Unallocated Benefits	21,966,032	25,046,260	47,304,559	51,278,533	43,295,649	37,997,650	48,299,957	33,853,198		
Charter Schools								1,472,989	1,526,872	1,543,620
Interest on Long-term Debt	157,708	120,563	93,492	87,115	83,483	116,509	58,246	25,455		
Unallocated Depreciation	162,785	192,659	176,085	218,870	242,380	231,182	273,370			
Total Governmental Activities Expenses	101,324,342	106,349,521	131,236,588	137,076,491	132,869,568	130,239,558	146,438,703	139,615,230	143,990,756	149,523,485
Business-type Activities:										
Food Service	1,950,021	1,614,906	1,576,399	1,490,552	1,590,977	1,392,989	1,148,437	2,252,256	2,218,946	2,531,940
Community School	1,651,378	1,807,674	1,714,323	1,655,544	1,576,364	1,448,496	682,827	861,725	1,189,888	1,443,947
Total Business-type Activities Expense	3,601,399	3,422,580	3,290,722	3,146,096	3,167,341	2,841,485	1,831,264	3,113,981	3,408,834	3,975,887
Total District Expenses	\$ 104,925,741	\$ 109,772,101	\$ 134,527,310	\$ 140,222,587	\$ 136,036,909	\$ 133,081,043	\$ 148,269,967	\$ 142,729,211	\$ 147,399,590	\$ 153,499,372
Program Revenues										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services								\$ 385,118	\$ 4,786,271	\$ 4,522,942
Operating Grants and Contributions	\$ 18,867,263	\$ 20,675,124	\$ 41,334,669	\$ 45,981,670	\$ 41,768,056	\$ 36,765,669	\$ 55,236,862	14,182,879	15,705,559	17,410,224
Total Governmental Activities Program Revenues	18,867,263	20,675,124	41,334,669	45,981,670	41,768,056	36,765,669	55,236,862	14,567,997	20,491,830	21,933,166
Business-type Activities:										
Charges for services										
Food Service	660,566	579,333	607,973	564,963	612,948	441,591	33,915	67,079	637,252	634,112
Community School	1,719,989	1,651,902	1,720,765	1,713,327	1,709,648	1,263,558	465,252	1,317,070	1,511,625	1,317,953
Operating Grants and Contributions	1,153,151	1,134,834	1,034,351	970,369	1,034,317	990,358	1,294,409	2,919,432	1,921,684	1,968,296
Total Business-type Activities Program Revenues	3,533,706	3,366,069	3,363,089	3,248,659	3,356,913	2,695,507	1,793,576	4,303,581	4,070,561	3,920,361
Total District Program Revenues	\$ 22,400,969	\$ 24,041,193	\$ 44,697,758	\$ 49,230,329	\$ 45,124,969	\$ 39,461,176	\$ 57,030,438	\$ 18,871,578	\$ 24,562,391	\$ 25,853,527
Net (Expense)/Revenue										
Governmental Activities	\$ (82,457,079)	\$ (85,674,397)	\$ (89,901,919)	\$ (91,094,821)	\$ (91,101,512)	\$ (93,473,889)	\$ (91,201,841)	\$ (125,047,233)	\$ (123,498,926)	\$ (127,590,319)
Business-type Activities	(67,693)	(56,511)	72,367	102,563	189,572	(145,978)	(37,688)	1,189,600	661,727	(55,526)
Total Government-wide Net Expense	\$ (82,524,772)	\$ (85,730,908)	\$ (89,829,552)	\$ (90,992,258)	\$ (90,911,940)	\$ (93,619,867)	\$ (91,239,529)	\$ (123,857,633)	\$ (122,837,199)	\$ (127,645,845)

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

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position/Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 83,248,085	\$ 85,246,039	\$ 86,834,961	\$ 88,571,660	\$ 91,073,093	\$ 92,894,555	\$ 95,309,814	\$ 97,216,010	\$ 98,829,832	\$ 100,806,429
Taxes Levied for Debt Service	685,270	664,905	576,274	551,007	529,509					
Unrestricted Grants and Contributions	296,780	609,684	279,622	222,276	122,683	150,727	182,060	34,873,564	29,120,515	28,343,887
Restricted Grants and Contributions				829,475	2,656					
Payments in Lieu of Taxes (Tuition)	3,962,529	4,029,709	4,148,439	4,261,293	4,432,790	4,674,766	4,814,832	4,443,752		
Investment Earnings	212,423	400,698	228,126	332,871	546,962	825,377	428,407	478,820	516,253	1,092,825
Miscellaneous Income										832,828
Bus Sale Proceeds									1,076,275	
Disposal of Assets					(9,233)	(3,087)	(37,376)			
Transfers	(1,234,289)	(1,312,394)	(1,323,405)	(1,333,126)	(1,342,778)	(1,324,919)	(1,276,305)			
Total Governmental Activities	87,170,798	89,638,641	90,744,017	93,435,456	95,355,682	97,217,419	99,421,432	137,012,146	129,542,875	131,075,969
Business-type Activities:										
Investment Earnings	1,743	1,688	1,500	1,695	1,867	1,706	765	890	2,023	2,186
Miscellaneous Earnings										
Transfers	136,063									
Total Business-type Activities	137,806	1,688	1,500	1,695	1,867	1,706	765	890	2,023	2,186
Total Government-wide	\$ 87,308,604	\$ 89,640,329	\$ 90,745,517	\$ 93,437,151	\$ 95,357,549	\$ 97,219,125	\$ 99,422,197	\$ 137,013,036	\$ 129,544,898	\$ 131,078,155
Change in Net Position/Net Assets										
Governmental Activities	\$ 4,713,719	\$ 3,964,244	\$ 842,098	\$ 2,340,635	\$ 4,254,170	\$ 3,743,530	\$ 8,219,591	\$ 11,964,913	\$ 6,043,949	\$ 3,485,650
Business-type Activities	70,113	(54,823)	73,867	104,258	191,439	(144,272)	(36,923)	1,190,490	663,750	(53,340)
Total District	\$ 4,783,832	\$ 3,909,421	\$ 915,965	\$ 2,444,893	\$ 4,445,609	\$ 3,599,258	\$ 8,182,668	\$ 13,155,403	\$ 6,707,699	\$ 3,432,310

Source: ACFR Schedule A-2

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

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

	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024
General Fund										
Restricted	\$ 19,674,349	\$ 21,691,324	\$ 22,330,679	\$ 21,539,525	\$ 20,982,749	\$ 24,497,038	\$ 26,887,228	\$ 26,301,583	\$ 25,523,827	\$ 24,886,112
Assigned	1,927,287	3,290,983	6,082,562	4,294,986	4,607,208	5,544,608	4,897,531	3,518,982	6,613,866	4,605,351
Unassigned	210,331	484,887	365,078	1,516,141	3,584,943	2,407,440	6,810,429	8,876,946	5,193,925	4,325,759
Total General Fund	<u>\$ 21,811,967</u>	<u>\$ 25,467,194</u>	<u>\$ 28,778,319</u>	<u>\$ 27,350,652</u>	<u>\$ 29,174,900</u>	<u>\$ 32,449,086</u>	<u>\$ 38,595,188</u>	<u>\$ 38,697,511</u>	<u>\$ 37,331,618</u>	<u>\$ 33,817,222</u>
All Other Governmental Funds										
Restricted	\$ 10,349,654	\$ 2,218,707	\$ 971,344	\$ 518,761	\$ 675,338	\$ 1,941,808	\$ 3,176,425	\$ 8,369,753	\$ 9,087,218	\$ 11,384,168
Committed										
Unassigned, reported in:										
Special Revenue Fund										
Capital Projects Fund										
Debt Service Fund	1	1								
Total All Other Governmental Funds	<u>\$ 10,349,655</u>	<u>\$ 2,218,708</u>	<u>\$ 971,344</u>	<u>\$ 518,761</u>	<u>\$ 675,338</u>	<u>\$ 1,941,808</u>	<u>\$ 3,176,425</u>	<u>\$ 8,369,753</u>	<u>\$ 9,087,218</u>	<u>\$ 11,384,168</u>

Source: ACFR Schedule B-1

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 83,933,355	\$ 85,910,944	\$ 87,411,235	\$ 89,122,667	\$ 91,602,602	\$ 92,894,555	\$ 95,309,814	\$ 97,216,010	\$ 98,829,832	\$ 100,806,429
Tuition Charges	3,962,529	4,029,709	4,148,439	4,261,293	4,432,790	4,674,766	4,814,832	4,443,752	4,538,081	4,276,841
Miscellaneous	212,423	400,698	228,126	332,871	546,961	825,377	265,768	478,820	516,253	1,925,653
Local Sources	216,109	216,142	229,319	264,250	279,602	328,885	338,390	634,079	789,130	892,380
State Sources	16,887,795	18,479,127	20,561,821	23,554,058	28,056,633	28,307,681	37,381,849	45,185,711	47,823,770	49,041,039
Federal Sources	2,591,004	2,589,539	2,716,579	2,816,277	2,649,571	2,498,380	4,650,409	6,421,185	5,264,133	6,276,308
Total Revenues	107,803,215	111,626,159	115,295,519	120,351,416	127,568,159	129,529,644	142,761,062	154,379,557	157,761,199	163,218,650
Expenditures										
Instruction										
Regular Instruction	27,021,640	27,569,631	30,129,904	30,444,276	33,601,996	33,078,137	35,153,927	35,352,873	35,050,055	36,313,253
Special Education Instruction	7,781,595	8,153,686	6,421,612	6,566,012	6,389,428	6,670,823	7,367,452	8,774,782	9,128,119	10,050,151
Other Special Instruction	1,496,083	1,894,853	1,953,758	2,166,629	2,338,259	3,165,913	3,236,607	2,919,552	3,136,631	2,778,200
Other Instruction	1,371,203	1,391,027	1,470,913	1,508,941	1,571,308	1,458,586	1,352,825	1,585,169	1,707,218	1,858,482
Support Services:										
Tuition	5,628,722	5,846,949	5,681,478	5,926,763	5,753,469	5,370,532	5,050,199	4,772,210	5,390,595	5,689,895
Student & Instruction Related Services	14,330,155	14,443,418	15,362,877	15,545,329	14,497,741	16,597,308	20,869,737	21,479,462	23,667,844	24,990,121
Other Administrative Services	2,832,511	3,312,990	3,299,714	3,307,097	3,980,819	3,916,523	3,918,595	3,821,809	4,538,183	4,542,144
School Administrative Services	3,384,791	3,016,712	3,096,687	3,891,005	3,415,943	3,381,422	3,487,420	4,274,361	4,037,843	4,385,734
Plant Operations and Maintenance	7,858,377	7,520,053	7,797,969	8,095,258	9,367,324	9,728,660	8,935,912	10,149,657	10,873,168	11,009,278
Pupil Transportation	6,041,059	6,249,298	6,961,605	6,649,100	7,154,736	7,437,183	7,210,327	9,381,228	11,267,668	9,906,244
Unallocated Employee Benefits	22,638,339	24,538,580	26,707,566	30,400,226	33,000,335	33,020,740	36,526,460	40,998,450	44,489,969	46,508,588
Charter Schools								1,472,989	1,526,872	1,543,620
Capital Outlay	2,632,336	10,046,862	7,894,881	5,792,291	3,178,988	3,076,098	2,506,916	4,358,522	8,524,848	5,450,512
Debt service:										
Principal	740,000	750,000	670,000	670,000	675,000					
Interest and Other Charges	168,500	131,500	94,000	60,500	27,000					
Total Expenditures	103,925,311	114,865,559	117,542,964	121,023,427	124,952,346	126,901,925	135,616,377	149,341,064	163,339,013	165,026,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,877,904	(3,239,400)	(2,247,445)	(672,011)	2,615,813	2,627,719	7,144,685	5,038,493	(5,577,814)	(1,807,572)
Other Financing Sources (Uses)										
Financed Purchases Payable	73,744	76,074	2,864,620	124,887	707,790			128,579	3,853,111	590,126
Bus Sale Proceeds									1,076,275	
Lease Purchase Agreement			2,769,991			885,338	1,512,339	128,579		
Transfers In	8,937,439	1,135,898	3,157,288	1,063,590	2,756,200	2,835,600	1,603,001	9,034,132	6,010,506	7,335,774
Transfers Out	(10,171,728)	(2,448,292)	(4,480,693)	(2,396,716)	(4,098,978)	(4,160,519)	(2,879,306)	(9,034,132)	(6,010,506)	(7,335,774)
Total Other Financing (Uses) Sources	(1,160,545)	(1,236,320)	4,311,206	(1,208,239)	(634,988)	(439,581)	236,034	257,158	4,929,386	590,126
Net Change in Fund Balances	\$ 2,717,359	\$ (4,475,720)	\$ 2,063,761	\$ (1,880,250)	\$ 1,980,825	\$ 2,188,138	\$ 7,380,719	\$ 5,295,651	\$ (648,428)	\$ (1,217,446)
Debt Service as a Percentage of Noncapital Expenditures	0.9%	0.8%	0.7%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

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

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

Fiscal Year Ended June 30,	Interest on Investments	Refund of Prior Year Expenditures	E-Rate	Rentals	Transportation Fees	Misc.	Total
2015	\$ 30,769			\$ 162,085		\$ 12,565	\$ 205,419
2016	33,427	\$ 193,821		147,790		19,487	394,525
2017	33,180			154,183		69,874	257,237
2018	35,640		\$ 93,493	152,648		46,435	328,215
2019	31,304		106,942	154,207		254,508	546,961
2020	28,990		170,621	166,633		450,473	816,717
2021	34,495			84,704		146,569	265,768
2022	49,916			161,647	\$ 130,638	136,619	478,820
2023	62,681			210,027	122,141	121,404	516,253
2024	1,092,825			205,548	509,062	118,218	1,925,653

Source: District Records

Note: The District joined the New Jersey Asset and Rebate Management Program (NJARM) for the fiscal year ended June 30, 2024.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total General Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 2,769,065,270 R	\$ 3,123,447,767 R	n/a	n/a	n/a	n/a	n/a	\$5,892,513,037 R	\$ 8,529	\$ 5,892,521,566 R	\$ 2.550 R	\$ 7,759,749,747 R
2016	2,770,110,170 R	3,129,238,667 R	n/a	n/a	n/a	n/a	n/a	5,899,348,837 R	8,555	5,899,357,392 R	2.581 R	7,720,859,104 R
2017	3,424,205,800 R	4,092,368,100 R	n/a	n/a	n/a	n/a	n/a	7,516,573,900 R	8,555	7,516,582,455 R	2.231 R	7,823,533,777 R
2018	3,429,261,638 R	4,097,706,400 R	n/a	n/a	n/a	n/a	n/a	7,526,968,038 R	8,555	7,526,976,593 R	2.281 R	8,201,287,443 R
2019	3,430,902,438 R	4,104,701,500 R	n/a	n/a	n/a	n/a	n/a	7,535,603,938 R	8,555	7,535,612,493 R	2.329 R	8,490,038,294 R
2020	3,449,047,138 R	4,136,672,800 R	n/a	n/a	n/a	n/a	n/a	7,585,719,938 R	8,555	7,585,728,493 R	2.358 R	8,583,058,995 R
2021	3,443,701,038 R	4,218,857,800 R	n/a	n/a	n/a	n/a	n/a	7,662,558,838 R	8,555	7,662,567,393 R	2.373 R	8,826,525,851 R
2022	3,446,740,690	4,252,186,600	n/a	n/a	n/a	n/a	n/a	7,698,927,290	55,063	7,698,982,353	2.392	8,783,694,590
2023	3,442,395,088	4,283,987,100	n/a	n/a	n/a	n/a	n/a	7,726,382,188	55,063	7,726,437,251	2.421	8,821,641,725
2024	3,439,077,688	4,293,674,100	n/a	n/a	n/a	n/a	n/a	7,732,751,788	55,063	7,732,806,851	2.456	9,048,289,631

N/A - Information not available

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revised

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

Exhibit J-7

Fiscal Year Ended June 30,	Morris School District				Overlapping Rates				Total Direct and Overlapping Tax Rate									
	Basic Rate ^a		General Obligation Debt Service ^b		Total Direct School Tax Rate		Municipal Morris County											
Morris Township																		
2015	\$	1.506	R	\$	0.012	R	\$	1.518	R	\$	0.646	R	\$	0.339	R	\$	2.503	R
2016		1.520	R		0.012	R		1.532	R		0.658	R		0.346	R		2.536	R
2017		1.063	R		0.008	R		1.071	R		0.461	R		0.241	R		1.773	R
2018		1.070	R		0.006	R		1.076	R		0.464	R		0.261	R		1.801	R
2019		1.089	R		0.006	R		1.095	R		0.455	R		0.263	R		1.813	R
2020		1.101	R		0.006			1.107	R		0.457	R		0.270	R		1.834	R
2021		1.128	R		0.000			1.128	R		0.457	R		0.277	R		1.862	R
2022		1.164			0.000			1.164			0.469	R		0.279	R		1.912	R
2023		1.189			0.000			1.189			0.486			0.278	R		1.953	R
2024		1.224			0.000			1.224			0.497			0.284			2.005	
Morristown																		
2015	\$	1.237	R	\$	0.008	R	\$	1.245	R	\$	1.052	R	\$	0.299	R	\$	2.596	R
2016		1.268	R		0.010	R		1.278	R		1.051	R		0.296	R		2.625	R
2017		1.328	R		0.008	R		1.336	R		1.034	R		0.319	R		2.689	R
2018		1.382	R		0.007	R		1.389	R		1.035	R		0.336	R		2.760	R
2019		1.429	R		0.006	R		1.435	R		1.052	R		0.358	R		2.845	R
2020		1.458	R		0.006			1.464	R		1.069	R		0.348	R		2.881	R
2021		1.458	R		0.000			1.458	R		1.070	R		0.354	R		2.882	R
2022		1.446			0.000			1.446			1.085	R		0.341	R		2.872	
2023		1.449			0.000			1.449			1.107	R		0.332	R		2.888	R
2024		1.441			0.000			1.441			1.136			0.329			2.906	

Source: District Records and Municipal Tax Collector

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

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

R Revised

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

Exhibit J-8

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Morris Township						
340 Mt. Kemble Owner, LLC	\$ 63,991,200	1	1.18%			
H'Y2 Mt. Kemble, LLC	51,000,000	2	0.94%	\$ 42,054,400	2	1.14%
Morristown SG, LLC	37,208,000	3	0.69%			
Morristown MOB I, LLC	34,040,000	4	0.63%			
United States Fire Insurance	32,921,800	5	0.61%			
MCP II 44 Whippany LLC	30,000,000	6	0.55%			
Olde Forge East	28,373,000	7	0.52%			
Mount Kemble Corporate Center, LLC	27,641,800	8	0.51%			
Bayer Healthcare LLC	26,596,500	9	0.49%			
Morristown MOB III, LLC	25,930,000	10	0.48%			
Honeywell/Allied Signal Corporation				64,900,000	1	1.76%
AJ Morris c/o AT&T				40,843,800	3	1.11%
Morristown Southgate LLC				38,100,000	4	1.03%
Kemble Avenue, LLC				20,971,700	5	0.57%
Columbia Assoc./Advance Realty				19,205,000	6	0.52%
44 Whippany Rd./Rexcore				19,050,000	7	0.52%
Schindler Elevator				18,704,000	8	0.51%
Colgate Palmolive				18,591,700	9	0.50%
Morristown Realty				17,576,000	10	0.48%
Morristown						
AHS Hospital Corp	99,000,000	1	4.29%			
Memorial Inv. Corp.	63,152,800	2	2.74%			
Speedwell Properties LLC	63,000,000	3	2.73%			
PMI Morristown LLC	59,550,500	4	2.58%			
2nd Roc Jersey Associates	55,917,700	5	2.42%	18,115,200	8	0.82%
Parsons Village	48,957,500	6	2.12%	27,300,000	1	1.23%
Applies CO / Chancery Sq	48,828,600	7	2.12%			
Jacob ford Village LLC	48,712,200	8	2.11%			
AP Monroe TIC LLC	46,847,500	9	2.03%			
Sixth Roc - Jersey Associates LLC	44,972,500	10	1.95%			
Rosewood Lafayette Commons				26,474,000	2	1.20%
Epsteins B. Metrop				25,500,000	3	1.15%
5th Roc Jersey Assoc				24,500,000	4	1.11%
Kadima Medical Properties				23,900,000	5	1.08%
GS Morristown Plaza LLC				20,160,800	6	0.91%
Memorial Investment / AHS Invest.				19,300,000	7	0.87%
The Green at Park Place				18,100,000	9	0.82%
Morr. Med. Investors				16,950,000	10	0.77%
Total	<u>\$ 936,641,600</u>		<u>31.67%</u>	<u>\$ 520,296,600</u>		<u>18.10%</u>

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

Note: Percentages of total district net assessed value are calculated using each municipality's net taxable value.

See Exhibit J-6 District Combined Taxable Value.

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

Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		
Ended June 30,			Amount	Percentage of Levy	
Morris Township					
2015	\$	55,974,957	\$	55,974,957	100.00%
2016		56,938,423		56,938,423	100.00%
2017		55,715,537		55,715,537	100.00%
2018		57,610,506		57,610,506	100.00%
2019		57,671,769		57,671,769	100.00%
2020		59,960,475		59,960,475	100.00%
2021		61,713,111		61,713,111	100.00%
2022		64,022,734		64,022,734	100.00%
2023		65,004,221		65,004,221	100.00%
2024		67,729,602		67,729,602	100.00%
Morristown					
2015	\$	27,958,398	\$	27,958,398	100.00%
2016		28,972,521		28,972,521	100.00%
2017		31,695,698		31,695,698	100.00%
2018		31,512,161		31,512,161	100.00%
2019		33,930,833		33,930,833	100.00%
2020		32,934,080		32,934,080	100.00%
2021		33,596,703		33,596,703	100.00%
2022		33,193,276		33,193,276	100.00%
2023		33,825,611		33,825,611	100.00%
2024		33,076,827		33,076,826	100.00%

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases Payable	Financed Purchases Payable			
Morris Township						
2015	\$ 1,844,255	\$ 124,576		\$ 1,968,831	0.10%	\$ 88
2016	1,283,555	112,001		1,395,556	0.07%	62
2017	868,870	1,903,272		2,772,142	0.13%	125
2018	424,237	1,622,963		2,047,200	0.09%	92
2019		1,711,183		1,711,183	0.08%	77
2020		1,818,182		1,818,182	0.08%	81
2021		2,200,287		2,200,287	0.09%	95
2022		1,688,187		1,688,187	N/A	73
2023		2,778,213		2,778,213	N/A	128
2024		2,778,213		2,778,213	N/A	N/A
Morristown						
2015	\$ 920,745	\$ 62,195		\$ 982,940	0.06%	\$ 53
2016	731,445	63,824		795,269	0.05%	42
2017	476,130	1,042,969		1,519,099	0.09%	81
2018	250,763	959,317		1,210,080	0.07%	63
2019		936,068		936,068	0.05%	49
2020		977,730		977,730	0.05%	51
2021		1,144,942		1,144,942	0.05%	56
2022		878,466		878,466	N/A	43
2023		1,361,730		1,361,730	N/A	74
2024		1,361,730		1,361,730	N/A	N/A

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

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

a See Exhibit J-14 for personal income and population data.

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

N/A = Not Available

Morris School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 2,765,000		\$ 2,765,000	0.05%	\$ 68
2016	2,015,000		2,015,000	0.03%	49
2017	1,345,000		1,345,000	0.02%	33
2018	675,000		675,000	0.01%	16
2019				0.00%	
2020				0.00%	
2021				0.00%	
2022				0.00%	
2023				0.00%	
2024				0.00%	

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

a See Exhibit J-6 for property tax data.

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

Morris School District
Ratios of Overlapping Governmental Activities Debt
June 30, 2024
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Morristown Town	\$ 25,999,110	100%	\$ 25,999,110
Morris Township	27,456,515	100%	27,456,515
Other debt			
Morris County - Morristown	336,042,684	2.766%	9,296,019
Morris County - Morris Township	336,042,684	5.644%	18,965,837
Subtotal, overlapping debt			81,717,481
Morris School District Direct Debt			
Morristown			-
Morris Township			-
Total direct and overlapping debt			<u>\$ 81,717,481</u>

Sources: Morristown Town
Morris Township

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

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

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

Exhibit J-13

<u>Year</u>	<u>Morris Township Equal Valuation</u>	<u>Morristown Equal Valuation</u>
2023	\$ 6,480,606,258	\$ 4,142,265,118
2022	6,050,563,204	2,942,210,914
2021	5,807,928,228	2,935,812,388

Legal Debt Margin Calculation for Fiscal Year 2023

Total Equalized valuation basis	
2023	\$ 10,622,871,376
2022	8,992,774,118
2021	8,743,740,616
[A]	<u>\$ 28,359,386,110</u>

Average equalized valuation of taxable property

[A/3] \$ 9,453,128,703

Debt limit (3 % of average equalization value)

[B] 283,593,861 a

Net bonded school debt

[C] -

Legal debt margin

[B-C] \$ 283,593,861

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 232,335,133	\$ 230,336,706	\$ 234,866,986	\$ 243,707,679	\$ 250,538,864	\$ 256,094,094	\$ 258,671,763	\$ 261,300,795	\$ 264,279,281	\$ 283,593,861
Total net debt applicable to limit	2,765,000	2,015,000	1,345,000	675,000						
Legal debt margin	<u>\$ 229,570,133</u>	<u>\$ 228,321,706</u>	<u>\$ 233,521,986</u>	<u>\$ 243,032,679</u>	<u>\$ 250,538,864</u>	<u>\$ 256,094,094</u>	<u>\$ 258,671,763</u>	<u>\$ 261,300,795</u>	<u>\$ 264,279,281</u>	<u>\$ 283,593,861</u>
Total net debt applicable to the limit as a percentage of debt limit	1.19%	0.87%	0.57%	0.28%	NA	NA	NA	NA	NA	NA

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

NA Not applicable.

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

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

Exhibit J-14

<u>Fiscal Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>		<u>Per Capita Personal Income ^c</u>		<u>Unemployment Rate ^d</u>
Morris Township						
2015	22,376	\$ 1,975,756,048	R	\$ 88,298	R	3.5%
2016	22,378	2,042,037,256	R	91,252	R	3.3%
2017	22,261	2,082,382,984	R	93,544	R	3.2%
2018	22,166	2,155,510,504	R	97,244	R	2.6%
2019	22,152	2,196,149,280	R	99,140	R	2.5%
2020	22,352	2,284,977,904	R	102,227	R	6.2%
2021	23,237	2,504,181,779	R	107,767	R	4.1%
2022	23,268	2,596,638,996	R	111,597	R	2.7%
2023	23,507	N/A		N/A		3.2%
2024	N/A	N/A		N/A		N/A
Morristown						
2015	18,490	\$ 1,632,630,020	R	\$ 88,298	R	3.8%
2016	18,896	1,724,297,792	R	91,252	R	3.6%
2017	18,821	1,760,591,624	R	93,544	R	3.1%
2018	19,101	1,857,457,644	R	97,244	R	2.8%
2019	19,249	1,908,345,860	R	99,140	R	2.5%
2020	19,229	1,965,722,983	R	102,227	R	7.1%
2021	20,276	2,185,083,692	R	107,767	R	4.3%
2022	20,339	2,269,771,383	R	111,597	R	2.6%
2023	20,571	N/A		N/A		3.1%
2024	N/A	N/A		N/A		N/A

Source:

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

^b Personal income has been estimated based upon population and per capita personal income

^c Per Capita income provided by US Dept of Commerce, Bureau of Economic Analysis

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

N/A - Information not available as of the report date

R - Revised

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

Employer	2024			2015		
	Approximate Number of Employees	Rank (Optional)	Percentage of Total Employment	Approximate Number of Employees	Rank (Optional)	Percentage of Total Employment
		N/A			N/A	

N/A - information not available

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

<u>Function/Program</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	347	356	359	360	363	368	400	360	361	364
Special education	96	107	106	98	101	107	131	143	152	157
Other special education	22	25	27	29	33	45	53	43	43	38
Other instruction	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	172	168	170	165	158	160	152	148	145	159
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	34.5	35	35	38	38	39	42	42	43	42
Business administrative services	18	18	18	16	16	16	16	19	17	17
Plant operations and maintenance	86	85	86	85	89	87	88	87	90	93
Pupil transportation	32	34	38	62	68	68	91	102	120	116
Food Service	22			1	1	1	1	1	2	2
Total	835	833	844	859	872	896	979	950	978	993

Source: District Personnel Records

Morris School District
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment		Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary	Middle School	High School				
2015	5,317	R	\$ 100,384,475	\$ 18,880	R 0.63%	R 544	9.7:1	9.1:1	9.8:1	5,239	5,012	2.50%	95.67%
2016	5,315	R	103,937,197	19,555	R 3.58%	R 557	9.9:1	9.0:1	10.1:1	5,249	5,002	0.19%	95.29%
2017	5,309	R	108,884,083	20,509	R 4.88%	R 548	10.2:1	9.8:1	11.2:1	5,198	4,925	-0.97%	94.75%
2018	5,163	R	114,500,636	22,177	R 8.13%	R 536	10.1:1	9.7:1	11.2:1	5,057	4,776	-2.71%	94.44%
2019	5,203	R	121,071,358	23,270	R 4.93%	R 538	9.0:1	8.6:1	10.9:1	5,117	4,852	1.19%	94.82%
2020	5,451	R	123,825,827	22,716	R -2.38%	R 545	9.1:1	9.0:1	10.7:1	5,205	5,005	1.72%	96.16%
2021	5,414		120,839,387	22,320	-1.74%	593	7.7:1	8.6:1	10.1:1	5,020	4,720	-3.55%	94.02%
2022	5,474		144,982,542	26,486	18.66%	555	10.5:1	8.4:1	10.0:1	5,077	4,702	1.14%	92.61%
2023	5,665		154,814,165	27,328	3.18%	555	10.6:1	8.5:1	10.8:1	5,243	4,863	3.27%	92.75%
2024	5,685		159,575,710	28,070	2.71%	579	10.3:1	8.0:1	10.4:1	5,129	4,855	-2.17%	94.66%

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

Note: Enrollment based on annual October District count.

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

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

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

R Revised

Morris School District
School Building Information
Last Ten Fiscal Years
Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Early Learning Center</u>										
Early Learning Center										
Square Feet	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277	35,277
Capacity (students)	144 R	144 R	144 R	144 R	144 R	144 R	144 R	144 R	144 R	144
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	111	109
<u>Elementary</u>										
Alexander Hamilton (1933)										
Square Feet	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078	90,078
Capacity (students)	358 R	358 R	358 R	358 R	358 R	358 R	358 R	358 R	358 R	358
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	269	248
Alfred Vail (1930)										
Square Feet	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628	119,628
Capacity (students)	340 R	340 R	340 R	340 R	340 R	340 R	340 R	340 R	340 R	340
Enrollment ^a	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	347	334
Hillcrest (1956)										
Square Feet	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116	80,116
Capacity (students)	297 R	297 R	297 R	297 R	297 R	297 R	297 R	297 R	297 R	297
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	311	268
Normandy Park (1964)										
Square Feet	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438	75,438
Capacity (students)	432 R	432 R	432 R	432 R	432 R	432 R	432 R	432 R	432 R	432
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	348	362
Sussex Ave. (1954)										
Square Feet	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119	83,119
Capacity (students)	319 R	319 R	319 R	319 R	319 R	319 R	319 R	319 R	319 R	319
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300	335
Thomas Jefferson (1958)										
Square Feet	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726	75,726
Capacity (students)	303 R	303 R	303 R	303 R	303 R	303 R	303 R	303 R	303 R	303
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	271	302
Woodland Ave (1967)										
Square Feet	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234	72,234
Capacity (students)	378 R	378 R	378 R	378 R	378 R	378 R	378 R	378 R	378 R	378
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	297	292
<u>Middle School</u>										
Frelinghuysen (1965)										
Square Feet	227,837	227,837	227,837	227,837	227,837	227,837	227,837	234,186	234,186	234,186
Capacity (students)	1,076 R	1,076 R	1,076 R	1,076 R	1,076 R	1,076 R	1,076 R	1,226 R	1,226 R	1,226
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,064	1,023
<u>High School</u>										
Morristown (1928)										
Square Feet	415,631	439,631	439,631	439,631	439,631	439,631	439,631	439,631	439,631	439,631
Capacity (students)	1,765 R	1,765 R	1,765 R	1,765 R	1,765 R	1,765 R	1,765 R	1,765 R	1,765 R	1,765
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,820	1,810
Maintenance Offices										
Square Feet	900	900	900	900	900	900	900	900	900	900
Transportation Office										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Number of Schools at June 30, 2024										
Early Learning Center = 1										
Elementary = 7										
Middle School = 1										
High School= 1										

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions.

Enrollment is based on the annual October District count.

R - Revised

N/A - Not available for fiscal years prior to 2023.

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

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

School Facilities	Project # (s)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Morristown High	N/A	\$ 860,546	\$ 673,623	\$ 539,573	\$ 586,073	\$ 707,702	\$ 941,350	\$ 875,691	\$ 687,569	\$ 525,289	\$ 756,167
Alexander Hamilton	N/A	151,853	624,733	223,949	70,039	80,062	152,618	153,872	159,529	179,087	120,916
Alfred Vail	N/A	157,944	75,155	271,624	208,766	119,320	92,060	130,772	90,029	153,754	141,462
Frelinghuysen	N/A	479,549	264,906	301,140	269,135	799,739	296,423	262,244	253,709	428,258	309,925
Lafayette Learning Center	N/A	102,667	120,760	185,958	73,428	155,339	83,381	170,310	120,715	117,114	85,746
Hillcrest	N/A	91,789	151,383	88,206	154,718	133,326	110,199	92,657	128,949	91,097	145,466
Normandy Park	N/A	348,908	137,183	197,312	92,669	154,950	89,274	68,039	74,802	78,049	121,527
Sussex Avenue	N/A	112,620	100,483	121,439	132,722	224,277	97,241	79,568	110,597	70,432	87,518
Thomas Jefferson	N/A	104,224	112,684	221,631	233,795	150,079	81,118	132,744	77,014	69,863	121,654
Woodland Avenue	N/A	117,514	285,935	105,966	146,798	118,525	102,689	53,161	118,030	122,037	96,666
Total School Facilities		<u>\$ 2,527,614</u>	<u>\$ 2,546,845</u>	<u>\$ 2,256,798</u>	<u>\$ 1,968,143</u>	<u>\$ 2,643,319</u>	<u>\$ 2,046,353</u>	<u>\$ 2,019,058</u>	<u>\$ 1,820,943</u>	<u>\$ 1,834,980</u>	<u>\$ 1,987,047</u>

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

MORRIS SCHOOL DISTRICT
INSURANCE SCHEDULE
YEAR ENDED JUNE 30, 2024
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	School Package Policy	\$500,000,000	
	Building & Personal Property		\$2,500
	Auto Physical Damage		1,000
	General Liability including Auto, Sexual Abuse & Molestation	10,000,000	
	Employee Benefits Liability	5,000,000	
	Each Occurrence		
	General Aggregate	100,000,000	
	Product/Completed Ops		
	Personal Injury		
	Fire Damage	2,500,000	
	Medical Expenses	10,000	
	(excluding students taking part in athletics)		
	Automobile Coverage	10,000,000	
	Combined Single Limit		
	Hired/Non-owned		
	Scheduled Vehicles	Included	
	Environmental Impairment Liability	1,000,000/25,000,000 Fund Agg.	50,000
	Excludes mold/fungi/fungus/legionella		
	Crime Coverage	50,000 Inside/Outside	1,000
	Blanket Dishonesty Bond	500,000	1,000
NJ School Insurance Group	Boiler & Machinery	100,000,000	2,500
	School Legal Liability-Claims Made	5,000,000	10,000
	Excess Liability (Liability)	10,000,000 / Ex 10,000,000	
	Excess Liability (SLPL)	15,000,000 / Ex 5,000,000	
	Cyber Liability	750,000 per Occurrence/Agg.	Various
Bollinger Specialty Group	Workmen's Compensation	Statutory	
	Employer's Liability	3,000,000	
	Supplemental Indemnity	Statutory	7 Days
Selective Insurance Company	Student Accident Insurance (Includes Athletes)	(Excess of Parents coverage) 6,000,000 all students and athletes	25,000
	Blanket/Public Official Fidelity Bond		
Fireman's Fund Indemnity Corp	Board Sec/Business Administrator	540,000	
	Assist Board Sec/Asst Business Administrator	200,000	
National Flood Program Selective Insurance	Excess Catastrophe Coverage	25,000,000 (shared limits with three Districts)	
	Occurrence Limit (BI & PD)	with underlying liability of 20,000,000	
	Flood Coverage-Alexander Hamilton		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Woodland		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Frelinghuysen Middle School		
	Building	500,000	1,250
	Contents	500,000	1,250
	Flood Coverage-Maintenance Building at Frelinghuysen		
	Building	200,000	1,250
	Contents	150,000	1,250

Source: District Records

SINGLE AUDIT SECTION
SECTION - K

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Morris School District, in the County of Morris, New Jersey (the "District") as of and for the year ended June 30, 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 January 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

**Honorable President and Members
of the Board of Education
Morris 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 10, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Morris School District's, in the County of Morris, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

**Honorable President and Members
of the Board of Education
Morris School District**

Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

**Honorable President and Members
of the Board of Education
Morris School District**

Page 3

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 10, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

MORRIS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2023		CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	AMOUNTS PROVIDED TO SUBRECIPIENTS	BALANCE JUNE 30, 2024	
					ACCOUNTS RECEIVABLE	DUE TO GRANTOR					ACCOUNTS RECEIVABLE	DUE TO GRANTOR
U.S. Department of Health and Human Services Passed-through NJDOE: General Fund: Medical Assistance Program: Special Education Medical Initiative (SEMI) Medicaid Administrative Claiming (MAC) Total Medical Assistance Program	93.778 93.778	2005NJ5MAP 2005NJ5MAP	07/01/23-06/30/24 07/01/23-06/30/24	\$ 151,293 16,978			\$ 151,293	\$ (151,293)			\$ (16,978)	
							151,293	(168,271)			(16,978)	
Total General Fund							151,293	(168,271)			(16,978)	
U.S. Department of Education Passed-through NJDOE: Special Revenue Fund Title I:												
Title I, Part A	84.010	S010A240030	07/01/23-09/30/24	981,073			478,681	(791,979)			(313,298)	
Title I, Part A	84.010	S010A230030	07/01/22-09/30/23	764,264	\$ (306,847)		307,194	(347)				
Title I, School Improvement (SIA)	84.010	S010A240030	07/01/23-09/30/24	29,328			21,633	(26,970)			(5,337)	
Title I, School Improvement (SIA)	84.010	S010A230030	07/01/22-09/30/23	10,400			6,072	(6,072)				
Title I, Part D	84.013	S013A240030	07/01/23-09/30/24	53,088			27,429	(36,109)			(8,680)	
Title I, Part D	84.013	S013A230030	07/01/22-09/30/23	56,771	(22,527)		22,527	(36,109)				
Subtotal Title I Grants					(329,374)		863,536	(861,477)			(327,315)	
Special Education Cluster: COVID-19 - I.D.E.A. Part B, Full-time ARP Program	84.027X	H027X230100	07/01/22-09/30/23	19,648	(19,648)		19,648					
I.D.E.A. Part B, Full-time	84.027A	H027A240100	07/01/23-09/30/24	2,055,612			1,802,032	(1,971,627)			(169,595)	
I.D.E.A. Part B, Full-time	84.027A	H027A230100	07/01/22-09/30/23	1,745,114	(175,180)	\$ 10,214	194,828		\$ (29,862)			
I.D.E.A. Part B, Preschool	84.173A	H173A240114	07/01/23-09/30/24	65,518			65,518	(65,518)				
Subtotal Special Education Cluster					(194,828)	10,214	2,082,026	(2,037,145)	(29,862)		(169,595)	
Title II Part A	84.367	S367A240029	07/01/23-09/30/24	137,615			55,090	(57,714)			(2,624)	
Title II Part A	84.367	S367A230029	07/01/22-09/30/23	255,156	(38,048)		43,359	(5,311)				
Subtotal Title II					(38,048)		98,449	(63,025)			(2,624)	
Title III	84.365	S365A240030	07/01/23-09/30/24	463,864			122,040	(203,751)			(81,711)	
Title III	84.365	S365A230030	07/01/22-09/30/23	249,429	(16,345)		56,905	(40,560)				
Title III - Immigrant	84.365	S365A240030	07/01/23-09/30/24	5,721				(5,721)			(5,721)	
Title III - Immigrant	84.365	S365A230030	07/01/22-09/30/23	79,905	(29,205)		29,205					
Subtotal Title III					(45,550)		208,150	(250,032)			(87,432)	
Title IV Part A	84.424	S424A240031	07/01/23-09/30/24	43,073			10,075	(14,985)			(4,910)	
Title IV Part A	84.424	S424A230031	07/01/22-09/30/23	79,574	(5,368)		5,368					
Subtotal Title IV Part A					(5,368)		15,443	(14,985)			(4,910)	
Education Stabilization Fund (ESF): COVID-19 CARES Emergency Relief Grant (ESSER II Fund)	84.425D	S425D210027	03/13/20-09/30/23	1,772,849	(53,949)		145,408	(91,459)				
COVID-19 Supplemental Appropriations Act (CRRSA)	84.425D	S425D210027	03/13/20-09/30/23	113,773	(2,908)		49,031	(46,123)				
Learning Acceleration Grant Program	84.425D	S425D210027	03/13/20-09/30/23	45,000	(6,715)		20,334	(13,619)				
COVID-19 Supplemental Appropriations Act (CRRSA)	84.425D	S425D210027	03/13/20-09/30/23	3,984,364	(367,713)		1,380,368	(1,342,003)			(329,348)	
Mental Health Grant Program	84.425U	S425U210027	03/13/20-09/30/24	40,000	(1,175)		3,429	(2,863)			(609)	
COVID-19 ARP Grant Program (ESSER III)	84.425U	S425U210027	03/13/20-09/30/24	470,031			286,288	(462,345)			(176,057)	
COVID-19 ARP Grant Program - Evidence-Based Comprehensive	84.425U	S425U210027	03/13/20-09/30/24	40,000	(4,933)		4,933					
Beyond the School Day Activities Grant	84.425U	S425U210027	03/13/20-09/30/24	45,000			39,000	(39,000)				
COVID-19 ARP Grant Program	84.425W	S425W210027	04/23/21-09/30/24	20,434			1,011	(1,011)				
Accelerated Learning Coaching and Educator Support Grant					(437,393)		1,929,802	(1,998,423)			(506,014)	
COVID-19 ARP Grant Program - Evidence-Based Summer												
Learning and Enrichment Activities Grant												
COVID-19 ARP Grant Program - NJTSS Mental Health Supporting Staff												
COVID-19 ARP Grant Program Homeless Children and Youth II												
Subtotal Education Stabilization Fund Cluster												
U.S. Department of Treasury Passed-through NJDOE: State and Local Fiscal Recovery Funds: Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	03/03/23-12/31/24	380,055			411,530	(380,055)			(380,055)	
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	03/03/22-12/31/23	411,530	(411,530)							
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	03/03/21-12/31/23	331,141		\$ 93,243					\$ 93,243	
Total Additional or Compensatory Special Education and Related Services (ACSERS)					(411,530)	93,243	411,530	(380,055)			(380,055)	93,243
High Impact Tutoring Competitive	21.027	C2221SLFRF21	10/11/23-06/30/25	305,000				(30,152)			(30,152)	
Total Special Revenue Fund					(1,462,091)	103,457	5,608,936	(5,635,294)	(29,862)		(1,508,097)	93,243

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

MORRIS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2023			CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	AMOUNTS PROVIDED TO SUBRECIPIENTS	BALANCE JUNE 30, 2024		
					ACCOUNTS RECEIVABLE	DUE TO GRANTOR	UNEARNED REVENUE					ACCOUNTS RECEIVABLE	DUE TO GRANTOR	UNEARNED REVENUE
U.S. Department of Agriculture														
Passed-through State Department of Agriculture:														
Enterprise Fund:														
Food Service Fund:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	241NJ304N1099	07/01/23-06/30/24	\$ 229,745				\$ 229,745	\$ (229,745)					
School Breakfast Program	10.553	241NJ304N1099	07/01/23-06/30/24	408,607				332,443	(408,607)					
School Breakfast Program	10.553	231NJ304N1099	07/01/22-06/30/23	327,715	\$ (21,160)			21,160				\$ (76,164)		
National School Lunch Program	10.555	241NJ304N1099	07/01/23-06/30/24	1,035,436				854,807	(1,035,436)					(180,629)
National School Lunch Program	10.555	231NJ304N1099	07/01/22-06/30/23	1,063,562	(60,530)			60,530						
COVID-19 Supply Chain Assistance Funding (Round 4)	10.555	241NJ344N8903	07/01/23-06/30/24	124,316				124,316	(124,316)					
Subtotal Child Nutrition Program Cluster					(81,690)			1,623,001	(1,798,104)			(256,793)		
P-EBT Administrative Cost Reimbursement	10.649	231NJ30459009	07/01/22-06/30/23	3,256	(3,256)			3,256						
Summer-EBT Administrative Cost	10.646	202424N180341	07/01/23-06/30/24	1,556					(1,556)				(1,556)	
Local Food for Schools (LFS) Cooperative	10.185	241NJ304N1199	12/01/22-02/28/25	19,545				4,925	(4,925)					
Total Food Service Fund					(84,946)			1,631,182	(1,804,585)			(258,349)		
U.S. Department of Health and Human Services														
Passed-through NJDCF:														
Community School Fund:														
Child Care and Development Fund (CCDF) Cluster:														
COVID-19 ARP Child Care Stabilization Grant	93.575	N/A	09/01/21-12/31/23	735,000		\$ 150,687			(81,071)			\$ 69,616		
Subtotal Child Care and Development Fund (CCDF) Cluster						150,687			(81,071)			69,616		
Total Community School Fund						150,687			(81,071)			69,616		
Total Enterprise Fund					(84,946)			1,631,182	(1,885,656)			(258,349)		69,616
Total Expenditures of Federal Awards					\$ (1,547,037)	\$ 103,457	\$ 150,687	\$ 7,391,411	\$ (7,689,221)	\$ (29,862)	\$ -	\$ (1,783,424)	\$ 162,859	\$ -

N/A - Not Available

(NC) - Non cash expenditures

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

MORRIS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

K-4
Schedule -B

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2023				ADJUSTMENT/ REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2024			MEMO CUMULATIVE TOTAL EXPENDITURES	
				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	CARRYOVER AMOUNT	DUE TO GRANTOR	CASH RECEIVED		BUDGETARY EXPEND.	(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	DUE TO GRANTOR		BUDGETARY RECEIVABLE
State Department of Education:													
General Fund:													
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	\$ 1,763,234				\$ 1,426,055	\$ (1,763,234)			\$ (337,179)	\$ (1,763,234)	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	1,736,086	\$ (347,188)			347,188						
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	5,547,008				4,486,267	(5,547,008)			(1,060,741)	(5,547,008)	
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	4,844,218	(968,762)			968,762						
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	1,302,293				1,053,259	(1,302,293)			(249,034)	(1,302,293)	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	994,301	(198,843)			198,843						
School Choice Aid	24-495-034-5120-068	7/1/23-6/30/24	302,950				245,018	(302,950)			(57,932)	(302,950)	
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	245,115	(49,019)			49,019						
Adjustment Aid	24-495-034-5120-085	7/1/23-6/30/24	218,451				176,677	(218,451)			(41,774)	(218,451)	
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	218,451	(43,687)			43,687						
Non-public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	179,217					(179,217)	\$ (179,217)				(179,217)
Non-public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	105,097	(105,097)			105,097						
Payment for Institutionalized Children Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	89,252	(89,252)			89,252						
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	3,418,074					(3,418,074)		(3,418,074)			(3,418,074)
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	4,308,326	(4,308,326)			4,308,326						
T.P.A.F. Social Security Aid	24-495-034-5094-003	7/1/23-6/30/24	3,637,887				3,459,531	(3,637,887)		(178,356)			(3,637,887)
T.P.A.F. Social Security Aid	23-495-034-5094-003	7/1/22-6/30/23	3,448,707	(171,293)			171,293						
On-behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	7/1/23-6/30/24	17,037,826				17,037,826	(17,037,826)					(17,037,826)
On-behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	24-495-034-5120-004	7/1/23-6/30/24	7,536				7,536	(7,536)					(7,536)
On-behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	24-495-034-5120-001	7/1/23-6/30/24	4,637,072				4,637,072	(4,637,072)					(4,637,072)
Total General Fund				(6,281,467)			38,810,708	(38,051,548)		(3,775,647)	(1,746,660)		(38,051,548)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	123,945				123,945	(113,119)			\$ 10,826		(113,119)
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	138,666		\$ 3,217				\$ (3,217)				
Auxiliary Services:													
Compensatory	24-100-034-5120-067	7/1/23-6/30/24	78,041				78,041	(76,244)			1,797		(76,244)
Compensatory	23-100-034-5120-067	7/1/22-6/30/23	94,680		1				(1)				
ESL	24-100-034-5120-067	7/1/23-6/30/24	2,747				2,747	(2,381)			366		(2,381)
ESL	23-100-034-5120-067	7/1/22-6/30/23	4,009		3,608				(3,608)				
Home Instruction	24-100-034-5120-067	7/1/23-6/30/24	15,991					(15,991)		(15,991)			(15,991)
Home Instruction	23-100-034-5120-067	7/1/22-6/30/23	12,939	(12,939)			12,939						
Handicapped Services:													
Supplementary Instruction	24-100-034-5120-066	7/1/23-6/30/24	95,733				95,733	(89,291)			6,442		(89,291)
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	91,190		5,203				(5,203)				
Examination & Classification	24-100-034-5120-066	7/1/23-6/30/24	138,417				138,417	(122,495)			15,922		(122,495)
Examination & Classification	23-100-034-5120-066	7/1/22-6/30/23	139,171		12,891				(12,891)				
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	47,616				47,616	(44,268)			3,348		(44,268)
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	42,780		7,719				(7,719)				
Nursing Services	24-100-034-5120-070	7/1/23-6/30/24	334,080				334,080	(334,023)			57		(334,023)
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	308,224		121				(121)				
Technology Initiative Aid	24-100-034-5120-373	7/1/23-6/30/24	134,848				134,848	(126,554)			8,294		(126,554)
Technology Initiative Aid	23-100-034-5120-373	7/1/22-6/30/23	114,072		1,581				(1,581)				
Security Aid	24-100-034-5120-509	7/1/23-6/30/24	570,720				570,720	(514,969)			55,751		(514,969)
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	564,160		154,345				(154,345)				
Preschool Aid	24-495-034-5120-086	7/1/23-6/30/24	9,446,446		\$ 1,650,456		9,446,446	(9,551,381)		1,545,521			(9,551,381)
Preschool Aid	23-495-034-5120-086	7/1/22-6/30/23	7,743,160	1,650,456	(1,650,456)								
State Schools Development Authority:													
SDA Emergent Needs	N/A	7/1/23-6/30/24	137,936				137,936	(137,936)					(137,936)
Total Special Revenue Fund				1,637,517	-	188,686	11,123,468	(11,128,652)	(188,686)	1,529,530	102,803		(11,128,652)
State Department of Education:													
Enterprise Fund:													
National School													
Lunch Program (State Share)	24-100-010-3350-023	7/1/23-6/30/24	55,744				45,918	(55,744)		(9,826)			(55,744)
Lunch Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	41,912	(2,379)			2,379						
Breakfast Program (State Share)	24-100-010-3350-023	7/1/23-6/30/24	24,217				19,800	(24,217)		(4,417)			(24,217)
Breakfast Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	19,413	(1,250)			1,250						
Summer-EBT Administrative Cost	N/A	7/1/23-6/30/24	1,556					(1,556)		(1,556)			(1,556)
Total Enterprise Fund				(3,629)			69,347	(81,517)		(15,799)			(81,517)
Total State Financial Assistance				\$ (4,647,579)	\$ -	\$ 188,686	50,003,523	(49,261,717)	\$ (188,686)	\$ (2,261,916)	\$ 102,803	\$ (1,746,660)	\$ (49,261,717)
Less: On-Behalf TPAF Pension System Contoributions													
On-behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	7/1/23-6/30/24	17,037,826				17,037,826	(17,037,826)					
On-behalf Teachers' Pension and Annuity Fund - Non-Contributory Insurance	24-495-034-5120-004	7/1/23-6/30/24	7,536				7,536	(7,536)					
On-behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	24-495-034-5120-001	7/1/23-6/30/24	4,637,072				4,637,072	(4,637,072)					
Total State Financial Assistance Subject to Single Audit Major Program Determination							\$ 28,321,089	\$ (27,579,283)					

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

MORRIS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of the OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts -presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.

MORRIS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(139,161) for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 641,014	\$ 37,912,387	\$38,553,401
Special Revenue Fund	5,635,294	11,128,652	16,763,946
Food Service Fund	1,804,585	81,517	1,886,102
Community School Fund	<u>81,071</u>	<u> </u>	<u>81,071</u>
Total Financial Awards Revenue	<u>\$ 8,161,964</u>	<u>\$ 49,122,556</u>	<u>\$57,284,520</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions of \$3,637,887 represents the amounts reimbursed by the State for the employer's share of social security for TPAF members for the year ended June 30, 2024.

The post retirement pension, medical, and long-term disability benefits received on-behalf of the District for the year ended June 30, 2024 amounted to \$21,682,434. Since on-behalf post retirement pension, medical, and long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08; however, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

NOTE 6. INDIRECT COSTS

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

MORRIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section 1 - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal Control over financial reporting:

1) Material weakness(es) identified?

Yes ☒ No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses?

Yes ☒ None reported

Noncompliance material to basic financial statements noted?

Yes ☒ No

Federal Awards

Internal Control over major federal programs:

1) Material weakness(es) identified?

Yes ☒ No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses?

Yes ☒ None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

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

Yes ☒ No

Identification of major federal programs:

AL Number(s)	FAIN Numbers	Name of Federal Program or Cluster
		<u>State and Local Fiscal Recovery Funds:</u>
21.027	SLFRFDOE1SES	COVID-19 Additional or Compensatory Special Education and Related Services (ACSERS)
21.027	C2221SLFRF21	High Impact Tutoring Competitive
		<u>Title I Grants:</u>
84.010	S010A240030	Title I, Part A
84.010	S010A240030	Title I, School Improvement (SIA)
84.013	S013A240030	Title I, Part D
		<u>Child Nutrition Cluster:</u>
10.553	241NJ304N1099	School Breakfast Program
10.555	241NJ304N1099	National School Lunch Program
10.555	241NJ304N1099	Food Distribution Program
10.555	241NJ304N1099	COVID-19 Supply Chain Assistance Funding

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

\$750,000

Auditee qualified as low-risk auditee?

X Yes

MORRIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section 1 - Summary of Auditors' Results (cont'd)

State Financial Assistance

Dollar threshold used to distinguish between Type A and B programs: \$827,378

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major state programs:

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

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

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

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>24-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u></u>	<u></u>
<u></u>	<u></u>
<u></u>	<u></u>

MORRIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

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

Significant Deficiency(ies)/Material Weaknesses

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

Noncompliance

None Noted.

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

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

Federal Awards and State Financial Assistance Programs:

Significant Deficiency(ies)/Material Weaknesses

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

Noncompliance

None Noted.