

**MORRIS-UNION JOINTURE COMMISSION**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2024**

**Morris-Union Jointure Commission**  
**Union County, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Morris-Union Jointure Commission**

**Union County, New Jersey**

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

**Prepared by**

**Morris-Union Jointure Commission  
Business Department**

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## **INTRODUCTORY SECTION**



# *Morris-Union Jointure Commission Board of Education*

*Janet L. Fike, Ed.D., J.D.*  
Superintendent

*Denise A. Smallacomb*  
Assistant Superintendent

*Jason Parenti*  
School Business Administrator/Board Secretary

October 30, 2024

340 Central Avenue

New Providence, NJ 07974

Telephone: (908) 464-7625

Fax: (908) 464-1244

Business Office Fax: (908) 464-5240

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

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

County of Union, New Jersey

Dear Board Members:

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

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

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

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

## REPORTING ENTITY AND ITS SERVICES

The Morris-Union Jointure Commission is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB"). All funds of the Commission are included in this report. The Morris-Union Jointure Commission and all its schools constitute the Commission's reporting entity. The Commission has no component units included in this report which meet the criteria of legally separate entities for which the Commission is financially accountable. In addition, the Commission is not includable in any other reporting entity as a component unit.

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

The Commission currently concentrates on six major areas:

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

The Commission completed the 2023-2024 fiscal year with an average daily enrollment of 209 students. The following details the changes in the student enrollment of the Commission over the past 10 years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	209	-3.24%
2022-2023	216	6.93%
2021-2022	202	-6.047%
2020-2021	215	-3.72%
2019-2020	233	-0.851%
2018-2019	235	-4.10%
2017-2018	245	-6.13%
2016-2017	261	-6.12%
2015-2016	278	1.09%
2014-2015	275	-2.48%

## **ECONOMIC CONDITION AND OUTLOOK**

The Morris-Union Jointure Commission experienced a -3.24% decrease in enrollment, which is consistent with annual fluctuations in student population. The services that the MUJC provides both member and non-member districts continue to grow. The recreation program provides additional experiences for MUJC students, a "home" pool for three of our member district swim teams, and revenue from the rental of the facilities. As the State of New Jersey continues to promote shared services, the prospects for continued growth by the Commission remains strong.

## **RELEVANT FINANCIAL POLICES**

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

## **INTERNAL ACCOUNTING CONTROLS**

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

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

## **BUDGETARY CONTROLS**

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

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

## MAJOR INITIATIVES

The enrollment at the DLC – Warren was 142 and the DLC – New Providence was 81 as of the October 15, 2023 cutoff.

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

During the 2023-2024 school year, the Commission presented approximately 68 inservice workshops. Approximately 628 participants from approximately 137 school districts and private schools attended these workshops.

The MUJC continues to provide quality transportation services through its Transportation Department to 17 of 30 member districts. It has proved to be challenging to meet the needs of the districts while containing the rising costs associated with providing a quality transportation service, costs such as benefits and the required PERS employer contribution. At the beginning of the 2023-2024 school year, MUJC's 98 school buses transported approximately 487 students on 49 contracted routes. In addition, the Commission provided transportation for field, athletic, and community trips for our own member districts' students.

During the 2023-2024 school year, approximately 20 related services therapists, adaptive physical education teachers, occupational therapists, physical therapists, speech/language specialists, and behavior specialists provided therapy and related services to more than 240 students. These students were from approximately 70 districts.

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


## OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, was selected by the Board of Education at its May 4, 2023 Board of Education meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, and the New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

## ACKNOWLEDGMENTS

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

Respectfully submitted,



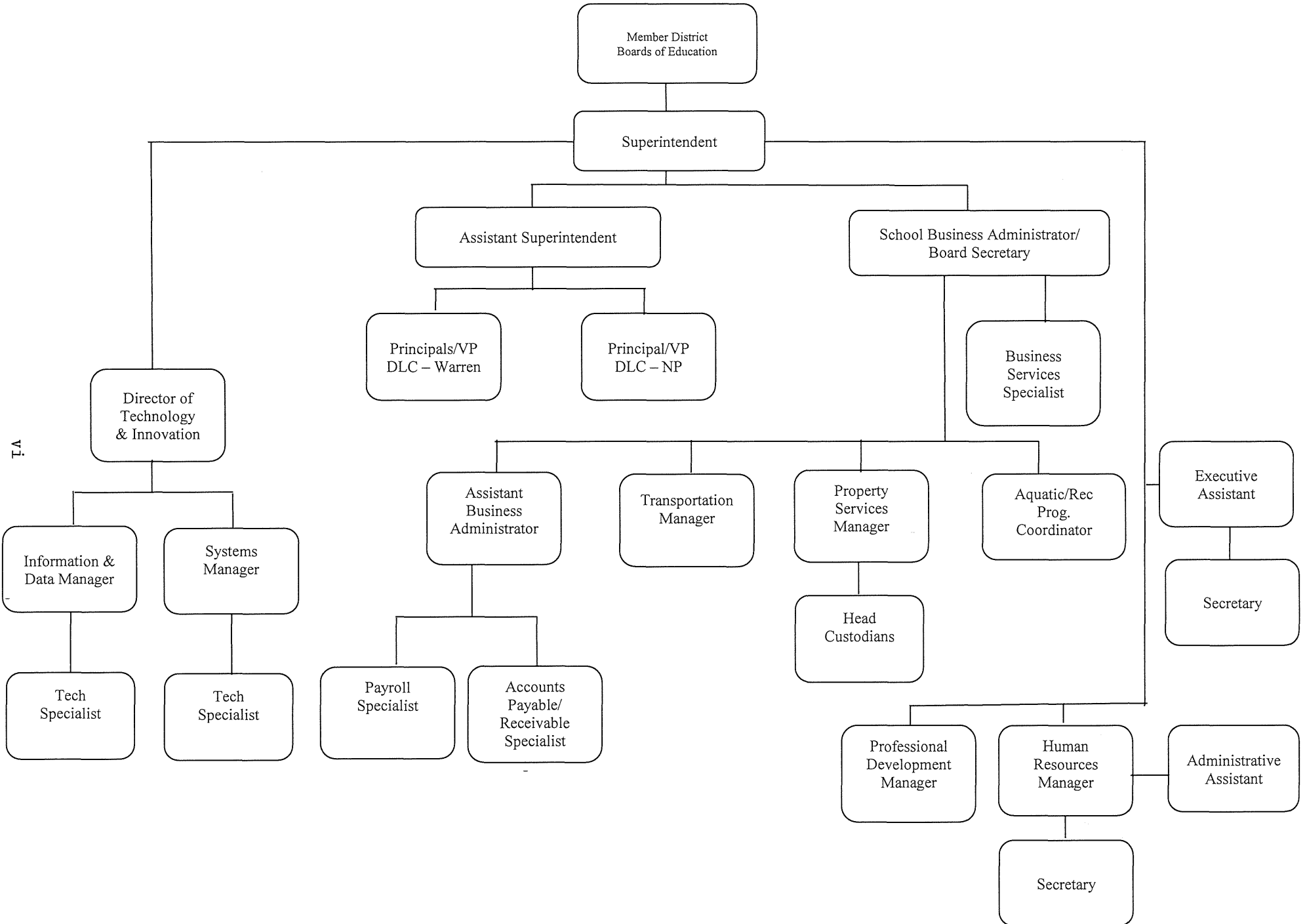
Dr. Janet L. Fike  
Superintendent



Jason Parenti  
Business Administrator/Board Secretary

# ORGANIZATION OF THE MORRIS-UNION JOINTURE COMMISSION

June 30, 2024





**MORRIS-UNION JOINTURE COMMISSION BOARD OF EDUCATION**  
**ROSTER OF OFFICIALS**  
**June 30, 2024**

Members of the Board of Education

Mr. Robert Nixon  
Mr. Nick Markarian  
Dr. Michael LaSusa  
Mr. Edward Grande  
Dr. Melissa Stager  
Dr. Scott Rubin  
Dr. Steven Caponegro  
Dr. Matthew Spelker  
Mr. Kyle Arlington  
Dr. Matt Block  
Mr. George Alexis  
Ms. Danielle Shanley  
Dr. Salvatore Constantino  
Dr. Christine Burton  
Dr. Thomas Gorman  
Ms. Janet Walling  
Dr. David Miceli  
Dr. Robert Sutter  
Ms. Patricia Gois  
Dr. Joan Mast  
Dr. Brian Brotschul  
Dr. Kevin Gilbert  
Dr. Rachel Goldberg  
Mr. Scott Hough  
Dr. Gerry Benaquista  
Dr. Matthew Mingle  
Dr. Julie Glazer  
Dr. Elizabeth Jewett  
Mr. Hayden Moore  
Dr. Raymond Gonzalez

Other Officials

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

Superintendent/Board

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

Title

Superintendent  
Assistant Superintendent  
School Business Administrator/Board Secretary  
Treasurer

**MORRIS-UNION JOINTURE COMMISSION BOARD OF EDUCATION**  
**Consultants and Advisors**  
**2024**

**Architect**

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

**General Counsel and Construction and Public Bidding Counsel**

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

**Audit Firm**

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

**Official Depository**

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

## **FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris-Union Jointure Commission as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Morris-Union Jointure Commission's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

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

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



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morris-Union Jointure Commission's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Morris-Union Jointure Commission. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Information***

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

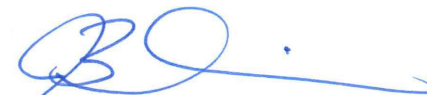
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2024 on our consideration of the Morris-Union Jointure Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morris-Union Jointure Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Morris-Union Jointure Commission's internal control over financial reporting and compliance.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 30, 2024

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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



# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

This section of Morris-Union Jointure Commission's annual comprehensive financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Morris-Union Jointure Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,339,709 (net position). Of this amount, \$6,910,067 (unrestricted net position) may be used to meet the Commission's ongoing obligations.
- Overall Commission revenues were \$38,352,736. Program specific revenues in the form of charges for services and grants and contributions accounted for \$37,650,164 of total revenues or more than 98% of total revenue. General revenues accounted for \$702,572.
- The Commission had \$30,558,130 in expenses for governmental activities; these expenses were offset by program specific charges, grants or contributions of \$31,071,877. General revenues (predominantly interest) were \$702,572.
- The Commission had \$6,939,687 in expenses for business-type activities and \$6,578,287 of program specific revenues from charges for services, grants and contributions for business-type activities.
- As of the close of the current fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$17,484,667 a decrease of \$1,268,438 when compared to the ending fund balance at June 30, 2023 of \$18,753,105. Of this amount, \$7,964,135 (46%) is available for spending at the Commission's discretion (unassigned fund balance – General Fund).

# MORRIS-UNION JOINTURE COMMISSION

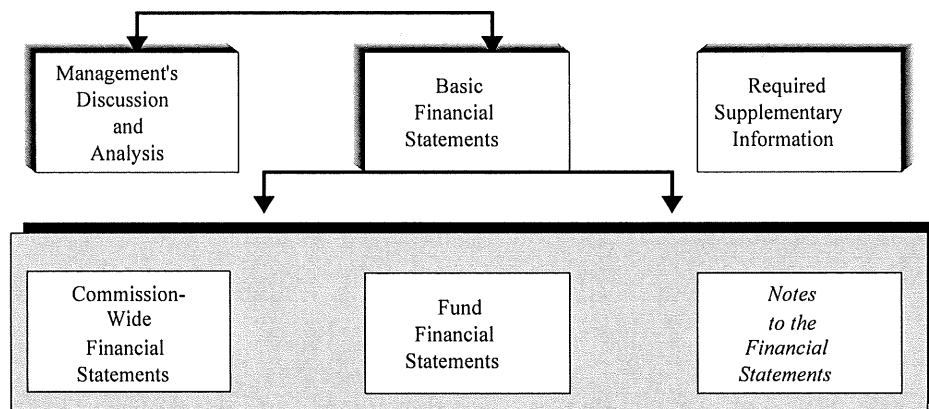
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the Commission-Wide and Fund Financial Statements

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

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### Commission-Wide Financial Statements

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

The two commission-wide statements report the Commission's net position and how it has changed. Net position – the difference between the Commission's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the Commission's financial health or position

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

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

- *Governmental Activities* – Most of the Commission's basic services are included here, such as special education, student support services, administration, and plant operation and maintenance. Tuition and other program fees charged to other school districts finance most of these activities.
- *Business-Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Commission charges fees to cover the costs of certain services it provides. The Commission's Special Programs Fund and Food Service Fund are included here.

### Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The Commission establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The Commission has two kinds of funds:

- *Governmental funds* – Most of the Commission's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the additional long-term focus of the commission-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the Commission charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the commission-wide statements. The Commission uses Enterprise Funds for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The Commission currently has two enterprise funds – one for its special programs and one for its food service (cafeteria) program.

### Notes to the Financial Statements

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

### Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's budget process. The Commission adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

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

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

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### COMMISSION-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Commission's financial position. The Commission's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,339,709 and \$36,484,790 as of June 30, 2024 and 2023, respectively, as shown below.

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

#### Net Position as of June 30, 2024 and 2023

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>						
Current and Other Assets	\$ 20,619,949	\$ 21,375,666	\$ 11,966,115	\$ 12,641,896	\$ 32,586,064	\$ 34,017,562
Capital Assets	39,772,116	42,784,543	5,090,112	5,556,100	44,862,228	48,340,643
<b>Total Assets</b>	<u>60,392,065</u>	<u>64,160,209</u>	<u>17,056,227</u>	<u>18,197,996</u>	<u>77,448,292</u>	<u>82,358,205</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	496,610	1,245,533	179,971	380,489	676,581	1,626,022
Deferred Amounts on Refunding of Debt	397,337	502,414	-	-	397,337	502,414
<b>Total Deferred Outflows</b>	<u>893,947</u>	<u>1,747,947</u>	<u>179,971</u>	<u>380,489</u>	<u>1,073,918</u>	<u>2,128,436</u>
<b>Total Assets and Deferred Outflows</b>	<u>61,286,012</u>	<u>65,908,156</u>	<u>17,236,198</u>	<u>18,578,485</u>	<u>78,522,210</u>	<u>84,486,641</u>
<b>Liabilities</b>						
Long-Term Liabilities	30,026,489	35,501,515	4,494,422	4,510,665	34,520,911	40,012,180
Other Liabilities	2,886,945	2,255,557	252,239	1,247,547	3,139,184	3,503,104
<b>Total Liabilities</b>	<u>32,913,434</u>	<u>37,757,072</u>	<u>4,746,661</u>	<u>5,758,212</u>	<u>37,660,095</u>	<u>43,515,284</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	2,583,974	3,433,799	936,427	1,048,967	3,520,401	4,482,766
Deferred Commodities Revenue	-	-	2,005	3,801	2,005	3,801
<b>Total Deferred Inflows</b>	<u>2,583,974</u>	<u>3,433,799</u>	<u>938,432</u>	<u>1,052,768</u>	<u>3,522,406</u>	<u>4,486,567</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>35,497,408</u>	<u>41,190,871</u>	<u>5,685,093</u>	<u>6,810,980</u>	<u>41,182,501</u>	<u>48,001,851</u>
<b>Net Position</b>						
Net Investment in Capital Assets	23,262,614	23,357,505	5,083,358	5,546,493	28,345,972	28,903,998
Restricted	2,083,670	2,081,348			2,083,670	2,081,348
Unrestricted	442,320	(721,568)	6,467,747	6,221,012	6,910,067	5,499,444
<b>Total Net Position</b>	<u>\$ 25,788,604</u>	<u>\$ 24,717,285</u>	<u>\$ 11,551,105</u>	<u>\$ 11,767,505</u>	<u>\$ 37,339,709</u>	<u>\$ 36,484,790</u>

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 27,890,782	\$ 30,181,979	\$ 6,029,696	\$ 6,155,976	\$ 33,920,478	\$ 36,337,955
Operating Grants and Contributions	3,083,784	4,379,046	476,095	1,498,894	3,559,879	5,877,940
Capital Grants and Contributions	97,311	41,305	72,496	40,128	169,807	81,433
General Revenues						
Interest	700,098	324,353			700,098	324,353
Other	2,474	10,757	-	-	2,474	10,757
<b>Total Revenues</b>	<b><u>31,774,449</u></b>	<b><u>34,937,440</u></b>	<b><u>6,578,287</u></b>	<b><u>7,694,998</u></b>	<b><u>38,352,736</u></b>	<b><u>42,632,438</u></b>
<b>Expenses</b>						
Instruction						
Special Education	12,919,300	14,145,963			12,919,300	14,145,963
Support Services						
Student and Instruction Related Services	7,314,347	8,615,816			7,314,347	8,615,816
General Administration Services	1,463,774	1,498,791			1,463,774	1,498,791
School Administration Services	1,772,388	1,516,407			1,772,388	1,516,407
Central Administrative Services	2,371,646	2,432,214			2,371,646	2,432,214
Plant Operation and Maintenance	3,628,791	3,475,806			3,628,791	3,475,806
Pupil Transportation	367,815	361,854			367,815	361,854
Interest and Other Chgs on Long-Term Debt	720,069	858,530			720,069	858,530
Special Programs			6,587,591	6,812,463	6,587,591	6,812,463
Food Service	-	-	352,096	292,364	352,096	292,364
<b>Total Expenses</b>	<b><u>30,558,130</u></b>	<b><u>32,905,381</u></b>	<b><u>6,939,687</u></b>	<b><u>7,104,827</u></b>	<b><u>37,497,817</u></b>	<b><u>40,010,208</u></b>
<b>Increase (Decrease) In Net Position Before Transfers</b>	<b>1,216,319</b>	<b>2,032,059</b>	<b>(361,400)</b>	<b>590,171</b>	<b>854,919</b>	<b>2,622,230</b>
<b>Transfers</b>	<b><u>(145,000)</u></b>	<b><u>(120,000)</u></b>	<b><u>145,000</u></b>	<b><u>120,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Change in Net Position</b>	<b>1,071,319</b>	<b>1,912,059</b>	<b>(216,400)</b>	<b>710,171</b>	<b>854,919</b>	<b>2,622,230</b>
<b>Net Position, Beginning of Year</b>	<b><u>24,717,285</u></b>	<b><u>22,805,226</u></b>	<b><u>11,767,505</u></b>	<b><u>11,057,334</u></b>	<b><u>36,484,790</u></b>	<b><u>33,862,560</u></b>
<b>Net Position, End of Year</b>	<b><u>\$ 25,788,604</u></b>	<b><u>\$ 24,717,285</u></b>	<b><u>\$ 11,551,105</u></b>	<b><u>\$ 11,767,505</u></b>	<b><u>\$ 37,339,709</u></b>	<b><u>\$ 36,484,790</u></b>

# MORRIS-UNION JOINTURE COMMISSION

## Management's Discussion and Analysis

### Governmental Activities

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

**Total and Net Cost of Governmental Activities.** The following schedule presents the Commission's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of or revenues from these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Special Education	12,919,300	\$ 14,145,963	\$ (12,096,628)	\$ (12,279,551)
Support Services				
Student and Instruction Related Services	7,314,347	8,615,816	2,236,324	1,541,157
General Administration Services	1,463,774	1,498,791	1,280,072	1,269,791
School Administration Services	1,772,388	1,516,407	1,464,198	1,206,859
Central Administrative Services	2,371,646	2,432,214	2,189,283	2,171,553
Plant Operation and Maintenance	3,628,791	3,475,806	3,325,120	3,172,858
Pupil Transportation	367,815	361,854	367,815	361,854
Interest and Other Charges on Long-Term Debt	<u>720,069</u>	<u>858,530</u>	<u>720,069</u>	<u>858,530</u>
<b>Total</b>	<b><u>\$ 30,558,130</u></b>	<b><u>\$ 32,905,381</u></b>	<b><u>\$ (513,747)</u></b>	<b><u>\$ (1,696,949)</u></b>

### FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

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

#### Governmental Funds

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

The financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental funds reported a combined fund balance of \$17,484,667, a decrease of \$1,268,438 from last year's fund balance of \$18,753,105.

Revenues for the Commission's governmental funds were \$32,317,121 and total expenditures were \$33,440,559.



## MORRIS-UNION JOINTURE COMMISSION

### Management's Discussion and Analysis

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

Revenues of the General Fund were \$32,094,287 for the fiscal year ended June 30, 2024. Local sources, including tuition and other program fees accounted for 89% of total revenue. State sources in the amount of \$3,436,850 accounted for the remaining 11% of the revenue.

Expenditures of the General Fund were \$33,332,830. Instructional expenditures were \$10,452,066, expenditures for support services (including administrative costs) were \$18,351,238 and capital and debt service expenditures totaled \$4,529,526 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$107,729 for the fiscal year ended June 30, 2024. Federal sources of \$87,000 accounted for 81% of the revenue, and local sources accounted for \$20,729 or 19% of the total revenue in the Special Revenue Fund.

Expenditures of the Special Revenue Fund were \$107,729. Instructional expenditures were \$8,783, expenditures for support services were \$1,635 and capital expenditures totaled \$97,311 for the fiscal year ended June 30, 2024.

**Capital Projects** - The capital projects revenues exceeded expenditures and other financing uses by \$105,722 increasing the fund balance from \$1,945,306 at June 30, 2023 to \$2,051,028 at June 30, 2024.

### Proprietary Funds

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

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Commission revised its annual operating budget to reflect the reappropriation of June 30, 2023 encumbrances and the appropriation of additional revenues to fund unbudgeted expenditures.

## MORRIS-UNION JOINTURE COMMISSION

### Management's Discussion and Analysis

#### CAPITAL ASSETS

The Commission's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$44,862,228 and \$48,340,643 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$3,895,152 for governmental activities and \$564,726 for the Business-Type activities.

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

	<b>Governmental</b>		<b>Business- Type</b>		<b>Total</b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Land	\$ 7,184,000	\$ 7,184,000	\$ 3,064,300	\$ 3,064,300	\$ 10,248,300	\$ 10,248,300
Construction in Progress	343,268	56,988	51,187	51,187	394,455	108,175
Site Improvements	301,722	364,675			301,722	364,675
Buildings and Improvements	29,676,424	32,981,125	160,454	261,461	29,836,878	33,242,586
Machinery and Equipment	<u>2,266,702</u>	<u>2,197,755</u>	<u>1,814,171</u>	<u>2,179,152</u>	<u>4,080,873</u>	<u>4,376,907</u>
<b>Total</b>	<b><u>\$ 39,772,116</u></b>	<b><u>\$ 42,784,543</u></b>	<b><u>\$ 5,090,112</u></b>	<b><u>\$ 5,556,100</u></b>	<b><u>\$ 44,862,228</u></b>	<b><u>\$ 48,340,643</u></b>

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

#### LONG TERM LIABILITIES

At June 30, 2024, the Commission's long-term liabilities of Governmental Activities consisted of compensated absences payable of \$645,859, certificates of participation (COP'S) of \$16,835,061 (including unamortized premium), capital financing agreements of \$71,778, other financing agreements of \$90,526 and net pension liability of \$12,383,265 totaling \$30,026,489. This is in comparison to long-term liabilities at June 30, 2023 of \$35,501,515 or a decrease of \$5,475,026. The Commission also had long-term liabilities it's Business-Type activities totaling \$4,494,422 at June 30, 2024 consisting of capital financing agreements of \$6,754 and net pension liability of \$4,487,668.

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

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the Commission's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the Commission's projected student population, demand for program services as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the Commission's aging facilities.

## **MORRIS-UNION JOINTURE COMMISSION**

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

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

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

## **FINANCIAL STATEMENTS**

## **COMMISSION-WIDE FINANCIAL STATEMENTS**

**MORRIS-UNION JOINTURE COMMISSION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Assets			
Cash and Cash Equivalents	\$ 12,779,120	\$ 10,983,984	\$ 23,763,104
Receivables	5,789,801	974,490	6,764,291
Inventories		7,641	7,641
Restricted Assets:			-
Cash and Cash Equivalents with Fiscal Agent	2,051,028		2,051,028
Capital Assets, Not Being Depreciated	7,527,268	3,115,487	10,642,755
Capital Assets, Being Depreciated	<u>32,244,848</u>	<u>1,974,625</u>	<u>34,219,473</u>
Total Assets	<u>60,392,065</u>	<u>17,056,227</u>	<u>77,448,292</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	496,610	179,971	676,581
Deferred Charge on Refunding of Debt	<u>397,337</u>	<u>-</u>	<u>397,337</u>
Total Deferred Outflows of Resources	<u>893,947</u>	<u>179,971</u>	<u>1,073,918</u>
Total Assets and Deferred Outflows of Resources	<u>61,286,012</u>	<u>17,236,198</u>	<u>78,522,210</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,592,927	250,583	2,843,510
Accrued Interest Payable	283,737		283,737
Unearned Revenue	10,281	1,656	11,937
Noncurrent Liabilities			
Due Within One Year	3,100,439	2,944	3,103,383
Due Beyond One Year	<u>26,926,050</u>	<u>4,491,478</u>	<u>31,417,528</u>
Total Liabilities	<u>32,913,434</u>	<u>4,746,661</u>	<u>37,660,095</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	2,583,974	936,427	3,520,401
Deferred Commodities Revenue	<u>-</u>	<u>2,005</u>	<u>2,005</u>
Total Deferred Inflows of Resources	<u>2,583,974</u>	<u>938,432</u>	<u>3,522,406</u>
Total Liabilities and Deferred Inflows of Resources	<u>35,497,408</u>	<u>5,685,093</u>	<u>41,182,501</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,262,614	5,083,358	28,345,972
Restricted			
Other Purposes	32,642		32,642
Capital Financing Agreements	2,051,028		2,051,028
Unrestricted	<u>442,320</u>	<u>6,467,747</u>	<u>6,910,067</u>
Total Net Position	<u>\$ 25,788,604</u>	<u>\$ 11,551,105</u>	<u>\$ 37,339,709</u>

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

**MORRIS-UNION JOINTURE COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
Instruction:							
Special Education	\$ 12,919,300	\$ 23,924,545	\$ 1,091,383		\$ 12,096,628		\$ 12,096,628
Support Services:							
Student and Instruction Related Services	7,314,347	3,854,539	1,223,484		(2,236,324)		(2,236,324)
General Administration Services	1,463,774		183,702		(1,280,072)		(1,280,072)
School Administration Services	1,772,388		308,190		(1,464,198)		(1,464,198)
Central and Other Support Services	2,371,646		182,363		(2,189,283)		(2,189,283)
Plant Operations and Maintenance	3,628,791	111,698	94,662	\$ 97,311	(3,325,120)		(3,325,120)
Pupil Transportation	367,815				(367,815)		(367,815)
Interest on Debt	720,069	-	-	-	(720,069)	-	(720,069)
Total Governmental Activities	30,558,130	27,890,782	3,083,784	97,311	513,747	-	513,747
<b>Business - Type Activities</b>							
Special Programs	6,587,591	5,972,685	352,595	72,496	-	\$ (189,815)	(189,815)
Food Service	352,096	57,011	123,500	-	-	(171,585)	(171,585)
Total Business Type Activities	6,939,687	6,029,696	476,095	72,496	-	(361,400)	(361,400)
Total Primary Government	\$ 37,497,817	\$ 33,920,478	\$ 3,559,879	\$ 169,807	513,747	(361,400)	152,347
General Revenues:							
Investment Earnings					700,098		700,098
Miscellaneous					2,474		2,474
Transfers					(145,000)	145,000	-
Total General Revenues and Transfers					557,572	145,000	702,572
Change in Net Position					1,071,319	(216,400)	854,919
Net Position - Beginning of Year (Restated)					24,717,285	11,767,505	36,484,790
Net Position - End of Year					\$ 25,788,604	\$ 11,551,105	\$ 37,339,709

## **FUND FINANCIAL STATEMENTS**



**MORRIS-UNION JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Assets				
Cash and Cash Equivalents	\$ 12,767,026	\$ 12,094		\$ 12,779,120
Intergovernmental Receivables	5,789,692			5,789,692
Other Receivables		109		109
Due from Other Funds	52			52
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	<u>-</u>	<u>-</u>	\$ 2,051,028	<u>2,051,028</u>
Total Assets	<u>\$ 18,556,770</u>	<u>\$ 12,203</u>	<u>\$ 2,051,028</u>	<u>\$ 20,620,001</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts Payable	\$ 472,278	\$ 1,870		\$ 474,148
Payroll Deductions and Withholdings Payable	104,353			104,353
Accrued Liability for Insurance Claims	2,014,320			2,014,320
Other Liabilities	106			106
Due to Other Funds		52		52
Unearned Revenue	<u>-</u>	<u>10,281</u>	<u>-</u>	<u>10,281</u>
Total Liabilities	<u>2,591,057</u>	<u>12,203</u>	<u>-</u>	<u>2,603,260</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Tuition and Fees	<u>532,074</u>	<u>-</u>	<u>-</u>	<u>532,074</u>
Total Deferred Inflows of Resources	<u>532,074</u>	<u>-</u>	<u>-</u>	<u>532,074</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,123,131</u>	<u>12,203</u>	<u>-</u>	<u>3,135,334</u>
<b>FUND BALANCES</b>				
Restricted				
Unemployment Compensation Reserve	32,642			32,642
Capital Financing Agreements			\$ 2,051,028	2,051,028
Committed				
Encumbrances	41,904			41,904
Assigned				
Encumbrances	87,266			87,266
Designated for Subsequent Year's Budget	7,307,692			7,307,692
Unassigned	<u>7,964,135</u>	<u>-</u>	<u>-</u>	<u>7,964,135</u>
Total Fund Balances	<u>15,433,639</u>	<u>-</u>	<u>2,051,028</u>	<u>17,484,667</u>
Total Liabilities and Fund Balances	<u>\$ 18,556,770</u>	<u>\$ 12,203</u>	<u>\$ 2,051,028</u>	<u>\$ 20,620,001</u>

Continued

**MORRIS-UNION JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2024**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** **\$ 17,484,667**

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$87,479,965 and the accumulated depreciation is \$47,707,849. 39,772,116

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds 532,074

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt 397,337

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources	\$ 496,610	
Deferred Inflows of Resources	(2,583,974)	
		(2,087,364)

The District has financed capital assets through the issuance of Certificates of Participation (COP'S). The interest accrual at year end is: (283,737)

Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund

Capital Financing Agreement (COP's, Incl. Original Issue Premium)	(16,835,061)	
Capital Financing Agreement	(71,778)	
Other Financing Agreement	(90,526)	
Compensated Absences	(645,859)	
Net Pension Liability	(12,383,265)	
		(30,026,489)

**Net Position of Governmental Activities (A-1)** **\$ 25,788,604**

**MORRIS-UNION JOINTURE COMMISSION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Tuition	\$ 24,031,174			\$ 24,031,174
Related Services and Program Fees	3,927,098			3,927,098
Rents	111,698			111,698
Interest	584,993		\$ 115,105	700,098
Miscellaneous	2,474	\$ 20,729	-	23,203
	<u>28,657,437</u>	<u>20,729</u>	<u>115,105</u>	<u>28,793,271</u>
Total Local Sources	28,657,437	20,729	115,105	28,793,271
State Sources	3,436,850		-	3,436,850
Federal Sources	-	87,000	-	87,000
	<u>-</u>	<u>87,000</u>	<u>-</u>	<u>87,000</u>
Total Revenues	<u>32,094,287</u>	<u>107,729</u>	<u>115,105</u>	<u>32,317,121</u>
<b>EXPENDITURES</b>				
Instruction				
Special Education	10,452,066	8,783		10,460,849
Support Services				
Student and Instruction Related Services	8,143,304	1,635		8,144,939
General Administrative Services	1,588,422			1,588,422
School Administrative Services	1,970,877			1,970,877
Central and Other Support Services	2,491,483			2,491,483
Plant Operations and Maintenance	3,789,337			3,789,337
Pupil Transportation	367,815			367,815
Debt Service				
Principal	2,977,371			2,977,371
Interest	762,799			762,799
Capital Outlay	789,356	97,311	-	886,667
	<u>33,332,830</u>	<u>107,729</u>	<u>-</u>	<u>33,440,559</u>
Total Expenditures	33,332,830	107,729	-	33,440,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,238,543)</u>	<u>-</u>	<u>115,105</u>	<u>(1,123,438)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	9,383			9,383
Transfers Out	(145,000)	-	(9,383)	(154,383)
	<u>(135,617)</u>	<u>-</u>	<u>(9,383)</u>	<u>(145,000)</u>
Total Other Financing Sources (Uses)	(135,617)	-	(9,383)	(145,000)
Net Change in Fund Balances	(1,374,160)		105,722	(1,268,438)
Fund Balance - Beginning of Year	16,807,799	-	1,945,306	18,753,105
	<u>16,807,799</u>	<u>-</u>	<u>1,945,306</u>	<u>18,753,105</u>
Fund Balance - End of Year	\$ 15,433,639	\$ -	\$ 2,051,028	\$ 17,484,667
	<u>\$ 15,433,639</u>	<u>\$ -</u>	<u>\$ 2,051,028</u>	<u>\$ 17,484,667</u>

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

**MORRIS-UNION JOINTURE COMMISSION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Total Net Change in Fund Balances - Governmental Funds (B-2)** **\$ (1,268,438)**

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

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

Capital Outlays	\$ 886,667	
Depreciation Expense	<u>(3,895,152)</u>	
		(3,008,485)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(3,942)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue but are deferred in the funds

Increase (Decrease) in Unavailable Revenue		(179,188)
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In the statement of activities, certain operating expenses, i.e. pension, compensated absences, are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for this item are reported in the amount of financial resources used (paid). When the earned or incurred amount exceeds the paid amount, the difference is a reduction (-); when the paid amount exceeds the earned or incurred amount the difference is an addition to the reconciliation (+).

Decrease in Compensated Absences	59,401	
Decrease in Pension Expense	<u>2,451,870</u>	
		2,511,271

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are deferred and amortized over future periods in the statement of activities.

Amortization		
Deferred Charges on Refunding of Debt	(105,077)	
Deferred Charges - Original Issue Premium	<u>87,286</u>	
		(17,791)

Repayments of Principal		
Capital and Other Financing Agreements	72,371	
Capital Financing Agreements - Certificates of Participation (COPS)	<u>2,905,000</u>	
		2,977,371

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Decrease in Accrued Interest		<u>60,521</u>
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<b>Change in Net Position of Governmental Activities</b>		<b>\$ <u>1,071,319</u></b>
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**MORRIS-UNION JOINTURE COMMISSION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<b>Business Type Activities-Enterprise Funds</b>		
	<b>Special Programs Fund</b>	<b>Non-Major Food Service Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 10,949,686	\$ 34,298	\$ 10,983,984
Intergovernmental Accounts Receivable	939,875	5,575	945,450
Other Accounts Receivable	-	29,040	29,040
Inventories	-	7,641	7,641
Total Current Assets	11,889,561	76,554	11,966,115
Capital Assets			
Land	3,064,300		3,064,300
Construction in Progress	51,187		51,187
Buildings and Improvements	3,323,471		3,323,471
Furniture, Machinery & Equipment	6,398,455	221,808	6,620,263
Less: Accumulated Depreciation	(7,783,762)	(185,347)	(7,969,109)
Total Capital Assets, Net	5,053,651	36,461	5,090,112
Total Assets	16,943,212	113,015	17,056,227
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	179,971	-	179,971
Total Assets and Deferred Outflow of Resources	17,123,183	113,015	17,236,198
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	31,683	21,119	52,802
Accrued Salaries and Wages	69,207		69,207
Accrued Liabilities For Insurance Claims	128,574		128,574
Capital Financing Agreement	2,944		2,944
Unearned Revenue	-	1,656	1,656
Total Current Liabilities	232,408	22,775	255,183
Noncurrent Liabilities			
Capital Financing Agreement	3,810		3,810
Net Pension Liability	4,487,668	-	4,487,668
Total Noncurrent Liabilities	4,491,478	-	4,491,478
Total Liabilities	4,723,886	22,775	4,746,661
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	936,427		936,427
Deferred Commodities Revenue	-	2,005	2,005
Total Deferred Inflows of Resources	936,427	2,005	938,432
Total Liabilities and Deferred Inflows of Resources	5,660,313	24,780	5,685,093
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,046,897	36,461	5,083,358
Unrestricted	6,415,973	51,774	6,467,747
Total Net Position	\$ 11,462,870	\$ 88,235	\$ 11,551,105

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

**MORRIS-UNION JOINTURE COMMISSION**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Business Type Activities-Enterprise Funds</b>		
	<b>Special Programs Fund</b>	<b>Non-Major Food Service Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs		\$ 50,828	\$ 50,828
Daily Sales - Non-Reimbursable Programs		6,183	6,183
Program Charges and Fees	\$ 5,853,669		5,853,669
Miscellaneous Fees	119,016		119,016
State - On Behalf OPEB Contribution	352,595	-	352,595
Total Operating Revenues	6,325,280	57,011	6,382,291
<b>OPERATING EXPENSES</b>			
Support Services			
Cost of Food - Reimbursable Programs		129,695	129,695
Cost of Food - Non-Reimbursable Programs		3,987	3,987
Salaries	3,596,232	131,773	3,728,005
Employee Benefits	1,538,782	23,518	1,562,300
Purchased Professional /Technical Services	113,944	36,485	150,429
Other Purchased Services	4,460	-	4,460
Rentals	32,632		32,632
Cleaning, Repairs, Maintenance and Utilities	223,097	10,637	233,734
Supplies and Materials	516,069		516,069
Miscellaneous	9,927	3,723	13,650
Depreciation	552,448	12,278	564,726
Total Operating Expenses	6,587,591	352,096	6,939,687
Operating Income (Loss)	(262,311)	(295,085)	(557,396)
<b>Nonoperating Revenues</b>			
State Sources			
State School Lunch Program		2,404	2,404
State School Lunch Program - NJEIE Breakfast		989	989
State School Lunch Program - NJEIE Lunch		1,216	1,216
State Breakfast		536	536
After the Bell		1,952	1,952
Federal Sources			
National School Breakfast Program		29,843	29,843
National School Lunch Program		55,271	55,271
P-EBT Admin		653	653
Local Foods for Schools		750	750
Food Distribution Program		19,888	19,888
Covid Supply Chain Assistance		9,998	9,998
Proceeds from Insurance Reimbursements	1,751		1,751
Proceeds from Sale of Assets	70,745	-	70,745
Total Non-Operating Revenues	72,496	123,500	195,996
Income (Loss) Before Transfers	(189,815)	(171,585)	(361,400)
Transfers In	-	145,000	145,000
Change in Net Position	(189,815)	(26,585)	(216,400)
Total Net Position - Beginning of Year (Restated)	11,652,685	114,820	11,767,505
Total Net Position - Ending of Year	\$ 11,462,870	\$ 88,235	\$ 11,551,105

**MORRIS-UNION JOINTURE COMMISSION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Business Type Activities-Enterprise Funds</b>		
	<b>Special Programs Fund</b>	<b>Non-Major Food Service Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 6,480,756	\$ 50,529	\$ 6,531,285
Payments to Employees for Salaries and Benefits	(4,873,872)	(155,291)	(5,029,163)
Payments to Suppliers For Goods and Services	(1,731,807)	(153,051)	(1,884,858)
Net Cash Provided by (Used for) Operating Activities	(124,923)	(257,813)	(382,736)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received From State and Federal Subsidy Reimbursements		114,391	114,391
Cash Received from Other Funds	-	145,000	145,000
Net Cash Provided by (Used For) Noncapital Financing Activities	-	259,391	259,391
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Payment on Capital Financing Agreement	(2,853)		(2,853)
Proceeds from Insurance Reimbursements	1,751		1,751
Proceeds from Sale of Assets	70,745		70,745
Purchases of Capital Assets	(94,473)	(4,265)	(98,738)
Net Cash Provided by (Used For) Capital and Related Financing Activities	(24,830)	(4,265)	(29,095)
Net Increase (Decrease) in Cash and Cash Equivalents	(149,753)	(2,687)	(152,440)
Cash and Cash Equivalents- Beginning of Year	11,099,439	36,985	11,136,424
Cash and Cash Equivalents- End of Year	\$ 10,949,686	\$ 34,298	\$ 10,983,984
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income(Loss)	\$ (262,311)	\$ (295,085)	\$ (557,396)
Adjustments to Reconcile Operating Income(loss) to Net Cash Provided by (Used For) Operating Activities			
Depreciation Expense	552,448	12,278	564,726
Non-Cash Federal Assistance-Food Distribution Program		19,888	19,888
Change is Assets, Liabilities and Deferred Outflows and Inflows:			
(Increase) Decrease in Accounts Receivable	508,071	(5,329)	502,742
(Increase) Decrease in Inventories	-	9,820	9,820
(Increase) Decrease in Deferred Outflows - Net Pension Liability	200,518		200,518
Increase (Decrease) in Deferred Inflows - Net Pension Liability	(112,540)		(112,540)
Increase (Decrease) in Accounts Payable	(831,678)	3,564	(828,114)
Increase (Decrease) in Accrued Salaries and Wages	(30,847)		(30,847)
Increase (Decrease) in Accrued Liability for Insurance Claims	(135,194)		(135,194)
Increase (Decrease) in Unearned Revenue		(1,153)	(1,153)
Increase (Decrease) in Net Pension Liability	(13,390)		(13,390)
Increase (Decrease) in Deferred Commodities Revenue	-	(1,796)	(1,796)
Total Adjustments	137,388	37,272	174,660
Net Cash Provided by (Used For) Operating Activities	\$ (124,923)	\$ (257,813)	\$ (382,736)
Non-Cash Financing Activities			
Valued Received - Food Distribution Program		\$ 18,092	\$ 18,092

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

## **NOTES TO THE FINANCIAL STATEMENTS**



**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2024, the Commission adopted the following GASB statements:

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

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

**C. Basis of Presentation - Financial Statements**

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

**Commission-Wide Financial Statements**

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements**

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

The Commission reports the following major governmental funds:

The *general fund* is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

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

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

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

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

**Reclassifications**

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**3. *Inventories***

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

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

**4. *Restricted Assets***

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

**5. *Capital Assets***

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

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

**7. *Compensated Absences***

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**8. Pensions**

In the commission-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**9. Financing Agreements**

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

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

**10. Long-Term Obligations**

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

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

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

Commission-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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

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

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

*Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of fund balance appropriated in the 2024/2025 original budget.

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

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



**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

***12. Fund Balance Policies***

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

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. On-Behalf Payments***

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the Commission for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for Commission employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities, business-type activities and proprietary funds include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the Commission for Commission employees enrolled in the TPAF retirement system.

***3. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the Commission's board minutes. The budget is amended by the Board of Commissioners as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Commission approved several budget transfers during 2023/2024. Also, during 2023/2024 the Commission increased the original budget of the General Fund by \$1,266,717 and the Special Revenue Fund by \$120,319. The increases were funded by additional tuition revenues, grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Administration Information Technology			
Purchased Tech. Services	\$357,544	\$373,419	\$15,875
Unallocated Benefits			
Health Benefits	669,351	798,944	125,593
Facilities Acquisition and Construction			
Services			
Lease Purchase Agreements -Principal	2,903,000	2,905,000	2,000

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

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Commission's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Commission is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Commission's deposits was \$23,761,940 and bank and brokerage firm balances of the Commission's deposits amounted to \$24,600,159. The Commission's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 24,064,502
Uninsured and Collateralized	<u>535,657</u>
	<u>\$ 24,600,159</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commission does not have a policy for custodial credit risk. As of June 30, 2024 the Commission's bank balance of \$535,657 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Commission's name	\$ <u>535,657</u>
	<u>\$ 535,657</u>

Investments

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

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2024, the Commission had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities - Money Market Fund (Cash Equivalents)	\$ 2,051,028
N.J. Cash Management Fund (Cash Equivalents)	<u>1,164</u>
	<u>\$ 2,052,192</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Commission does not have a policy for custodial credit risk. As of June 30, 2024, \$2,052,192 of the Commission’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Commission's name	<u>\$ 2,052,192</u>

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

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

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by the Fiscal Agent and the NJ Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the Commission at June 30, 2024 are categorized as Level 2.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Receivables**

Receivables as of June 30, 2024 for the Commission's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>Enterprise Funds</u>				
	<u>General</u>	<u>Special Revenue</u>	<u>Special Programs</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 5,769,752		\$ 939,875		\$ 6,709,627
State	19,940			\$ 427	20,367
Federal				5,148	5,148
Accounts	<u>-</u>	<u>\$ 109</u>	<u>-</u>	<u>29,040</u>	<u>29,149</u>
Gross Receivables	5,789,692	109	939,875	34,615	6,764,291
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 5,789,692</u>	<u>\$ 109</u>	<u>\$ 939,875</u>	<u>\$ 34,615</u>	<u>\$ 6,764,291</u>

**C. Unearned Revenue**

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

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Drawdowns	<u>\$ 10,281</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 10,281</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets**

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

	Balance, <u>July 1, 2023</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2024</u>
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,184,000				\$ 7,184,000
Construction in Progress	<u>56,988</u>	<u>\$ 327,585</u>	<u>-</u>	<u>\$ (41,305)</u>	<u>343,268</u>
Total Capital Assets, Not Being Depreciated	<u>7,240,988</u>	<u>327,585</u>	<u>-</u>	<u>(41,305)</u>	<u>7,527,268</u>
Capital Assets, Being Depreciated:					
Land Improvements	870,477	23,252			893,729
Buildings	74,825,353	219,982		41,305	75,086,640
Machinery and Equipment	<u>3,851,215</u>	<u>315,848</u>	<u>\$ (194,735)</u>	<u>-</u>	<u>3,972,328</u>
Total Capital Assets Being Depreciated	<u>79,547,045</u>	<u>559,082</u>	<u>(194,735)</u>	<u>41,305</u>	<u>79,952,697</u>
Less Accumulated Depreciation for:					
Land Improvements	(505,802)	(86,205)			(592,007)
Buildings	(41,844,228)	(3,565,988)			(45,410,216)
Machinery and Equipment	<u>(1,653,460)</u>	<u>(242,959)</u>	<u>190,793</u>	<u>-</u>	<u>(1,705,626)</u>
Total Accumulated Depreciation	<u>(44,003,490)</u>	<u>(3,895,152)</u>	<u>190,793</u>	<u>-</u>	<u>(47,707,849)</u>
Total Capital Assets, Being Depreciated, Net	<u>35,543,555</u>	<u>(3,336,070)</u>	<u>(3,942)</u>	<u>41,305</u>	<u>32,244,848</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,784,543</u>	<u>\$ (3,008,485)</u>	<u>\$ (3,942)</u>	<u>\$ -</u>	<u>\$ 39,772,116</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets (Continued)**

	Balance, July 1, 2023 (Restated)	Increases	Decreases	Balance, June 30, 2024
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,064,300	-	-	\$ 3,064,300
Construction in Progress	51,187	-	-	51,187
Total Capital Assets, Not Being Depreciated	<u>3,115,487</u>	<u>-</u>	<u>-</u>	<u>3,115,487</u>
Capital Assets, Being Depreciated:				
Buildings	3,261,273	\$ 62,198		3,323,471
Machinery and Equipment	7,496,158	36,540	\$ (912,435)	6,620,263
Total Capital Assets Being Depreciated	<u>10,757,431</u>	<u>98,738</u>	<u>(912,435)</u>	<u>9,943,734</u>
Less Accumulated Depreciation for:				
Buildings	(2,999,812)	(163,205)		(3,163,017)
Machinery and Equipment	(5,317,006)	(401,521)	912,435	(4,806,092)
Total Accumulated Depreciation	<u>(8,316,818)</u>	<u>(564,726)</u>	<u>912,435</u>	<u>(7,969,109)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,440,613</u>	<u>(465,988)</u>	<u>-</u>	<u>1,974,625</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,556,100</u>	<u>\$ (465,988)</u>	<u>\$ -</u>	<u>\$ 5,090,112</u>

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

**Governmental Activities:**

Instruction	
Special Education	\$ 3,671,086
Total Instruction	<u>3,671,086</u>
Support Services	
Student and Instruction Related Services	17,535
Central and Other Support Services	125,033
Plant Operations and Maintenance	81,498
Total Support Services	<u>224,066</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,895,152</u>

**Business-Type Activities:**

Special Programs Fund	\$ 552,448
Food Service Fund	<u>12,278</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 564,726</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

The composition of interfund balances as of June 30, 2024, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ <u>52</u>

The above balances were the result of expenditures paid by one fund on behalf of another fund.

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

**F. Interfund Transfers**

The composition of interfund transfers is as follows:

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Enterprise Funds</u> <u>Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 145,000	\$ 145,000
Capital Projects Fund	\$ 9,383	-	9,383
Total Transfers	\$ <u>9,383</u>	\$ <u>145,000</u>	\$ <u>154,383</u>

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

**G. Financing Agreements**

**Capital Financing Agreements**

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

Capital financing agreements at June 30, 2024 are comprised of the following:

\$167,373, fiscal year 2022 Agreement for the acquisition of copiers for a term of 5 years due in monthly principal installments of \$2,812 to \$3,007 through September, 2026 interest at 3.101%	\$ <u>78,532</u>
Governmental Activities	\$ 71,778
Business-Type Activities	<u>6,754</u>
	\$ <u>78,532</u>



**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Financing Agreements (Continued)**

**Capital Financing Agreements (Continued)**

The Commission entered into a capital financing agreement and issued refunding certificates of participation (“COPS”) in the amount of \$43,830,000 which were issued to refund the series 2004 certificates of participation.

Certificates of Participation Agreement at June 30, 2024 is comprised of the following

\$43,830,000, Fiscal Year 2013 Agreement  
to Refund 2004 Certificates of Participation  
for a term of sixteen years due in annual  
principal installments of \$3,025,000 to \$3,540,000  
through August 1, 2028  
interest at 3.125% to 5.00% \$16,505,000

The unexpended proceeds from the sale of the original series 2004 and series 2013 refunding certificates, including interest earned on balances which remain on deposit are held with the respective fiscal agent. The following is a summary of balances by account type as of June 30, 2024:

Interest Account	\$113,300
Principal Account	10,934
Debt Service Reserve Account	<u>1,926,794</u>
	<u>\$2,051,028</u>

The reserve requirement states that reserve deposits shall equal the lesser of (i) 10% of the certificates issued (ii) 100% of the maximum periodic debt service or (iii) 125% of the average periodic debt service and are to be applied against the final principal payment upon maturity of the obligations. The balance in the reserve account along with surety policy was sufficient to meet the reserve requirement at June 30, 2024.

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

Fiscal Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 3,056,284	\$ 635,487	\$ 2,944	\$ 168	\$ 3,694,883
2026	3,187,269	508,363	3,036	75	3,698,743
2027	3,328,225	345,731	774	4	3,674,734
2028	3,465,000	197,719			3,662,719
2029	<u>3,540,000</u>	<u>66,375</u>	<u>-</u>	<u>-</u>	<u>3,606,375</u>
	<u>\$ 16,576,778</u>	<u>\$ 1,753,675</u>	<u>\$ 6,754</u>	<u>\$ 247</u>	<u>\$ 18,337,454</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Financing Agreements (Continued)**

**Other Financing Agreements**

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

Other financing agreements at June 30, 2024 are comprised of the following:

\$132,570, Fiscal year 2023 Agreement for the purchase of computers for a term of three years due in annual principal installments of \$44,155 to \$46,371 through July 2026 interest at 5.02%	<u>\$ 90,526</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

**Governmental Activities:**

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 44,155	\$ 4,544	\$ 48,699
2026	<u>46,371</u>	<u>2,328</u>	<u>48,699</u>
Total	<u>\$ 90,526</u>	<u>\$ 6,872</u>	<u>\$ 97,398</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Balance, July 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2024</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Capital Financing Agreement (COP's)					
Certificates of Participation	\$ 19,410,000		\$ 2,905,000	\$ 16,505,000	\$ 3,025,000
Original Issue Premium	417,347	-	87,286	330,061	-
	<u>19,827,347</u>	<u>-</u>	<u>2,992,286</u>	<u>16,835,061</u>	<u>3,025,000</u>
Capital Financing Agreement	102,105		30,327	71,778	31,284
Other Financing Agreement	132,570		42,044	90,526	44,155
Compensated Absences	705,260		59,401	645,859	
Net Pension Liability	<u>14,734,233</u>	<u>-</u>	<u>2,350,968</u>	<u>12,383,265</u>	<u>-</u>
Governmental Activity Long-term liabilities	<u>\$ 35,501,515</u>	<u>\$ -</u>	<u>\$ 5,475,026</u>	<u>\$ 30,026,489</u>	<u>\$ 3,100,439</u>
<b>Business-Type Activities:</b>					
Capital Financing Agreement	\$ 9,607		\$ 2,853	\$ 6,754	\$ 2,944
Net Pension Liability	<u>4,501,058</u>	<u>-</u>	<u>13,390</u>	<u>4,487,668</u>	<u>-</u>
Business-Type Activity Long-term liabilities	<u>\$ 4,510,665</u>	<u>\$ -</u>	<u>\$ 16,243</u>	<u>\$ 4,494,422</u>	<u>\$ 2,944</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Estimates of claims incurred, but not reported (IBNR) at June 30, 2024, are reported as accrued liability for insurance claims. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$2,142,894 reported at June 30, 2024 is based on the requirements of the Governmental Accounting Standards Commission which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the medical, prescription drug and dental plan for the fiscal years ended June 30, 2024 and 2023 are as follows:

**Governmental and Business Type Activities:**

	Fiscal Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Unpaid claims, Beginning of Fiscal Year	\$ 2,028,981	\$ 1,861,621
Incurred claims (including IBNR's)	6,084,766	5,955,366
Claim Payments	<u>(5,970,853)</u>	<u>(5,788,006)</u>
Unpaid claims, End of Fiscal Year	<u>\$ 2,142,894</u>	<u>\$ 2,028,981</u>

**Governmental Activities:**

General Fund

Accrued Liability for Insurance Claims	\$ 2,014,320	\$ 1,765,213
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**Business Type Activities:**

Special Programs Enterprise Fund

Accrued Liability for Insurance Claims	<u>128,574</u>	<u>263,768</u>
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	<u>\$ 2,142,894</u>	<u>\$ 2,028,981</u>
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The Commission is a member of the New Jersey School Commission Insurance Group (NJSBAIG or Group) and the School Alliance Insurance Fund (SAIF or Group). The Groups are risk sharing public entity pools, established for the purpose of insuring against general liability, automobile, liability, boiler and machinery and worker's compensation claims.

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Commission Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 38,902	\$ 37,372	\$ 179,674	\$ 32,642
2023	121,367	39,987	234,190	136,042
2022		58,857	9,773	144,022

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Commission participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Commission.

**C. Federal Arbitrage Regulations**

The Commission is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the Commission had no estimated arbitrage earnings due to the IRS.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

**Other Pension Funds**

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

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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



**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Commission. PERS employer contributions are made annually by the Commission to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Commission for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Commission was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 1,556,746	\$ 2,347,838	\$ 13,560
2023	1,607,317	2,410,907	10,903
2022	1,588,765	2,492,135	14,768

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2024, 2023 and 2021 the State contributed \$673, \$476 and \$540, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Commission \$449,343 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the commission-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the Commission reported in the statement of net position (accrual basis) a liability of \$16,870,933 for its proportionate share of the PERS net pension liability. Of this amount, \$12,383,265 is reported as governmental activities and \$4,487,668 is reported as business-type activities in the statements of net position. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The Commission's proportionate share of the net pension liability was based on the ratio of the Commission's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the Commission's proportionate share was .11648 percent, which was a decrease of .01098 percent from its proportionate share measured as of June 30, 2022 of .12746 percent.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension benefit of \$820,536 for PERS. Of this amount a pension benefit of \$1,308,751 is reported as governmental activities in the statement of activities and a pension expense of \$488,215 is reported as business-type activities in both the statement of activities and statement of revenues, expenses and changes in net position. The pension contribution made by the Commission during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>2023</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 161,308	\$ 68,963
Changes of Assumptions	37,062	1,022,451
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	77,693	
Changes in Proportion and Differences Between Commission Contributions and Proportionate Share of Contributions	<u>400,518</u>	<u>2,428,987</u>
Total	<u>\$ 676,581</u>	<u>\$ 3,520,401</u>
Governmental Activities	\$ 496,610	\$ 2,583,974
Business-Type Activities	<u>179,971</u>	<u>936,427</u>
	<u>\$ 676,581</u>	<u>\$ 3,520,401</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,545,810)
2025	(1,545,808)
2026	560,190
2027	(303,682)
2028	(8,710)
Thereafter	<u>-</u>
	<u>\$ (2,843,820)</u>

***Actuarial Assumptions***

The Commission's 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:	2.75-6.55%
	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 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
Commission's Proportionate Share of the PERS Net Pension Liability	<u>\$ 21,962,365</u>	<u>\$ 16,870,933</u>	<u>\$ 12,537,451</u>
Governmental Activities	\$ 16,120,376	\$ 12,383,265	\$ 9,202,489
Business-Type Activities	<u>5,841,989</u>	<u>4,487,668</u>	<u>3,334,962</u>
	<u>\$ 21,962,365</u>	<u>\$ 16,870,933</u>	<u>\$ 12,537,451</u>

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the Commission's net pension liability at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$729,258 for TPAF. This amount has been included in the Commission-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the Commission is \$29,684,351. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the Commission adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the Commission was .05817 percent, which was a decrease of .00153 percent from its proportionate share measured as of June 30, 2022 of .05970 percent.

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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.

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-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF 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-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the Commission	<u>\$ 35,003,236</u>	<u>\$ 29,684,351</u>	<u>\$ 25,204,585</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the Commission as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

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

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

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

Measurement Focus and Basis of Accounting

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the Commission for the fiscal years ended June 30, 2024, 2023 and 2022 were \$638,996, \$633,339 and \$582,264, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the Commission was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

For the fiscal year ended June 30, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) OPEB expense of \$2,246,687. Of this amount \$1,894,092 has been included in the Commission-wide statement of activities (accrual basis) governmental activities as both a revenue and expense in accordance with GASB No. 85. \$352,595 has been included in the business-type activities statement of activities and the Special Programs Enterprise Fund schedule of program revenues, expenses and changes in net position.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the Commission is \$50,560,169. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the Commission was .09656 percent, which was a decrease of .00471 percent from its proportionate share measured as of June 30, 2022 of .10127 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is , increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 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.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the Commission for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 51,291,277
Changes Recognized for the Fiscal Year:	
Service Cost	3,096,163
Interest on the Total OPEB Liability	1,780,667
Differences Between Expected and Actual Experience	(4,367,419)
Changes of Assumptions	101,908
Gross Benefit Payments	(1,388,059)
Contributions from the Member	45,632
Net Changes	(731,108)
Balance, June 30, 2023 Measurement Date	\$ 50,560,169

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the Commission calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the Commission that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<b>1% Decrease <u>(2.65%)</u></b>	<b>Current Discount Rate <u>(3.65%)</u></b>	<b>1% Increase <u>(4.65%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	<u>\$ 59,273,118</u>	<u>\$ 50,560,169</u>	<u>\$ 43,564,682</u>

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

	<b>1% Decrease <u></u></b>	<b>Healthcare Cost Trend Rates <u></u></b>	<b>1% Increase <u></u></b>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	<u>\$ 41,972,735</u>	<u>\$ 50,560,169</u>	<u>\$ 61,796,848</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023 were not provided by the pension system.

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RESTATEMENT**

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2023 have been restated to reflect changes in the valuation of the Commission's capital assets. The effect of this restatement is to increase net position of governmental activities by \$102,828 from \$24,614,457 as previously reported to \$24,717,285 as of June 30, 2023.

**Business-Type Activities and Enterprise Funds**

The financial statements of the Business-Type Activities fund and the Special Programs Enterprise Fund as of June 30, 2023 have been restated to reflect changes in the valuation of the Commission's capital assets. The effect of this restatement is to increase total Business-Type Activities and Enterprise Funds net position by \$8,287 from \$11,759,218 as previously reported to \$11,767,505 as of June 30, 2023. More specifically the effect of this restatement is to increase the Special Programs Enterprise Fund net position by \$8,287 from \$11,644,398 as previously reported to \$11,652,685 as of June 30, 2023.

**NOTE 6 RECENT HEALTHCARE DEVELOPMENTS**

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Commission.

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



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Tuition	\$ 23,072,359	\$ 987,509	\$ 24,059,868	\$ 24,031,174	\$ (28,694)
Related Services and Program Fees	4,582,895		4,582,895	3,927,098	(655,797)
Rents	47,320		47,320	111,698	64,378
Interest on Investments	64,156		64,156	584,993	520,837
Miscellaneous	-	-	-	2,474	2,474
Total Local Sources	<u>27,766,730</u>	<u>987,509</u>	<u>28,754,239</u>	<u>28,657,437</u>	<u>(96,802)</u>
State Sources					
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contributions				2,321,364	2,321,364
Pension Non-Contributory Group Insurance				26,474	26,474
Long Term Disability Insurance				673	673
Post Retirement Medical Benefits				638,996	638,996
Reimbursed TPAF Social Security Contributions	-	-	-	449,343	449,343
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,436,850</u>	<u>3,436,850</u>
Total Revenues	<u>27,766,730</u>	<u>987,509</u>	<u>28,754,239</u>	<u>32,094,287</u>	<u>3,340,048</u>
<b>EXPENDITURES</b>					
Current					
Special Education					
Emotional Regulation Impairment					
Salaries of Teachers	121,093	4,000	125,093	124,644	449
Other Salaries for Instruction	406,076	(109,230)	296,846	215,475	81,371
Purchased Professional-Educational Services	58,550	(26,550)	32,000	26,542	5,458
General Supplies	20,000	(9,000)	11,000	6,116	4,884
Other Objects	23,750	-	23,750	-	23,750
Total Emotional Regulation Impairment	<u>629,469</u>	<u>(140,780)</u>	<u>488,689</u>	<u>372,777</u>	<u>115,912</u>
Multiple Disabilities					
Salaries of Teachers	58,000	(58,000)	-	-	-
Other Salaries for Instruction	76,135	9,600	85,735	85,400	335
Other Purchased Services	600	-	600		600
General Supplies	8,485	(1,233)	7,252	721	6,531
Other Objects	500	-	500	-	500
Total Multiple Disabilities	<u>143,720</u>	<u>(49,633)</u>	<u>94,087</u>	<u>86,121</u>	<u>7,966</u>
Autism					
Salaries of Teachers	1,721,572	351,618	2,073,190	1,547,754	525,436
Other Salaries for Instruction	3,207,757	342,065	3,549,822	2,932,618	617,204
Purchased Prof. - Educ. Service		2,350	2,350	1,500	850
Purchased Technical Services	66,305	491,883	558,188	197,781	360,407
Other Purchased Services	6,000	-	6,000	2,899	3,101
General Supplies	170,836	(516)	170,320	92,599	77,721
Textbooks	48,490	12,105	60,595	20,202	40,393
Total Autism	<u>5,220,960</u>	<u>1,199,505</u>	<u>6,420,465</u>	<u>4,795,353</u>	<u>1,625,112</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	58,508	-	58,508	39,347	19,161
Other Salaries for Instruction	106,301	(54,800)	51,501	-	51,501
Total Preschool Disabilities - Full-Time	<u>164,809</u>	<u>(54,800)</u>	<u>110,009</u>	<u>39,347</u>	<u>70,662</u>
Total Special Education - Instruction	<u>6,158,958</u>	<u>954,292</u>	<u>7,113,250</u>	<u>5,293,598</u>	<u>1,819,652</u>

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (Continued)</b>					
Current (Continued)					
Summer School					
Salaries	\$ 267,675	\$ (28,715)	\$ 238,960	\$ 238,954	\$ 6
Other Salaries for Instruction	553,044	39,232	592,276	592,216	60
Total Summer School - Instruction	820,719	10,517	831,236	831,170	66
Summer School					
Salaries	35,330	(1,863)	33,467	33,465	2
Total Summer School - Support Services	35,330	(1,863)	33,467	33,465	2
Total Summer School	856,049	8,654	864,703	864,635	68
Total Instruction	7,015,007	962,946	7,977,953	6,158,233	1,819,720
Health Services					
Salaries	304,813	6,500	311,313	310,952	361
Purchased Professional and Technical Services	15,500	1,500	17,000	9,264	7,736
General Supplies	47,413	4,489	51,902	17,633	34,269
Total Health Services	367,726	12,489	380,215	337,849	42,366
Speech, OT, PT and Related Services					
Salaries	2,784,900	335,250	3,120,150	2,727,423	392,727
Supplies and Materials	-	11,000	11,000	10,137	863
Unused Sick Leave	-	1,050	1,050	1,045	5
Total Speech, OT, PT and Related Services	2,784,900	347,300	3,132,200	2,738,605	393,595
Extraordinary Services					
Salaries	1,561,991	(65,000)	1,496,991	1,225,044	271,947
Total Extraordinary Services	1,561,991	(65,000)	1,496,991	1,225,044	271,947
Child Study Team					
Salaries of Other Professional Staff	131,576	25,376	156,952	135,227	21,725
Total Child Study Team	131,576	25,376	156,952	135,227	21,725
Instructional Staff Training Services					
Purchased Professional - Educational Services	3,000	200	3,200	2,783	417
Other Purchased Services	159,875	(1,550)	158,325	30,842	127,483
Total Instructional Staff Training Services	162,875	(1,350)	161,525	33,625	127,900
Support Services General Administration					
Salaries	652,327	(20)	652,307	651,248	1,059
Legal Services	55,000	(1,000)	54,000	18,583	35,417
Audit Fees	55,000	(4,000)	51,000	50,034	966
Architectural/Engineering Services	100,000	8,988	108,988	28,000	80,988
Other Purchased Professional Services	90,700	(9,700)	81,000	77,368	3,632
Communications/Telephone	160,862	(3,901)	156,961	142,009	14,952
Miscellaneous Purchased Services	49,473	-	49,473	34,757	14,716
Supplies and Materials	15,000	-	15,000	8,431	6,569
Miscellaneous Expenditures	25,000	6,950	31,950	30,974	976
Total Support Services General Administration	1,203,362	(2,683)	1,200,679	1,041,404	159,275

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (Continued)</b>					
Current (Continued)					
Support Services School Administration					
Salaries of Principals and Assistant Principals	\$ 697,378	\$ 42,380	\$ 739,758	\$ 739,758	
Salaries of Secretarial and Clerical Assistants	279,154	34,100	313,254	311,912	\$ 1,342
Unused Sick Leave	-	5,000	5,000	-	5,000
Other Purchased Services	5,100	2,355	7,455	5,914	1,541
Supplies and Materials	21,507	(4,327)	17,180	13,345	3,835
Other Objects	9,200	(706)	8,494	3,352	5,142
Total Support Services School Administration	1,012,339	78,802	1,091,141	1,074,281	16,860
Central Services					
Salaries	702,796	(10,000)	692,796	669,173	23,623
Unused Vacation Payment to Terminated/Retired Staff		10,000	10,000	10,000	-
Purchased Professional Services	45,000	15,895	60,895	25,402	35,493
Miscellaneous Purchased Services	9,700	700	10,400	6,147	4,253
Supplies and Materials	4,000	-	4,000	2,547	1,453
Interest on Lease Purchase Agreements	753,594	-	753,594	753,594	-
Miscellaneous Expenditures	7,500	-	7,500	3,643	3,857
Total Central Services	1,522,590	16,595	1,539,185	1,470,506	68,679
Administration Information Technology					
Salaries	487,333	-	487,333	464,621	22,712
Purchased Technical Services	307,955	49,589	357,544	373,419	(15,875)
Other Purchased Services	4,740	50,000	54,740	54,549	191
General Supplies	136,720	2,314	139,034	130,945	8,089
Total Administration Information Technology	936,748	101,903	1,038,651	1,023,534	15,117
Required Maintenance for School Facilities					
Salaries	297,735	(1)	297,734	291,583	6,151
Cleaning, Repair and Maintenance Services	607,532	221,212	828,744	767,353	61,391
General Supplies	132,971	(12,305)	120,666	104,815	15,851
Total Required Maintenance for School Facilities	1,038,238	208,906	1,247,144	1,163,751	83,393
Custodial Services					
Salaries	775,944	-	775,944	733,451	42,493
Cleaning, Repair and Maintenance Services	33,000	13,960	46,960	46,187	773
Rental of Land & Building Other than Lease Purchase	13,000	18,775	31,775	31,699	76
Other Purchased Property Services	58,500	5,300	63,800	51,413	12,387
Insurance	399,360	-	399,360	383,980	15,380
Miscellaneous Purchased Services	2,000	-	2,000	325	1,675
General Supplies	193,230	(77,529)	115,701	90,078	25,623
Energy (Natural Gas)	70,000	359,500	429,500	407,719	21,781
Energy (Electricity)	426,000	(193,500)	232,500	141,460	91,040
Total Custodial Services	1,971,034	126,506	2,097,540	1,886,312	211,228
Upkeep of Grounds					
Salaries	39,513	501	40,014	39,942	72
Cleaning, Repair and Maintenance Services	71,050	(1,500)	69,550	47,850	21,700
General Supplies	42,100	7,300	49,400	22,390	27,010
Total Upkeep of Grounds	152,663	6,301	158,964	110,182	48,782
Security					
Other Objects	130,000	(127,200)	2,800	-	2,800
Total Security	130,000	(127,200)	2,800	-	2,800

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES (Continued)</b>					
Current (Continued)					
Student Transportation Services					
Contracted Services (Other Than Between Home and School)	\$ 451,480	\$ (57,696)	\$ 393,784	\$ 362,984	\$ 30,800
Miscellaneous Purchased Services-Transportation	11,600	-	11,600	4,831	6,769
Total Student Transportation Services	463,080	(57,696)	405,384	367,815	37,569
Allocated Benefits - Special Programs					
Social Security Contributions	595,126	28,307	623,433	538,736	84,697
Other Retirement Contributions- PERS	1,054,479	(79,935)	974,544	973,674	870
Unemployment Compensation	120,000	(49,600)	70,400	31,471	38,929
Workmen's Compensation	510,926	(25,085)	485,841	420,729	65,112
Health Benefits	5,243,840	(365,447)	4,878,393	4,252,112	626,281
Tuition Reimbursement	10,000	(10,000)	-	-	-
Other Employee Benefits	60,000	6,050	66,050	13,849	52,201
Total Allocated Benefits - Special Programs - Instruction	7,594,371	(495,710)	7,098,661	6,230,571	868,090
Allocated Benefits - Other Instructional Programs					
Social Security Contributions	47,707	4,508	52,215	52,213	2
Total Allocated Benefits - Other Instructional Programs	47,707	4,508	52,215	52,213	2
Allocated Benefits - School Administration					
Other Employee Benefits	5,000	(5,000)	-	-	-
Total Allocated Benefits - School Administration	5,000	(5,000)	-	-	-
Unallocated Benefits					
Other Retirement Contributions- PERS	165,200	15,527	180,727	180,427	300
Unemployment Compensation	17,000	(10,000)	7,000	-	7,000
Unemployment Compensation (Non-Budget)				103,400	(103,400)
Workmen's Compensation	80,302	-	80,302	66,126	14,176
Health Benefits	684,878	(15,527)	669,351	798,944	(129,593)
Tuition Reimbursement	5,000	(5,000)	-	-	-
Total Unallocated Benefits	952,380	(15,000)	937,380	1,148,897	(211,517)
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension Benefit Contributions				2,321,364	(2,321,364)
Pension Non-Contributory Group Insurance				26,474	(26,474)
Long Term Disability Insurance				673	(673)
Post Retirement Medical Benefits				638,996	(638,996)
Reimbursed TPAF Social Security Contributions	-	-	-	449,343	(449,343)
Total TPAF Contributions	-	-	-	3,436,850	(3,436,850)
Total Undistributed Expenditures	22,038,580	159,047	22,197,627	23,476,666	(1,279,039)
Total Expenditures - Current	29,053,587	1,121,993	30,175,580	29,634,899	540,681

**MORRIS-UNION JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Autism	\$ 5,000	\$ 51,932	\$ 56,932	\$ 48,433	\$ 8,499
Administration Information Technology	257,000	(69,224)	187,776	153,441	34,335
Required Maintenance	460,000	476,847	936,847	587,057	349,790
Total Equipment	<u>722,000</u>	<u>459,555</u>	<u>1,181,555</u>	<u>788,931</u>	<u>392,624</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		5,475	5,475	4,000	1,475
Construction Services	965,000	(344,306)	620,694	-	620,694
Lease Purchase Agreements - Principal	2,905,000	(2,000)	2,903,000	2,905,000	(2,000)
Total Facilities Acquisition and Construction Services	<u>3,870,000</u>	<u>(340,831)</u>	<u>3,529,169</u>	<u>2,909,000</u>	<u>620,169</u>
Total Capital Outlay	<u>4,592,000</u>	<u>118,724</u>	<u>4,710,724</u>	<u>3,697,931</u>	<u>1,012,793</u>
Total Expenditures	<u>33,645,587</u>	<u>1,240,717</u>	<u>34,886,304</u>	<u>33,332,830</u>	<u>1,553,474</u>
Excess(Deficiency) of Revenues Over(Under) Expenditures	<u>(5,878,857)</u>	<u>(253,208)</u>	<u>(6,132,065)</u>	<u>(1,238,543)</u>	<u>4,893,522</u>
Other Financing Sources(Uses):					
Transfer In - Capital Project Fund				9,383	9,383
Transfer Out - Food Service Fund	(120,000)	(26,000)	(146,000)	(145,000)	1,000
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>(26,000)</u>	<u>(146,000)</u>	<u>(135,617)</u>	<u>10,383</u>
Net Change in Fund Balances	(5,998,857)	(279,208)	(6,278,065)	(1,374,160)	4,903,905
Fund Balances, July 1	<u>16,807,799</u>	<u>-</u>	<u>16,807,799</u>	<u>16,807,799</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 10,808,942</u>	<u>\$ (279,208)</u>	<u>\$ 10,529,734</u>	<u>\$ 15,433,639</u>	<u>\$ 4,903,905</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance</b>					
Unemployment Compensation Reserve				\$ 32,642	
<b>Committed Fund Balance</b>					
Encumbrances				41,904	
<b>Assigned Fund Balance</b>					
Encumbrances				87,266	
Designated for Subsequent Year's Budget				7,307,692	
<b>Unassigned Fund Balance</b>					
Undesignated				<u>7,964,135</u>	
				<u>\$ 15,433,639</u>	

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Federal Sources		\$ 89,535	\$ 89,535		\$ (89,535)
State Sources		7,832	7,832		(7,832)
Local Sources	-	22,952	22,952	\$ 18,436	(4,516)
Total Revenues	-	120,319	120,319	18,436	(101,883)
<b>EXPENDITURES</b>					
Instruction					
General Supplies	-	9,599	9,599	6,490	3,109
Total Instruction	-	9,599	9,599	6,490	3,109
Support Services					
Purchased Professional and Tech. Services		5,311	5,311	5,311	-
Supplies and Materials	-	14,874	14,874	6,635	8,239
Total Support Services	-	20,185	20,185	11,946	8,239
Student Transportation Services					
Contracted Services (Other Than Between Home and School)	-	1,000	1,000	-	1,000
Student Transportation Services	-	1,000	1,000	-	1,000
Facilities Acquisition and Construction					
Buildings	-	89,535	89,535	-	89,535
Total Facilities Acquisition and Construction	-	89,535	89,535	-	89,535
Total Expenditures	-	120,319	120,319	18,436	101,883
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**MORRIS-UNION JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	<b>Special Revenue Fund</b>
<b>Source/Inflows of Resources</b>	
Actual Amounts (Budgetary Basis) "Revenue"	
From the Budgetary Comparison Schedule	\$ 18,436
Difference - budget to GAAP	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	
Add: Encumbrances, June 30, 2023	<u>89,293</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	 <u>\$ 107,729</u>
 <b>Uses/Outflows of Resources</b>	
Actual Amounts (Budgetary Basis) "Total Expenditure" from the Budgetary Comparison Schedule	\$ 18,436
Differences - budget to GAAP	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	
Add: Encumbrances, June 30, 2023	<u>89,293</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	 <u>\$ 107,729</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION INFORMATION**  
**AND**  
**OTHER POST EMPLOYMENT BENEFIT INFORMATION**

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

**Public Employees Retirement System**

**Last Ten Fiscal Years\***

	<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
Commission's Proportion of the Net Position Liability (Asset)	0.11648	%	0.12746	%	0.13566	%	0.13245	%	0.13028	%	0.13223	%	0.13726	%	0.12788	%	0.13126	%	0.13614
Commission's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 16,870,933</u>		<u>\$ 19,235,291</u>		<u>\$ 16,071,251</u>		<u>\$ 21,598,562</u>		<u>\$ 23,475,746</u>		<u>\$ 26,035,363</u>		<u>\$ 31,952,856</u>		<u>\$ 37,873,433</u>		<u>\$ 29,464,327</u>		<u>\$ 25,489,710</u>
Commission's Covered-Employee Payroll	<u>\$ 8,864,831</u>		<u>\$ 8,894,532</u>		<u>\$ 9,167,207</u>		<u>\$ 9,629,203</u>		<u>\$ 9,031,211</u>		<u>\$ 8,885,157</u>		<u>\$ 9,202,444</u>		<u>\$ 9,136,655</u>		<u>\$ 8,510,397</u>		<u>\$ 8,704,549</u>
Commission's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	190.31	%	216.26	%	175.31	%	224.30	%	259.94	%	293.02	%	347.22	%	414.52	%	346.22	%	292.83
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23	%	62.91	%	70.33	%	58.32	%	56.27	%	53.60	%	48.10	%	40.14	%	47.93	%	52.08

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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,556,746	\$ 1,607,317	\$ 1,588,765	\$ 1,448,899	\$ 1,267,316	\$ 1,315,258	\$ 1,271,604	\$ 1,136,039	\$ 1,128,449	\$ 1,122,344
Contributions in Relation to the Contractually Required Contribution	<u>1,556,746</u>	<u>1,607,317</u>	<u>1,588,765</u>	<u>1,448,899</u>	<u>1,267,316</u>	<u>1,315,258</u>	<u>1,271,604</u>	<u>1,136,039</u>	<u>1,128,449</u>	<u>1,122,344</u>
Contribution Deficiently (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's Covered-Employee Payroll	<u>\$ 8,316,358</u>	<u>\$ 8,864,831</u>	<u>\$ 8,894,532</u>	<u>\$ 9,167,207</u>	<u>\$ 9,629,903</u>	<u>\$ 9,031,211</u>	<u>\$ 8,885,157</u>	<u>\$ 9,202,444</u>	<u>\$ 9,136,655</u>	<u>\$ 8,510,397</u>
Contributions as a Percentage of Covered-Employee Payroll	18.72%	18.13%	17.86%	15.81%	13.16%	14.56%	14.31%	12.34%	12.35%	13.19%

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

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commission's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Commission's Proportionate Share of the Net Pension Liability (Asset)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>29,684,351</u>	<u>30,799,604</u>	<u>28,893,857</u>	<u>40,228,893</u>	<u>43,902,609</u>	<u>45,075,886</u>	<u>48,408,340</u>	<u>59,842,837</u>	<u>57,220,309</u>	<u>52,867,012</u>
Total	<u>\$ 29,684,351</u>	<u>\$ 30,799,604</u>	<u>\$ 28,893,857</u>	<u>\$ 40,228,893</u>	<u>\$ 43,902,609</u>	<u>\$ 45,075,886</u>	<u>\$ 48,408,340</u>	<u>\$ 59,842,837</u>	<u>\$ 57,220,309</u>	<u>\$ 52,867,012</u>
Commission's Covered Payroll	<u>\$ 6,139,937</u>	<u>\$ 6,484,846</u>	<u>\$ 6,441,541</u>	<u>\$ 6,607,764</u>	<u>\$ 6,374,778</u>	<u>\$ 6,662,971</u>	<u>\$ 7,382,172</u>	<u>\$ 7,285,847</u>	<u>\$ 7,165,815</u>	<u>\$ 7,773,906</u>
Commission's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

**MORRIS-UNION JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF COMMISSION CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes of Benefit Terms:** None.

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

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

**Postemployment Health Benefit Plan**

**Last Seven Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 3,096,163	\$ 4,461,689	\$ 4,995,495	\$ 2,804,730	\$ 3,318,334	\$ 3,814,302	\$ 4,754,976
Interest on Total OPEB Liability	1,780,667	1,359,275	1,594,117	1,546,576	1,897,076	2,027,535	1,654,646
Change of Benefit Terms			(65,408)				
Differences Between Expected and Actual Experiences	(4,367,419)	(918,659)	(12,592,663)	10,980,072	(8,954,061)	(6,423,205)	-
Changes of Assumptions	101,908	(13,759,345)	60,627	12,544,439	625,595	(5,315,531)	(7,056,680)
Gross Benefit Payments	(1,388,059)	(1,346,403)	(1,255,718)	(1,195,563)	(1,287,980)	(1,238,599)	(2,332,849)
Contribution from the Member	<u>45,632</u>	<u>43,193</u>	<u>40,754</u>	<u>36,237</u>	<u>38,179</u>	<u>42,808</u>	<u>85,901</u>
<b>Net Change in Total OPEB Liability</b>	<u>(731,108)</u>	<u>(10,160,250)</u>	<u>(7,222,796)</u>	<u>26,716,491</u>	<u>(4,362,857)</u>	<u>(7,092,690)</u>	<u>(2,894,006)</u>
<b>Total OPEB Liability - Beginning</b>	<u>51,291,277</u>	<u>61,451,527</u>	<u>68,674,323</u>	<u>41,957,832</u>	<u>46,320,689</u>	<u>53,413,379</u>	<u>56,307,385</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 50,560,169</u>	<u>\$ 51,291,277</u>	<u>\$ 61,451,527</u>	<u>\$ 68,674,323</u>	<u>\$ 41,957,832</u>	<u>\$ 46,320,689</u>	<u>\$ 53,413,379</u>
 Commission's Proportionate Share of OPEB Liability	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	<u>50,560,169</u>	<u>51,291,277</u>	<u>61,451,527</u>	<u>68,674,323</u>	<u>41,957,832</u>	<u>46,320,689</u>	<u>53,413,379</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 50,560,169</u>	<u>\$ 51,291,277</u>	<u>\$ 61,451,527</u>	<u>\$ 68,674,323</u>	<u>\$ 41,957,832</u>	<u>\$ 46,320,689</u>	<u>\$ 53,413,379</u>
 Commission's Covered Payroll	 <u>\$ 15,004,768</u>	 <u>\$ 15,379,378</u>	 <u>\$ 15,608,748</u>	 <u>\$ 16,236,967</u>	 <u>\$ 15,405,989</u>	 <u>\$ 15,694,182</u>	 <u>\$ 16,267,329</u>
 Commission's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	  0%	  0%	  0%	  0%	  0%	  0%	  0%

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

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

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

**MORRIS-UNION JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COMMISSION'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF COMMISSION PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.



**SCHOOL LEVEL FUNDS**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**MORRIS-UNION JOINTRE COMMISSION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Local Drive for <u>Autism</u></b>	<b><u>Total</u></b>
<b>REVENUES</b>		
Intergovernmental		
Local	\$ 18,436	\$ 18,436
Total Revenues	<u>18,436</u>	<u>18,436</u>
<b>EXPENDITURES</b>		
Instruction		
General Supplies	<u>6,490</u>	<u>6,490</u>
Total Instruction	<u>6,490</u>	<u>6,490</u>
Support Services		
Purchased Professional and Tech. Services	5,311	5,311
Supplies and Materials	<u>6,635</u>	<u>6,635</u>
Total Support Services	<u>11,946</u>	<u>11,946</u>
Total Expenditures	<u>18,436</u>	<u>18,436</u>
Net Change in Fund Balances		
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CAPITAL PROJECTS FUND**

**MORRIS-UNION JOINTURE COMMISSION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue/Project Title</u>	<u>Adjusted Appropriation</u>	<u>Expenditures to Date</u>		<u>Prior Years</u>		<u>Balance June 30, 2024</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Transferred General Fund</u>	<u>Reserve Fund Utilized in Refunding</u>	
Construction of a New School - Warren DLC	\$ 60,262,159	\$ 58,199,469	-	\$ 129,451	\$ 1,933,239	-
	<u>\$ 60,262,159</u>	<u>\$ 58,199,469</u>	<u>\$ -</u>	<u>\$ 129,451</u>	<u>\$ 1,933,239</u>	<u>\$ -</u>

**Reconciliation to GAAP**

Project Balance, June 30, 2024	\$ -
Add: Refunding Proceeds Reserved for Payment of of Capital Financing Agreements	<u>2,051,028</u>
Fund Balance, June 30, 2024	<u>\$ 2,051,028</u>

**Recapitulation of Fund Balance**

Restricted for Capital Financing Agreements (COPS)	<u>\$ 2,051,028</u>
Total Fund Balance	<u>\$ 2,051,028</u>

**MORRIS-UNION JOINTURE COMMISSION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Revenues and Other Financing Sources**

Interest Income	\$ 115,105
Total Revenues and Other Financing Sources	<u>115,105</u>

**Expenditures and Other Financing Uses**

Operating Transfer Out - General Fund	<u>9,383</u>
Total Expenditures and Other Financing Uses	<u>9,383</u>

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	105,722
Fund Balance - Beginning of Year	<u>1,945,306</u>
Fund Balance - End of Year	<u>\$ 2,051,028</u>

Reconciliation to GAAP Basis

Fund Balance, June 30, 2024-Budgetary Basis	\$ 2,051,028
Fund Balance, June 30, 2024-GAAP Basis	<u>\$ 2,051,028</u>

**MORRIS-UNION JOINTURE COMMISSION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOT APPLICABLE**

**ENTERPRISE FUNDS**



**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL PROGRAMS ENTERPRISE FUND  
COMBINING SCHEDULE OF PROGRAM NET POSITION  
AS OF JUNE 30, 2024**

	Professional Development	Transportation Program	Provisional Teaching Program	Recreational Programs	Total
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 659,038	\$ 8,992,524	\$ 517,220	\$ 780,904	\$ 10,949,686
Intergovernmental Accounts Receivable	10,790	929,085	-	-	939,875
Total Current Assets	669,828	9,921,609	517,220	780,904	11,889,561
Capital Assets					
Land		3,064,300			3,064,300
Construction in Progress		51,187			51,187
Buildings and Improvements		3,323,471			3,323,471
Furniture, Machinery and Equipment		6,391,964		6,491	6,398,455
Less: Accumulated Depreciation	-	(7,781,266)	-	(2,496)	(7,783,762)
Total Capital Assets, Net	-	5,049,656	-	3,995	5,053,651
Total Assets	669,828	14,971,265	517,220	784,899	16,943,212
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred Amounts on Net Pension Liability	-	179,971	-	-	179,971
Total Assets and Deferred Outflow of Resources	669,828	15,151,236	517,220	784,899	17,123,183
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable		25,157		6,526	31,683
Accrued Salaries and Wages		69,207			69,207
Accrued Liability for Insurance Claims	-	128,574			128,574
Capital Financing Agreements	-	2,944	-	-	2,944
Total Current Liabilities	-	225,882	-	6,526	232,408
Noncurrent Liabilities					
Capital Financing Agreements		3,810			3,810
Net Pension Liability	-	4,487,668	-	-	4,487,668
Total Noncurrent Liabilities	-	4,491,478	-	-	4,491,478
Total Liabilities	-	4,717,360	-	6,526	4,723,886
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred Amounts on Net Pension Liability	-	936,427	-	-	936,427
Total Liabilities and Deferred Inflow of Resources	-	5,653,787	-	6,526	5,660,313
<b>NET POSITION</b>					
Net Investment in Capital Assets		5,042,902	-	3,995	5,046,897
Unrestricted	669,828	4,454,547	517,220	774,378	6,415,973
Total Net Position	\$ 669,828	\$ 9,497,449	\$ 517,220	\$ 778,373	\$ 11,462,870

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL PROGRAMS ENTERPRISE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN PROGRAM NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Professional Development</u>	<u>Transportation Program</u>	<u>Provisional Teaching Program</u>	<u>Recreational Programs</u>	<u>Total</u>
<b>REVENUES</b>					
<b>OPERATING REVENUES</b>					
Program Fees	\$ 75,475	\$ 5,778,003		\$ 191	\$ 5,853,669
Miscellaneous Fees		40,403		78,613	119,016
State - On Behalf OPEB Contribution	-	352,595	-	-	352,595
Total Operating Revenues	<u>75,475</u>	<u>6,171,001</u>	<u>-</u>	<u>78,804</u>	<u>6,325,280</u>
<b>OPERATING EXPENSES</b>					
Support Services					
Salaries		3,575,150		21,082	3,596,232
Employee Benefits		1,537,206		1,576	1,538,782
Purchased Professional /Technical Services	41,550	34,557		37,837	113,944
Other Purchased Services		4,460			4,460
Rentals		32,632			32,632
Cleaning, Repairs, Maintenance and Utilities		222,053		1,044	223,097
Supplies and Materials	1,632	508,485		5,952	516,069
Miscellaneous		7,278		2,649	9,927
Depreciation	-	551,912	-	536	552,448
Total Operating Expenses	<u>43,182</u>	<u>6,473,733</u>	<u>-</u>	<u>70,676</u>	<u>6,587,591</u>
Operating Income (Loss)	32,293	(302,732)	-	8,128	(262,311)
<b>Nonoperating Revenues</b>					
Proceeds from Insurance Reimbursements		1,751			1,751
Proceeds from Sale of Assets	-	70,745	-	-	70,745
Change in Net Position	32,293	(230,236)	-	8,128	(189,815)
Total Net Position- Beginning of Year (Restated)	<u>637,535</u>	<u>9,727,685</u>	<u>\$ 517,220</u>	<u>770,245</u>	<u>11,652,685</u>
Total Net Position - Ending of Year	<u>\$ 669,828</u>	<u>\$ 9,497,449</u>	<u>\$ 517,220</u>	<u>\$ 778,373</u>	<u>\$ 11,462,870</u>

**MORRIS-UNION JOINTURE COMMISSION  
SPECIAL PROGRAMS ENTERPRISE FUND  
COMBINING SCHEDULE OF PROGRAM CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Professional Development	Transportation Program	Provisional Teaching Program	Recreational Programs	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 74,385	\$ 6,326,639		\$ 79,732	\$ 6,480,756
Payments to Employees for Salaries and Benefits	-	(4,851,214)		(22,658)	(4,873,872)
Payments to Suppliers for Goods and Services	(43,200)	(1,647,562)	-	(41,045)	(1,731,807)
Net Cash Provided by(Used for) Operating Activities	31,185	(172,137)	-	16,029	(124,923)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Payment on Capital Financing Agreements		(2,853)			(2,853)
Proceeds from Insurance Reimbursements		1,751			1,751
Proceeds from Sale of Assets		70,745			70,745
Purchases of Capital Assets	-	(94,473)	-	-	(94,473)
Net Cash Provided by(Used for) Capital and Related Financing Activities	-	(24,830)	-	-	(24,830)
Net Increase (Decrease) in Cash and Cash Equivalents	31,185	(196,967)	-	16,029	(149,753)
Cash and Cash Equivalents - Beginning of Year	627,853	9,189,491	\$ 517,220	764,875	11,099,439
Cash and Cash Equivalents - End of Year	\$ 659,038	\$ 8,992,524	\$ 517,220	\$ 780,904	\$ 10,949,686
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 32,293	\$ (302,732)	\$ -	\$ 8,128	\$ (262,311)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used For) Operating Activities					
Depreciation Expense		551,912		536	552,448
(Increase) Decrease in Accounts Receivable	(1,090)	508,233		928	508,071
(Increase) Decrease in Deferred Outflows of Resources on Net Pension		200,518			200,518
Increase (Decrease) in Deferred Inflows of Resources on Net Pension		(112,540)			(112,540)
Increase(Decrease) in Accounts Payable	(18)	(838,097)		6,437	(831,678)
Increase (Decrease) in Accrued Salaries and Wages		(30,847)			(30,847)
Increase(Decrease) Accrued Liabilities for Insurance Claims		(135,194)			(135,194)
Increase(Decrease) in Net Pension Liability	-	(13,390)	-	-	(13,390)
Total Adjustments	(1,108)	130,595	-	7,901	137,388
Net Cash Provided (Used) by Operating Activities	\$ 31,185	\$ (172,137)	\$ -	\$ 16,029	\$ (124,923)

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

## **LONG-TERM DEBT**

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS  
CERTIFICATES OF PARTICIPATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Decreased</u>	<u>Balance, June 30, 2024</u>
Refunding Series 2013-Certificates of Participation	6/12/2013	\$ 43,830,000	8/1/2024	\$ 3,025,000	3.125%			
			8/1/2025	3,155,000	5.000%			
			8/1/2026	3,320,000	5.000%			
			8/1/2027	3,465,000	3.750%			
			8/1/2028	3,540,000	3.750%			
						<u>\$ 19,410,000</u>	<u>\$ 2,905,000</u>	<u>\$ 16,505,000</u>

**MORRIS-UNION JOINTURE COMMISSION**  
**SCHEDULE OF OBLIGATIONS UNDER FINANCING AGREEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2024</u>
<b>Capital Financing Agreements</b>					
Acquisition of Equipment	\$ 167,373	\$ 111,712	-	\$ 33,180	\$ 78,532
<b>Other Financing Agreements</b>					
Acquisition of Computers	132,570	<u>132,570</u>	<u>\$ -</u>	<u>42,044</u>	<u>90,526</u>
<b>Total Financing Agreements</b>		<u>\$ 244,282</u>	<u>\$ -</u>	<u>\$ 75,224</u>	<u>\$ 169,058</u>
 <b><u>Analysis</u></b>					
Governmental Activities		\$ 234,675		\$ 72,371	\$ 162,304
Business-Type Activities		<u>9,607</u>	<u>-</u>	<u>2,853</u>	<u>6,754</u>
		<u>\$ 244,282</u>	<u>\$ -</u>	<u>\$ 75,224</u>	<u>\$ 169,058</u>

**EXHIBIT I-3**

**MORRIS-UNION JOINTURE COMMISSION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOT APPLICABLE**

**EXHIBIT I-4**

**SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED  
INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOT APPLICABLE**



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 24,780,794	\$ 23,741,214	\$ 21,798,302	\$ 23,293,815	\$ 25,369,818	\$ 24,605,507	\$ 23,655,206	\$ 24,091,286	\$ 23,254,677	\$ 23,262,614
Restricted	1,888,994	1,888,989	1,875,367	1,890,891	1,923,736	1,948,047	2,022,369	2,019,785	2,081,348	2,083,670
Unrestricted	(6,692,829)	(3,075,978)	(1,209,674)	(3,179,086)	(3,562,094)	(1,261,702)	(2,164,703)	(3,408,673)	(721,568)	442,320
<b>Total Governmental Activities Net Position</b>	<b>\$ 19,976,959</b>	<b>\$ 22,554,225</b>	<b>\$ 22,463,995</b>	<b>\$ 22,005,620</b>	<b>\$ 23,731,460</b>	<b>\$ 25,291,852</b>	<b>\$ 23,512,872</b>	<b>\$ 22,702,398</b>	<b>\$ 24,614,457</b>	<b>\$ 25,788,604</b>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 6,179,769	\$ 5,786,554	\$ 5,469,020	\$ 5,281,372	\$ 5,057,564	\$ 4,642,103	\$ 5,014,007	\$ 5,307,955	\$ 5,538,206	\$ 5,083,358
Unrestricted	7,338,277	6,341,450	6,312,171	7,383,688	7,643,215	6,386,183	5,176,617	5,741,092	6,221,012	6,467,747
<b>Total Business-Type Activities Net Position</b>	<b>\$ 13,518,046</b>	<b>\$ 12,128,004</b>	<b>\$ 11,781,191</b>	<b>\$ 12,665,060</b>	<b>\$ 12,700,779</b>	<b>\$ 11,028,286</b>	<b>\$ 10,190,624</b>	<b>\$ 11,049,047</b>	<b>\$ 11,759,218</b>	<b>\$ 11,551,105</b>
<b>Commission-Wide</b>										
Net Investment In Capital Assets	\$ 30,960,563	\$ 29,527,768	\$ 27,267,322	\$ 28,575,187	\$ 30,427,382	\$ 29,247,610	\$ 28,669,213	\$ 29,399,241	\$ 28,792,883	\$ 28,345,972
Restricted	1,888,994	1,888,989	1,875,367	1,890,891	1,923,736	1,948,047	2,022,369	2,019,785	2,081,348	2,083,670
Unrestricted	645,448	3,265,472	5,102,497	4,204,602	4,081,121	5,124,481	3,011,914	2,332,419	5,499,444	6,910,067
<b>Total Commission Net Position</b>	<b>\$ 33,495,005</b>	<b>\$ 34,682,229</b>	<b>\$ 34,245,186</b>	<b>\$ 34,670,680</b>	<b>\$ 36,432,239</b>	<b>\$ 36,320,138</b>	<b>\$ 33,703,496</b>	<b>\$ 33,751,445</b>	<b>\$ 36,373,675</b>	<b>\$ 37,339,709</b>

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

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

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities										
Instruction										
Special Education	\$ 25,172,540	\$ 27,887,608	\$ 15,372,511	\$ 16,529,940	\$ 15,113,999	\$ 14,784,257	\$ 15,720,760	\$ 14,504,178	\$ 14,145,963	\$ 12,919,300
Support Services:										
Student & Instruction Related Services	689	300	11,184,030	11,493,442	10,192,763	10,439,280	9,920,481	9,625,076	8,615,816	7,314,347
General Administration	1,419,353	1,396,734	1,768,390	1,921,933	1,722,894	1,588,757	1,728,978	1,529,085	1,498,791	1,463,774
School Administration Services	1,592,740	1,592,455	2,056,834	2,194,108	2,005,445	1,861,502	2,017,685	1,678,235	1,516,407	1,772,388
Central Services and Other Support Services	1,098,215	994,430	1,546,075	1,868,212	1,615,422	1,590,068	2,044,438	2,427,011	2,432,214	2,371,646
Plant Operations And Maintenance	677,935	591,345	3,035,652	3,334,484	3,134,455	2,725,263	2,957,679	3,363,953	3,475,806	3,628,791
Pupil Transportation			383,210	295,865	292,217	235,350	522	289,304	361,854	367,815
Debt Service	1,606,399	1,513,626	1,422,931	1,307,701	1,229,230	1,127,632	1,061,638	992,956	858,530	720,069
Total Governmental Activities Expenses	<u>31,567,871</u>	<u>33,976,498</u>	<u>36,769,633</u>	<u>38,945,685</u>	<u>35,306,425</u>	<u>34,352,109</u>	<u>35,452,181</u>	<u>34,409,798</u>	<u>32,905,381</u>	<u>30,558,130</u>
Business-Type Activities:										
Special Programs	9,928,918	8,931,528	8,489,614	7,761,872	8,281,761	7,193,806	6,148,867	7,127,137	6,812,463	6,587,591
Food Service	291,364	271,608	276,498	277,593	309,463	224,129	188,315	312,462	292,364	352,096
Total Business-Type Activities Expense	<u>10,220,282</u>	<u>9,203,136</u>	<u>8,766,112</u>	<u>8,039,465</u>	<u>8,591,224</u>	<u>7,417,935</u>	<u>6,337,182</u>	<u>7,439,599</u>	<u>7,104,827</u>	<u>6,939,687</u>
Total Commission Expenses	<u>\$ 41,788,153</u>	<u>\$ 43,179,634</u>	<u>\$ 45,535,745</u>	<u>\$ 46,985,150</u>	<u>\$ 43,897,649</u>	<u>\$ 41,770,044</u>	<u>\$ 41,789,363</u>	<u>\$ 41,849,397</u>	<u>\$ 40,010,208</u>	<u>\$ 37,497,817</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Operating Grants And Contributions	26,406,491	31,727,543	30,564,822	29,305,777	29,659,075	30,052,638	26,642,275	27,569,225	30,181,979	27,890,782
Capital Grants And Contributions	4,242,432	4,815,087	5,982,680	8,969,202	6,936,016	5,459,484	6,937,378	5,978,296	4,379,046	3,083,784
	-	-	5,839	6,907	3,000		15,000	46,202	41,305	97,311
Total Governmental Activities Program Revenues	<u>30,648,923</u>	<u>36,542,630</u>	<u>36,553,341</u>	<u>38,281,886</u>	<u>36,598,091</u>	<u>35,512,122</u>	<u>33,594,653</u>	<u>33,593,723</u>	<u>34,602,330</u>	<u>31,071,877</u>
Business-Type Activities:										
Charges For Services										
Special Programs	11,550,535	7,522,380	8,162,459	7,770,562	7,704,417	5,135,627	4,622,438	5,963,170	6,077,492	5,972,685
Food Service	112,590	112,557	100,918	106,597	109,568	73,848	3,843	6,583	78,484	57,011
Operating Grants And Contributions	79,031	78,123	80,818	946,018	712,958	485,967	803,239	2,161,307	1,498,894	476,095
Capital Grants And Contributions									40,128	72,496
Total Business Type Activities Program Revenues	<u>11,742,156</u>	<u>7,713,060</u>	<u>8,344,195</u>	<u>8,823,177</u>	<u>8,526,943</u>	<u>5,695,442</u>	<u>5,429,520</u>	<u>8,131,060</u>	<u>7,694,998</u>	<u>6,578,287</u>
Total Commission Program Revenues	<u>\$ 42,391,079</u>	<u>\$ 44,255,690</u>	<u>\$ 44,897,536</u>	<u>\$ 47,105,063</u>	<u>\$ 45,125,034</u>	<u>\$ 41,207,564</u>	<u>\$ 39,024,173</u>	<u>\$ 41,724,783</u>	<u>\$ 42,297,328</u>	<u>\$ 37,650,164</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (918,948)	\$ 2,566,132	\$ (216,292)	\$ (663,799)	\$ 1,291,666	\$ 1,160,013	\$ (1,857,528)	\$ (816,075)	\$ 1,696,949	\$ 513,747
Business-Type Activities	1,521,874	(1,490,076)	(421,917)	783,712	(64,281)	(1,722,493)	(907,662)	691,461	590,171	(361,400)
Total Commission-Wide Net Expense	<u>\$ 602,926</u>	<u>\$ 1,076,056</u>	<u>\$ (638,209)</u>	<u>\$ 119,913</u>	<u>\$ 1,227,385</u>	<u>\$ (562,480)</u>	<u>\$ (2,765,190)</u>	<u>\$ (124,614)</u>	<u>\$ 2,287,120</u>	<u>\$ 152,347</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Investment Earnings	\$ 93,801	\$ 104,796	\$ 151,691	\$ 262,201	\$ 467,548	\$ 377,696	\$ 109,116	\$ 65,332	\$ 324,353	\$ 700,098
Miscellaneous Income	197,502	6,338	49,371	43,223	66,626	43,661	39,432	604	10,757	2,474
Transfers	(106,600)	(100,000)	(75,000)	(100,000)	(100,000)	(50,000)	(70,000)	(110,000)	(120,000)	(145,000)
Total Governmental Activities	<u>184,703</u>	<u>11,134</u>	<u>126,062</u>	<u>205,424</u>	<u>434,174</u>	<u>371,357</u>	<u>78,548</u>	<u>(44,064)</u>	<u>215,110</u>	<u>557,572</u>
Business-Type Activities:										
Investment Earnings	16	34	104	157						
Transfers	106,600	100,000	75,000	100,000	100,000	50,000	70,000	110,000	120,000	145,000
Total Business-Type Activities	<u>106,616</u>	<u>100,034</u>	<u>75,104</u>	<u>100,157</u>	<u>100,000</u>	<u>50,000</u>	<u>70,000</u>	<u>110,000</u>	<u>120,000</u>	<u>145,000</u>
Total Commission-Wide	<u>\$ 291,319</u>	<u>\$ 111,168</u>	<u>\$ 201,166</u>	<u>\$ 305,581</u>	<u>\$ 534,174</u>	<u>\$ 421,357</u>	<u>\$ 148,548</u>	<u>\$ 65,936</u>	<u>\$ 335,110</u>	<u>\$ 702,572</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ (734,245)	\$ 2,577,266	\$ (90,230)	\$ (458,375)	\$ 1,725,840	\$ 1,531,370	\$ (1,778,980)	\$ (860,139)	\$ 1,912,059	\$ 1,071,319
Business-Type Activities	1,628,490	(1,390,042)	(346,813)	883,869	35,719	(1,672,493)	(837,662)	801,461	710,171	(216,400)
Total Commission	<u>\$ 894,245</u>	<u>\$ 1,187,224</u>	<u>\$ (437,043)</u>	<u>\$ 425,494</u>	<u>\$ 1,761,559</u>	<u>\$ (141,123)</u>	<u>\$ (2,616,642)</u>	<u>\$ (58,678)</u>	<u>\$ 2,622,230</u>	<u>\$ 854,919</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted						\$ 29,022	\$ 144,022	\$ 144,022	\$ 136,042	\$ 32,642
Committed		\$ 260,307	\$ 1,126,824	\$ 3,247,803	\$ 181,560		720,300	83,288	142,968	41,904
Assigned	\$ 1,556,439	1,984,568	3,041,017	3,275,759	2,713,596	4,764,183	4,871,120	7,306,593	6,135,097	7,394,958
Unassigned	12,676,113	15,255,731	14,554,712	13,807,428	16,674,438	16,210,447	14,217,603	8,927,582	10,393,692	7,964,135
Total General Fund	<u>\$ 14,232,552</u>	<u>\$ 17,500,606</u>	<u>\$ 18,722,553</u>	<u>\$ 20,330,990</u>	<u>\$ 19,569,594</u>	<u>\$ 21,003,652</u>	<u>\$ 19,953,045</u>	<u>\$ 16,461,485</u>	<u>\$ 16,807,799</u>	<u>\$ 15,433,639</u>
All Other Governmental Funds										
Restricted	<u>\$ 1,888,994</u>	<u>\$ 1,888,989</u>	<u>\$ 1,875,367</u>	<u>\$ 1,890,891</u>	<u>\$ 1,923,736</u>	<u>\$ 1,919,025</u>	<u>\$ 1,878,347</u>	<u>\$ 1,875,763</u>	<u>\$ 1,945,306</u>	<u>\$ 2,051,028</u>
Total All Other Governmental Funds	<u>\$ 1,888,994</u>	<u>\$ 1,888,989</u>	<u>\$ 1,875,367</u>	<u>\$ 1,890,891</u>	<u>\$ 1,923,736</u>	<u>\$ 1,919,025</u>	<u>\$ 1,878,347</u>	<u>\$ 1,875,763</u>	<u>\$ 1,945,306</u>	<u>\$ 2,051,028</u>

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tuition Charges	\$ 26,758,360	\$ 27,004,552	\$ 25,484,734	\$ 24,917,875	\$ 23,273,021	\$ 23,044,198	\$ 22,052,706	\$ 22,005,657	\$ 24,595,519	\$ 24,031,174
Miscellaneous	304,914	4,811,414	4,782,122	5,179,710	6,837,832	7,081,198	5,277,646	5,525,547	5,548,184	4,762,097
State Sources	1,873,530	1,918,683	2,071,524	2,285,612	2,570,842	2,382,132	2,828,371	3,575,156	3,511,919	3,436,850
Federal Sources			214,950	286,966	302,153		49,098	42,567	64,158	87,000
<b>Total Revenue</b>	<b>28,936,804</b>	<b>33,734,649</b>	<b>32,553,330</b>	<b>32,670,163</b>	<b>32,983,848</b>	<b>32,507,528</b>	<b>30,207,821</b>	<b>31,148,927</b>	<b>33,719,780</b>	<b>32,317,121</b>
<b>Expenditures</b>										
Instruction										
Special Education	19,519,480	22,322,155	10,089,364	9,763,289	10,182,018	10,310,470	10,790,315	10,720,109	10,986,945	10,460,849
Support Services:										
Student & Inst. Related Services	641	300	9,050,354	8,638,387	8,750,674	9,343,909	8,666,379	9,526,366	9,012,536	8,144,939
General Administration	1,190,728	1,145,321	1,445,495	1,518,466	1,476,954	1,398,843	1,514,864	1,526,327	1,552,056	1,588,422
School Administration	1,346,405	1,335,344	1,630,139	1,642,311	1,661,077	1,591,388	1,710,957	1,666,950	1,588,622	1,970,877
Central Services and Other Support Services	1,056,985	955,334	1,411,200	1,403,231	1,430,940	1,487,462	1,875,854	2,304,256	2,431,290	2,491,483
Plant Operations And Maintenance	666,743	577,125	2,817,602	2,775,636	2,947,619	2,651,999	2,820,052	3,206,164	3,470,930	3,789,337
Pupil Transportation			383,210	295,865	292,217	235,350	522	289,304	361,854	367,815
Debt Service										
Principal	2,275,242	2,150,000	2,235,000	2,340,000	2,435,000	2,525,000	2,600,000	2,686,467	2,794,407	2,977,371
Interest on Long Term Debt	1,593,422	1,513,044	1,425,344	1,322,144	1,227,118	1,140,094	1,060,313	1,001,115	898,989	762,799
Capital Outlay	176,153	367,977	782,297	1,246,873	3,208,782	372,688	189,850	1,758,992	218,864	886,667
<b>Total Expenditures</b>	<b>27,825,799</b>	<b>30,366,600</b>	<b>31,270,005</b>	<b>30,946,202</b>	<b>33,612,399</b>	<b>31,057,203</b>	<b>31,229,106</b>	<b>34,686,050</b>	<b>33,316,493</b>	<b>33,440,559</b>
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	1,111,005	3,368,049	1,283,325	1,723,961	(628,551)	1,450,325	(1,021,285)	(3,537,123)	403,287	(1,123,438)
<b>Other Financing Sources (Uses)</b>										
Proceeds from Financing Agreements								152,979	132,570	
Transfers In	102	163	14,531	211	6,559	29,923	41,084	3,760	338	9,383
Transfers Out	(106,702)	(100,163)	(89,531)	(100,211)	(106,559)	(79,923)	(111,084)	(113,760)	(120,338)	(154,383)
<b>Total Other Financing Sources (Uses)</b>	<b>(106,600)</b>	<b>(100,000)</b>	<b>(75,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(50,000)</b>	<b>(70,000)</b>	<b>42,979</b>	<b>12,570</b>	<b>(145,000)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 1,004,405</b>	<b>\$ 3,268,049</b>	<b>\$ 1,208,325</b>	<b>\$ 1,623,961</b>	<b>\$ (728,551)</b>	<b>\$ 1,400,325</b>	<b>\$ (1,091,285)</b>	<b>\$ (3,494,144)</b>	<b>\$ 415,857</b>	<b>\$ (1,268,438)</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	13.99%	12.21%	12.01%	12.33%	12.05%	11.94%	11.79%	11.20%	11.16%	11.49%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Rentals</b>	<b>Member Fees</b>	<b>Tuition</b>	<b>Related Services/Program Fees</b>	<b>Miscellaneous</b>	<b>Total</b>
2015	\$ 93,636	\$ 54,688	\$ 24,692	\$ 26,758,360		\$ 118,122	\$ 27,049,498
2016	104,638	110,872	-	27,004,552	\$ 4,577,759	6,338	31,804,159
2017	150,782	102,274	-	25,484,734	4,465,520	49,371	30,252,681
2018	246,466	106,621		24,917,875	4,755,340	43,223	30,069,525
2019	428,144	123,383		23,273,021	6,151,242	66,626	30,042,416
2020	352,484	109,175		23,044,198	6,540,879	43,661	30,090,397
2021	108,710	75,498		22,052,706	5,047,462	39,432	27,323,808
2022	64,156	80,573		22,005,657	5,252,631	604	27,403,621
2023	254,472	96,633		24,595,519	5,077,645	10,757	30,035,026
2024	584,993	111,698		24,031,174	3,927,098	2,474	28,657,437

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE



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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Population	Per Capita
	Other Capital Financing Agreements	Certificates of Participation	Other Financing Agreements	Capital Financing Agreements	Total District		
2015		\$ 39,125,000			\$ 39,125,000	N/A	N/A
2016		36,975,000			36,975,000	N/A	N/A
2017		34,740,000			34,740,000	N/A	N/A
2018		32,400,000			32,400,000	N/A	N/A
2019		29,965,000			29,965,000	N/A	N/A
2020		27,440,000			27,440,000	N/A	N/A
2021		24,840,000			24,840,000	N/A	N/A
2022	\$ 131,512	22,175,000		\$ 12,374	22,318,886	N/A	N/A
2023	102,105	19,410,000	\$ 132,570	9,607	19,654,282	N/A	N/A
2024	71,778	16,505,000	90,526	6,754	16,674,058	N/A	N/A

Source: Commission records

N/A-Not Applicable

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

**NOT APPLICABLE**

**MORRIS-UNION JOINTURE COMMISSION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2024  
(Unaudited)**

Net Direct Debt of Commission as of June 30, 2024	\$ 16,505,000
Net Overlapping Debt of Commission	<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 16,505,000</u>

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

**NOT APPLICABLE**

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

**NOT APPLICABLE**

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

**NOT APPLICABLE**

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Special Education	164.0	149.0	145.0	126.0	123.0	135.49	134.87	160.93	157.47	131.80
Support Services:										
Student & Instruction Related Services	77.0	95.0	98.0	91.0	93.0 *	99.36	73.39	99.80	40.36	37.2
General and Central Administration	17.0	13.0	13.0	17.0	17.0	16.80	19.80	19.80	19.00	18.0
School Administrative Services	12.0	16.0	16.0	12.0	11.0	11.00	12.00	11.00	10.80	11.8
Plant Operations and Maintenance	11.0	16.0	16.0	15.0	16.0	14.00	15.00	15.00	15.00	15.0
Pupil Transportation	130.0	130.0	132.0	123.0	119.0	89.19	82.19	92.46	77.97	77.0
Food Service	1.0	1.0	1.0	1.0	1.0					
Total	<u>412.0</u>	<u>420.0</u>	<u>421.0</u>	<u>385.0</u>	<u>380.0</u>	<u>365.84</u>	<u>337.25</u>	<u>398.99</u>	<u>320.60</u>	<u>290.83</u>

Source: District Personnel Records

\* Included 1.3 FTE staff members for IEP Grants

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

<b>Fiscal Year</b>	<b>Enrollment<sup>a</sup></b>	<b>Operating Expenditures<sup>b</sup></b>	<b>Cost Per Pupil<sup>c</sup></b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil/ Teacher Ratio</b>	<b>Average Daily Enrollment (ADE)</b>	<b>Average Daily Attendance (ADA)</b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2015	275	23,780,982	86,476	-0.41%	102.92	2.61:1	275	257	-2.48%	93.45%
2016	278	26,335,579	94,732	9.55%	84.68	2.60:1	279	260	1.45%	93.19%
2017	261	26,827,364	102,787	8.50%	77.72	2.60:1	261	244	-6.45%	93.49%
2018	245	26,037,185	106,274	3.39%	70.25	2.60:1	243	225	-6.90%	92.59%
2019	235	26,741,499	113,794	7.08%	66.43	2.60:1	230	213	-5.35%	92.61%
2020	233	27,019,421	115,963	1.91%	71.59	2.21:1	228	215	-0.87%	94.30%
2021	215	27,392,596	127,407	9.87%	69.80	2.42:1	218	189	-4.39%	86.70%
2022	206	29,239,476	141,939	11.41%	77.56	2.72:1	208	180	-4.59%	86.54%
2023	216	29,404,233	136,131	-4.09%	73.16	2.58:1	210	188	0.96%	89.52%
2024	223	28,813,722	129,210	-5.08%	58.96	2.60:1	214	192	1.90%	89.72%

Sources: District records

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

N/A - Not Available

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>Commission Building</u></b>										
Development Learning Center 1 (1953)										
Square Feet	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363	62,363
Capacity (students)	183	183	183	183	183	183	183	183	183	183
Enrollment	55	66	47	51	56	72	72	72	72	72
Development Learning Center 3										
Square Feet	185,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment	214	221	214	194	179	161	215	217	217	217

Number of Schools at June 30, 2024 = 2

Source: Commission Records

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

School Facilities	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
DLC - Warren	179,503	174,119	284,603	332,687	413,850	392,569	432,642	518,160	570,218	668,174
DLC - New Providence	59,835	58,040	323,155	324,627	305,622	258,453	284,840	339,721	380,146	495,577
	<u>\$ 239,338</u>	<u>\$ 232,159</u>	<u>\$ 607,758</u>	<u>\$ 657,314</u>	<u>\$ 719,472</u>	<u>\$ 651,022</u>	<u>\$ 717,482</u>	<u>\$ 857,881</u>	<u>\$ 950,364</u>	<u>\$ 1,163,751</u>

Source: District records.



**MORRIS-UNION JOINTURE COMMISSION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2024**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<u>School Alliance Insurance Fund</u>		
Property & Damage (Buildings and Personal Property)	\$ 73,281,694	\$ 5,000
EDP Hardware and Software	200,043	
Business Income	26,125	
Extra Expense	1,000,000	
Commercial Auto Coverage	5,000,000	
Comprehensive General Liability	5,000,000	
Excess Liability	15,000,000	
Pollution Liability	1,000,000	
School Board Legal Liability	20,000,000	10,000
Cyber Liability	2,000,000	
<u>Selective Insurance Company</u>		
Public Official Bonds		
Treasurer	275,000	
Business Administrator/Board Secretary	275,000	
Employee Dishonesty	400,000	
<u>N.J. School Boards Insurance Group</u>		
Workers' Compensation - Section "B" Employer's Liability	3,000,000	
<u>Fireman's Fund Insurance Company</u>		
Catastrophic Excess - Aggregate	25,000,000	
<u>Zurich Insurance Company</u>		
Student Accident	5,000,000	

Source: Commissions records

**SINGLE AUDIT SECTION**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

**Report on Internal Control Over Financial Reporting**

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

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

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

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

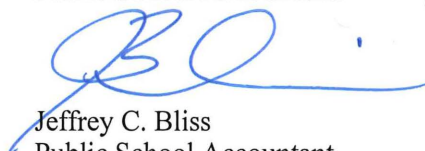
As part of obtaining reasonable assurance about whether the Morris-Union Jointure Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

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

*Lerch, Vinci & Bliss, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 30, 2024





LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
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ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Morris-Union Jointure Commission's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Morris-Union Jointure Commission's major state programs for the fiscal year ended June 30, 2024. The Morris-Union Jointure Commission's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Morris-Union Jointure Commission's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris-Union Jointure Commission as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We have issued our report thereon dated October 30, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 30, 2024

MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	Grant Period	Award Amount	Balance July 1, 2023	Adjustment	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2024			MEMO	
									(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
U.S. Department of Agriculture													
Passed through New Jersey													
Department of Agriculture													
Enterprise Fund													
Local Food for School	10.185	7/1/23-6/30/24	\$ 750			\$ 750	\$ 750					\$ 750	
School Breakfast Program	10.553	7/1/23-6/30/24	29,843			28,061	29,843		\$ (1,782)			\$ (1,782)	29,843
School Breakfast Program	10.553	7/1/22-6/30/23	28,155	\$ (5,085)		5,085							
Covid Supply Chain Assistance Grant	10.555	7/1/23-6/30/24	9,998			9,998	9,998						9,998
Federal P-EBT	10.555	7/1/23-6/30/24	653			653	653						653
National School Lunch Program	10.555												
Cash Assistance		7/1/23-6/30/24	55,270			51,905	55,271		(3,366)			(3,366)	55,271
Cash Assistance		7/1/22-6/30/23	57,024	(10,453)		10,453						-	-
Non-Cash Assistance		7/1/23-6/30/24	18,092			18,092	16,087			\$ 2,005			16,087
Non-Cash Assistance		7/1/22-6/30/23	17,376	3,801	-	-	3,801	-	-	-	-	-	3,801
Total U.S. Department of Agriculture - Enterprise Fund				(11,737)	-	124,997	116,403	-	(5,148)	2,005	-	(5,148)	116,403
U.S. Department of Education													
Passed through New Jersey													
Department of Education													
Special Revenue Fund:													
ARP - ESSER	84.425U	1/1/22-9/30/24	130,840	(128,305)	-	128,305	-	-	(2,535)	2,535	-	-	-
Total U.S. Department of Education - Special Revenue Fund				(128,305)	-	128,305	-	-	(2,535)	2,535	-	-	-
Total Federal Financial Assistance				\$ (140,042)	\$ -	\$ 253,302	\$ 116,403	\$ -	\$ (7,683)	\$ 4,540	\$ -	\$ (5,148)	\$ 116,403

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

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



**MORRIS-UNION JOINTURE COMMISSION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Balance June 30, 2024												MEMO	
Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2023	Cash Received	Budgetary Expenditures	Refund Prior Year's Balance	Cancelled	(Accounts Receivable)	Deferred Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund													
Reimbursed Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	\$ 449,343		\$ 429,403	\$ 449,343			\$ (19,940)	-		\$ (19,940)	\$ 449,343
Reimbursed Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	455,490	\$ (40,523)	40,523								-
On-Behalf TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,321,364		2,321,364	2,321,364							2,321,364
On-Behalf TPAF Pension System-NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	26,474		26,474	26,474							26,474
On-Behalf TPAF Long Term Disability Ins. Premium	24-495-034-5094-004	7/1/23-6/30/24	673		673	673							673
On-Behalf TPAF Post Retirement-Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	638,996	-	638,996	638,996	-	-	-	-	-	-	638,996
Total General Fund				(40,523)	3,457,433	3,436,850	-	-	(19,940)	-	-	(19,940)	3,436,850
Special Revenue Fund													
SDA Emergent and Capital Needs	NA	7/1/23-6/30/24	5,539	-	5,539	-	-	-	-	5,539	-	-	-
Total Special Revenue Fund				-	5,539	-	-	-	-	5,539	-	-	-
State Department of Agriculture													
Enterprise Fund													
National School Lunch Program State Share	24-100-010-3350-023	7/1/23-6/30/24	2,404		2,256	2,404			(148)			(148)	2,404
National School Lunch Program State Share	23-100-010-3350-023	7/1/22-6/30/23	2,131	(396)	396								
National School Lunch Program - State Share - Breakfast	24-100-010-3350-023	7/1/23-6/30/24	536		502	536			(34)			(34)	536
National School Lunch Program - State Share - Breakfast	23-100-010-3350-023	7/1/22-6/30/23	359	(101)	101								
National School Lunch Program - State Share - After the Bell	24-100-010-3350-023	7/1/23-6/30/24	1,952		1,844	1,952			(108)			(108)	1,952
National School Lunch Program - State Share - After the Bell	23-100-010-3350-023	7/1/22-6/30/23	2,071	(319)	319								
National School Lunch Program - NJEIE Lunch	24-100-010-3350-023	7/1/23-6/30/24	1,217		1,139	1,216			(77)			(77)	1,216
National School Lunch Program - NJEIE Break	24-100-010-3350-023	7/1/23-6/30/24	989	-	929	989	-	-	(60)	-	-	(60)	989
Total Enterprise Fund				(816)	7,486	7,097	-	-	(427)	-	-	(427)	7,097
Total State Financial Assistance Subject to Single Audit Determination				(41,339)	3,470,458	3,443,947	-	-	(20,367)	5,539	-	(20,367)	3,443,947
State Financial Assistance Not Subject to Major Program Determination													
On-Behalf TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24			(2,321,364)	(2,321,364)							(2,321,364)
On-Behalf TPAF Pension System-NCGI Prem.	24-495-034-5094-004	7/1/23-6/30/24			(26,474)	(26,474)							(26,474)
On-Behalf TPAF Pension System-Long Term Disability	24-495-034-5094-004	7/1/23-6/30/24			(673)	(673)							(673)
On-Behalf TPAF Post Retirement-Medical	24-495-034-5094-001	7/1/23-6/30/24		-	(638,996)	(638,996)	-	-	-	-	-	-	(638,996)
Total State Financial Assistance Subject to Major Program Determination				\$ (41,339)	\$ 482,951	\$ 456,440	\$ -	\$ -	\$ (20,367)	\$ 5,539	\$ -	\$ (20,367)	\$ 456,440

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Commission's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Commission’s summary of significant accounting policies are described in Note 1 to the Commission’s financial statements.

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by 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 special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$89,293 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Commission’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,436,850	\$ 3,436,850
Special Revenue Fund	\$ 87,000		87,000
Food Service Fund	<u>116,403</u>	<u>7,097</u>	<u>123,500</u>
Total Financial Assistance	<u>\$ 203,403</u>	<u>\$ 3,443,947</u>	<u>\$ 3,647,350</u>

**MORRIS-UNION JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$449,343 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$2,347,838, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$638,996 and TPAF Long-Term Disability Insurance in the amount of \$673 represents the amount paid by the State on behalf of the Commission for the fiscal year ended June 30, 2024.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

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



**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 - Financial Statement Findings

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

**THERE ARE NONE**

**MORRIS-UNION JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**CURRENT YEAR FEDERAL AWARDS**

NOT APPLICABLE

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.