

**ESSEX COUNTY VOCATIONAL SCHOOLS
NEWARK, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Prepared by:

**Essex County Vocational Schools
Board of Education
Finance Department**

Annual Comprehensive Financial Report

of the

Essex County Vocational Schools

Newark, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Essex County Vocational Schools
Board of Education**

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Essex County Schools of Technology BOARD OF EDUCATION

REV. EDWIN D. LEAHY, O.S.B.
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BOARD SECRETARY

M. MURPHY DURKIN, ESQ.
BOARD ATTORNEY

March 7, 2023

Honorable President and Members
of the Board of Education
Essex County Schools District
County of Essex
Newark, New Jersey 07102

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Essex County Vocational Schools District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Essex County Vocational Schools Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08). 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 recommendations, are included in the single audit section of this report.

ESSEX COUNTY VOCATIONAL TECHNICAL SCHOOLS WAS ORGANIZED IN 1923

60 NELSON PLACE, 1 NORTH, NEWARK, NJ 07102 -TELEPHONE (973) 412-2050 - FAX (973) 242-3041

www.essextech.org

1. REPORTING ENTITY AND ITS SERVICES

As the county regional vocational school system, the district provides a full range of vocational and technical training to adult and high school students residing in Essex County. Over 96% of the district's high school students are full-time and receive a full range of educational services, academic programs and vocational-technical training in grades 9 to 12. The high school programs serve a wide range of students including special education programs for handicapped students and advanced tech prep programs for academically talented students.

Apart from full-time day and evening adult programs, the District oversees all apprenticeship training in the County and provides a wide-range of part-time vocational-technical training programs, customized training programs and basic skills, GED and ESL programs for adults.

The District reflected a 0.02% increase in average daily enrollment for high school students in 2021-2022. The District operated at full capacity and received more than two applications for every one student that it accepts into the 9th grade. The following details the changes in the student enrollment of the district over the last ten (10) years.

<u>Year</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Attendance Percent</u>	<u>% Change in Average Daily Enrollment</u>
2021-22	2,076	1,969	94.9	-2.20
2020-21	2,352	2,287	97.1	0.08
2019-20	2,354	2,287	97.1	0.02
2018-19	2,316	2,211	95.5	0.03
2017-18	2,238	2,140	95.6	0.62
2016-17	2,106	2,012	95.6	-0.02
2015-16	2,157	2,059	95.5	-0.05
2014-15	2,282	2,094	94.1	0.17
2013-14	2,215	2,109	95.2	0.50
2012-13	2,492	2,361	94.7	-0.30
2011-12	2,057	1,955	95.0	1.70

2. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance and recognized 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 and GASB 34.

As a recipient of Federal and State financial assistance, the District is responsible for ensuring adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

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

3. BUDGETARY CONTROL

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

4. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements", Note 1.

5. FINANCIAL INFORMATION OF FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2022, and the amount and percentages of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>
Local Sources	\$ 5,450,000
Tuition	13,382,746
State Sources	36,789,247
Federal Sources	<u>46,061</u>
Total	<u>\$55,668,054</u>

The following schedule presents a summary of general fund and special revenue expenditures for the fiscal year ended June 30, 2022:

<u>Expenditures</u>	<u>Amount</u>
Instruction	\$18,008,535
Support	34,788,810
Special School	141,988
Capital Outlay	<u>179,743</u>
	<u>\$53,119,076</u>

6. CASH MANAGEMENT

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

7. RISK MANAGEMENT

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

8. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company, LLP was selected by the Board to audit the financial statements for the year ended June 30, 2022. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08). The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

9. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Essex County Vocational School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

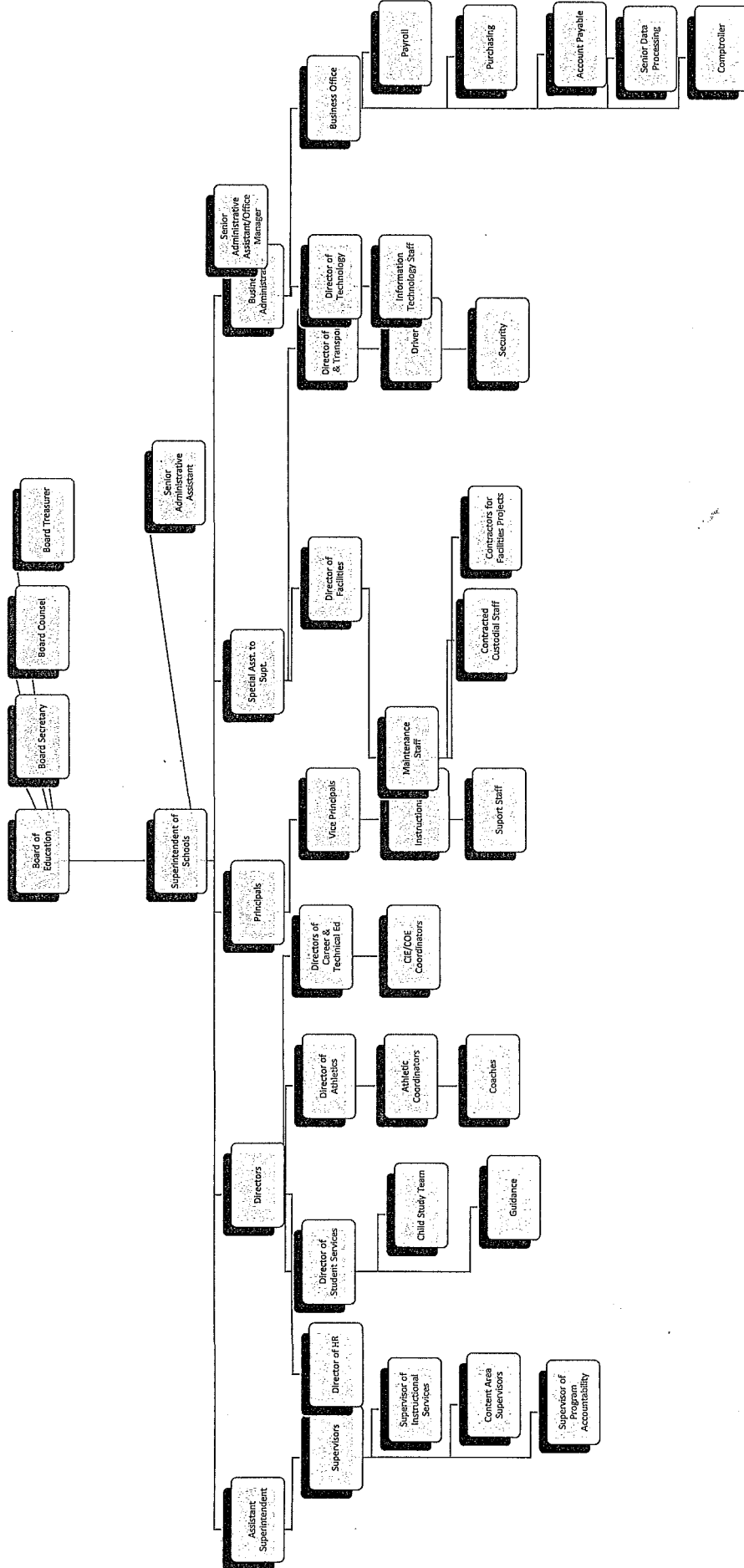
Bernetta Davis

Bernetta Davis
Business Administrator

Lori Tanner

Lori Tanner
Board Secretary

ESSEX COUNTY SCHOOLS OF TECHNOLOGY



ESSEX COUNTY VOCATIONAL SCHOOLS
NEWARK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2022

	<u>Term Expires</u>
Reverend Edwin D. Leahy, President	10/31/26
Adrienne Davis, Vice President	10/31/23
<u>Board Members</u>	
Adrienne Davis	10/31/24*
Salvatore Carnovale	10/31/24
Dr. Chris T. Pernell	10/31/25
Jennifer Carrillo Perez	11/01/25
<u>Other Officials</u>	
Dr. James M. Pedersen, Superintendent	
Bernetta Davis, Business Administrator	
Lori Tanner, Board Secretary	
M. Murphy Durkin, Esq., Board Attorney	

*Carryovers

**ESSEX COUNTY VOCATIONAL SCHOOLS
CONSULTANTS AND ADVISORS**

Audit Firm

Samuel Klein and Company, LLP
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102-4517

Attorney

Durkin & Durkin, LLP
1120 Bloomfield Avenue
P.O. Box 1289
West Caldwell, New Jersey 07007-9452

Official Depository

New Jersey Cash Management Fund (NJCMF)

Citizens
101 JFK Parkway
Short Hills, New Jersey 07078

MBIA Asset Management
113 King Street
Armonk, New York 10504

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Essex County Vocational Schools District
County of Essex
Newark, New Jersey 07102

Report on the Audit of 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 Essex County Vocational Schools District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Essex County Vocational Schools District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and *audit requirements as 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 Essex County Vocational Schools District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's contributions, the budgetary comparison information, the schedule of changes in the District's total OPEB liability, related ratios and notes, and the notes to the required supplementary 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 Essex County Vocational Schools District's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

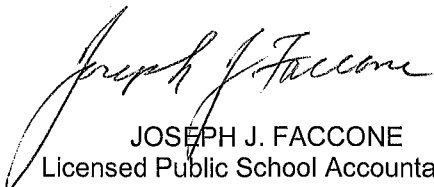
Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2023, on our consideration of the Essex County Vocational Schools District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Essex County Vocational Schools District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Essex County Vocational Schools District's internal control over financial reporting and compliance.


SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI
Licensed Public School Accountant #194

Newark, New Jersey
February 20, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Honorable President and Members
of the Board of Education
Essex County Vocational Schools
Leroy F. Smith Jr. Public Safety Building
60 Nelson Place - 1 North
Newark, New Jersey 07102

Dear Board Members:

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2022 (Unaudited)

The discussion and analysis of the Essex County Vocational Schools District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Essex County Vocational Schools as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds. In the case of the Essex County Vocational Schools, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the actual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the county's property tax base, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District maintains one business-like activity, the Food Service Program.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2022 and 2021.

Table 1

Net Position

	June 30, 2022		June 30, 2021	
ASSETS	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities
Current and Other Assets	\$ 69,961,068	\$ 992,704	\$ 94,584,092	\$ 603,061
Capital Assets, Net	251,700,635	664,109	227,855,907	734,490
Total Assets	<u>\$ 321,661,703</u>	<u>\$ 1,656,813</u>	<u>\$ 322,439,999</u>	<u>\$ 1,337,551</u>
DEFERRED OUTFLOWS OF RESOURCES				
Amount Related to Pension	<u>\$ 830,748</u>		<u>\$ 1,477,329</u>	
LIABILITIES				
Current Liabilities	\$ 2,110,108	\$ 863,032	\$ 1,760,747	\$ 874,550
Noncurrent Liabilities	7,967,126		10,414,019	
Total Liabilities	10,077,234	863,032	12,174,766	874,550
DEFERRED INFLOWS OF RESOURCES				
Amount Related to Pension	4,506,337		4,230,176	
NET POSITION				
Investment in Capital Assets	251,700,635	658,475	227,855,907	734,490
Restricted for:				
Capital Projects	31,964,869		34,936,377	
Unemployment Compensation	29,713		29,713	
Other Purposes	35,841,326		57,770,887	
Unrestricted	(11,627,664)	135,306	(13,080,499)	(271,489)
Total Net Position	307,908,879	793,781	307,512,385	463,001
Total Liabilities and Net Position	<u>\$ 322,492,450</u>	<u>\$ 1,656,813</u>	<u>\$ 323,917,327</u>	<u>\$ 1,337,551</u>

Due to the requirement that the Essex County Vocational Schools prepares its financial statements following GASB Statement 34, compensated absences, along with capital assets (net of accumulated depreciation) are now shown on the Statement of Net Position. The amount recorded under noncurrent liabilities is detailed below:

Compensated Absences	<u>\$1,545,687.76</u>
----------------------	-----------------------

It must be noted that compensated absences due to retirements or other circumstances have always been paid through current budget appropriations and will continue to be paid. The School District has never failed to meet its contractual obligations.

Table 2
Change in Net Position

Table 2 shows the Changes in Net Position for fiscal year 2022 and fiscal year 2021.

Revenues

Program Revenues:

Charges for Services	\$ 167,078	\$ 85,135	\$ 420,267	\$ 6,547
Operating Grants and Contributions	20,078,438	16,604,795	1,440,744	393,529
General Revenues:				
County Appropriation	5,450,000	5,450,000		
Grants and Entitlements	27,143,640	23,801,169		
Tuition	13,398,796	14,870,313		
Other	397,565	976,571	3,262	
Transfer	(250,660)	60,000,000		
Total Revenues	<u>66,384,858</u>	<u>121,787,983</u>	<u>1,864,273</u>	<u>400,076</u>

Expenditures

Program Expenses:

Instruction	35,426,059	33,331,558		
Support Services:				
Student and Instruction Related	8,321,284	7,911,628		
Administration	10,161,190	7,661,641		
Operation and Plant Maintenance	6,321,163	7,669,482		
Pupil Transportation	559,401	383,369		
Special Schools	141,989	183,513		
Interest on Leases	9,180			
Unallocated Depreciation	5,040,221	4,140,003		76,015
Cost of Sales				130,956
Salaries and Benefits				209,291
Other			1,533,493	103,100
Total Expenses	<u>65,980,487</u>	<u>61,281,194</u>	<u>1,533,493</u>	<u>519,362</u>
Increase in Net Position	<u>\$ 404,371</u>	<u>\$ 60,506,789</u>	<u>\$ 330,780</u>	<u>\$ (119,286)</u>

Governmental Activities

A portion of the revenue for the Essex County Vocational Schools is provided by Essex County. Each year the Vocational School's Board of Education prepares and delivers to the Essex County Board of School Estimate an itemized statement of the amount of money necessary for the general fund expenses. The Board of School Estimate determines and certifies by action taken at a public meeting an amount of money to be appropriated for the use by the County Vocational Schools. The Essex County Board of Chosen Freeholders appropriates the amount so certified, which is assessed, levied and collected in the same manner as moneys appropriated for other purposes in Essex County. Moneys from the County Tax Levy made up 8.27% of revenues for the general fund for the fiscal year ended June 30, 2022.

Instruction comprises 53.60% of district expense and support services of 46.40%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Net Cost of Service

	<u>2022</u>
Governmental Activities:	
Instruction:	
Regular	\$ 10,671,738
Other Special Instruction	2,071,522
Vocational	6,413,887
School Sponsored Activities	1,099,833
Other Instruction	1,420,288
Support Services:	
Student and Instruction Related Services	3,361,642
General and Business Administrative Services	2,311,321
School Administration Services	1,963,886
Central Services	1,132,162
Administration of Information Technology	1,372,119
Plant Operations and Maintenance	6,321,163
Security	1,844,618
Pupil Transportation	559,401
Special Schools	141,989
Interest on Leases	9,180
Unallocated Depreciation	4,971,005
Unallocated Amortization	69,216
	\$ 45,734,971

A description of each service provided by the School District is detailed as follows:

Instruction expenditures include activities directly dealing with the teaching of pupils and the interaction between teacher and pupils.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils.

Also included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil Transportation expenditures include activities involved in the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits expenditures include health insurance benefits, social security contributions, unemployment and workers compensations and tuition reimbursement.

Special Schools' expenditures include the post-secondary program, summer school and adult education.

Business-Type Activities

The School District operates business-type activities for the Food Service Program. The Food Service operations are managed by Maschio's Food Services, Inc. The management company receives a fee for each meal served. For fiscal year 2022, a total of 243,076 meals were served to students.

For the current school year, after adjustment of fixed asset valuation, the food service had an increase in net position of \$330,779.97. Ending net position for the food service shows an excess of \$793,781.03.

General Fund Budgetary Highlights

The School District budget is prepared according to New Jersey Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

General Fund Budgetary Highlights

Exhibit C-1 details variations between the final budget amounts and actual results for the General Fund.

Capital Assets

At the end of fiscal year 2022, the School District had \$251,700,635.15 invested in land, buildings and equipment, net of accumulated depreciation.

For the Future

The Essex County Vocational and Technical School District, through the efforts of our teachers, administrators and support staff, will continue to provide the highest quality of education to all students attending our schools.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 19,385,920.53	\$ 842,201.96	\$ 20,228,122.49
Internal Balances	863,032.29		863,032.29
Accounts Receivables, Net	34,148,334.11	107,386.30	34,255,720.41
Inventory		43,116.07	43,116.07
Restricted Assets:			
Cash and Cash Equivalents	7,831,181.36		7,831,181.36
Capital Reserve Account - Cash	7,600,000.00		7,600,000.00
Noncurrent Assets:			
Capital Assets, Net (Note X)	251,700,635.15	664,108.99	252,364,744.14
Right of Use Asset, Net - Financing Lease	132,599.60		132,599.60
Total Assets	<u>321,661,703.04</u>	<u>1,656,813.32</u>	<u>323,318,516.36</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	830,748.00		830,748.00
Total Deferred Outflows of Resources	<u>830,748.00</u>		<u>830,748.00</u>
LIABILITIES			
Current Liabilities:			
Other	810,062.30		810,062.30
Interfunds Payable		863,032.29	863,032.29
Payable to State Government	3,317.54		3,317.54
Commitments and Contingencies	844,565.50		844,565.50
Deferred Revenue	452,163.01		452,163.01
Noncurrent Liabilities:			
Due Beyond One Year (Note X)	1,545,687.76		1,545,687.76
Net Pension Liability (Note X)	6,281,542.00		6,281,542.00
Lease Liability - Financing Lease	139,895.93		139,895.93
Total Liabilities	<u>10,077,234.04</u>	<u>863,032.29</u>	<u>10,940,266.33</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	4,506,337.00		4,506,337.00
Total Deferred Inflows of Resources	<u>4,506,337.00</u>		<u>4,506,337.00</u>
NET POSITION			
Investment in Capital Assets, Net of Related Debt	251,700,635.15	658,474.95	252,359,110.10
Restricted for:			
Capital Reserve	31,964,869.55		31,964,869.55
Unemployment Compensation	29,712.54		29,712.54
Student Activities	107,754.09		107,754.09
Other Purposes	35,733,572.28		35,733,572.28
Unrestricted (Deficit)	<u>(11,627,663.81)</u>	<u>135,306.08</u>	<u>(11,492,357.73)</u>
Total Net Position	<u>\$ 307,908,879.80</u>	<u>\$ 793,781.03</u>	<u>\$ 308,702,660.83</u>

The accompanying notes to financial statements are an integral part of this statement.

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 19,800,514.87	\$	\$ 9,128,777.72	\$ (10,671,737.15)	\$	\$ (10,671,737.15)
Special Education Instruction	3,025,175.35		953,652.97	(2,071,522.38)		(2,071,522.38)
Vocational Education	9,134,615.64		2,720,728.41	(6,413,887.23)		(6,413,887.23)
School Sponsored Activities	2,045,464.82		945,631.33	(1,099,833.49)		(1,099,833.49)
Other Instruction	1,420,288.22			(1,420,288.22)		(1,420,288.22)
Support Services:						
Student and Instructional Related Services	8,321,283.53	167,077.97 *	4,792,563.92 *	(3,361,641.64)		(3,361,641.64)
General Administration	2,554,307.75		242,986.38	(2,311,321.37)		(2,311,321.37)
School Administrative Services	2,286,834.12		322,948.04	(1,963,886.08)		(1,963,886.08)
Central Services	1,584,185.62		452,023.52	(1,132,162.10)		(1,132,162.10)
Administration of Information Technology	1,649,465.66		277,346.99	(1,372,118.67)		(1,372,118.67)
Plant Operations and Maintenance	5,986,262.25			(5,986,262.25)		(5,986,262.25)
Care and Upkeep of Grounds	334,901.13			(334,901.13)		(334,901.13)
Security	2,086,396.98		241,779.11	(1,844,617.87)		(1,844,617.87)
Pupil Transportation	559,401.12			(559,401.12)		(559,401.12)
Special Schools	141,988.78			(141,988.78)		(141,988.78)
Interest on Long-Term Debt	9,179.60			(9,179.60)		(9,179.60)
Unallocated Depreciation	4,971,004.81			(4,971,004.81)		(4,971,004.81)
Unallocated Amortization Expense - Leases	69,216.40			(69,216.40)		(69,216.40)
Total Governmental Activities	65,980,486.65	167,077.97	20,078,438.39	(45,734,970.29)		(45,734,970.29)
Business-Type Activities:						
Food Services	1,533,492.85	420,267.36	1,440,743.92		327,518.43	327,518.43
Total Business-Type Activities	1,533,492.85	420,267.36	1,440,743.92		327,518.43	327,518.43
Total Primary Government	\$ 67,513,979.50	\$ 587,345.33	\$ 21,519,182.31	\$ (45,734,970.29)	\$ 327,518.43	\$ (45,407,451.86)

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business- Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, net	\$ 5,450,000.00		\$ 5,450,000.00
Federal and State Aid Unrestricted	27,143,640.21		27,143,640.21
Tuition Received	13,398,796.41		13,398,796.41
Interest and Investment Earnings - Unrestricted	397,565.23	*** 3,261.54	3,261.54
Miscellaneous Income	(250,659.96)		397,565.23
Transfers	(250,659.96)		(250,659.96)
Total General Revenues, Special Items, Extraordinary Items and Transfers	46,139,341.89	3,261.54	46,142,603.43
Change in Net Position	404,371.60	330,779.97	735,151.57
Net Position - Beginning	307,512,395.61	463,001.06	307,975,396.67
Prior Period Adjustments	(7,887.21)		(7,887.21)
Net Position, July 1 (Restated)	307,504,508.40	463,001.06	307,967,509.46
Net Position - Ending	\$ 307,908,880.00	\$ 793,781.03	\$ 308,702,661.03

The accompanying notes to financial statements are an integral part of this statement.

- * Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"
- ** Internal service fund (ex. Worker's comp) revenue is reported as "charges for services"
- *** Includes interest earnings on the flexible benefits bank account
- **** Includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

ESSEX COUNTY VOCATIONAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Fund
ASSETS				
Cash and Cash Equivalents	\$ 19,385,920.53 *	*		\$ 19,385,920.53
Accounts Receivable:				
Intergovernmental Accounts Receivable:				
Federal		475,679.58		475,679.58
State	66,807.10	474,268.83		541,075.93
Other Governments - Local, net	2,977,903.60	5,000.00	30,148,675.00	33,131,578.60
Interfunds Account Receivable:				
Enterprise Fund			863,032.29	863,032.29
Restricted Cash and Cash Equivalents	7,848,158.23	62,286.58	7,520,736.55	15,431,181.36
Total Assets	\$ 30,278,789.46	\$ 1,017,234.99	\$ 38,532,443.84	\$ 69,828,468.29
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable:				
Payroll Deductions and Withholdings Payable	5,789.36 ***			5,789.36
Unemployment Compensation Claims Payable	195,205.37 ****			195,205.37
Other	124,166.40	456,267.89	28,633.28	609,067.57
Intergovernmental Accounts Payable:				
State	2,267.54 **	1,050.00		3,317.54
Commitments and Contingencies	844,565.50			844,565.50
Deferred Revenue		452,163.01		452,163.01
Total Liabilities	1,171,994.17	909,480.90	28,633.28	2,110,108.35
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	10,770,198.78			10,770,198.78
Excess Surplus - Prior Year - designated for subsequent year's expenditures	12,791,051.20			12,791,051.20
Student Activities		107,754.09		107,754.09
Unemployment Compensation	29,712.54			29,712.54
Committed to:				
Year End Encumbrances - Capital Projects Funds			6,538,941.01	6,538,941.01
Assigned to:				
Capital Projects			31,964,869.55	31,964,869.55
Other Purposes	5,633,381.49			5,633,381.49
Unassigned Fund Balance (Deficit)	(117,548.72)			(117,548.72)
Total Fund Balances	29,106,795.29	107,754.09	38,503,810.56	67,718,359.94
Total Liabilities and Fund Balances	\$ 30,278,789.46	\$ 1,017,234.99	\$ 38,532,443.84	\$ 69,828,468.29
				Total Fund Balance Above
				\$ 67,718,359.94

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 \$317,476,596.90 and the accumulated depreciation is \$40,004,301.31. (See Note 5).	251,700,635.15
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$346,082.02 and the accumulated amortization is \$213,482.43. (See Note 8).	132,599.60
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8).	830,748.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 8).	(4,506,337.00)
Long -Term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).	(6,281,542.00)
Long -Term liabilities, including Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).	(1,545,687.76)
Long -Term liabilities, including Lease Liability, are not due and	

payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).

(139,895.93)

Net Position of Governmental Activities (A-1)

\$ 307,908,880.00

The accompanying notes to financial statements are an integral part of this statement.

- * Include former fiduciary fund cash and cash equivalents
- ** Include payable due to the State for unreimbursed unemployment invoices
- *** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)
- **** Include unspent employee payroll unemployment contributions

**ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Local Sources:				
County Appropriation	\$ 5,450,000.00	\$		\$ 5,450,000.00
Tuition from Other LEA's	13,398,796.41			13,398,796.41
Other Restricted Miscellaneous Revenues	189,206.39 *		2,920.56	192,126.95
Unrestricted Miscellaneous Revenues	205,438.28			205,438.28
Total Local Sources	19,243,441.08		2,920.56	19,246,361.64
State Sources	36,425,053.18	174,893.57		36,599,946.75
Federal Sources	46,861.21	6,167,232.70		6,214,093.91
Private (Local) Sources		319,039.08 **		319,039.08
Total Revenues	55,715,355.47	6,661,165.35	2,920.56	62,379,441.38
Expenditures				
Current:				
Regular Instruction	8,742,731.13	3,576,282.00		12,319,013.13
Special Education Instruction	1,712,411.70			1,712,411.70
Vocational Education	5,389,360.83			5,389,360.83
School Sponsored Activities	743,743.46			743,743.46
Other Instruction	1,420,288.22			1,420,288.22
Support Services and Undistributed Costs:				
Student and Instructional Related Services	4,171,794.13	1,332,183.99 ***		5,503,978.12
General Administration	2,219,821.63			2,219,821.63
School Administrative Services	1,842,275.72			1,842,275.72
Central Services	961,946.64			961,946.64
Administration of Information Technology	1,267,679.98			1,267,679.98
Plant Operations and Maintenance	5,986,262.25			5,986,262.25
Care and Upkeep of Grounds	334,901.13			334,901.13
Security	1,753,572.73			1,753,572.73
Pupil Transportation	559,401.12			559,401.12
Employee Benefits	15,691,155.58	570,232.39		16,261,387.97
Special Schools	141,988.78			141,988.78
Capital Outlay	179,743.81	1,177,460.22	27,458,528.61	28,815,732.64
Total Expenditures	53,119,078.84	6,656,158.60	27,458,528.61	87,233,766.05
Excess (Deficiency) of Revenues Over/(Under)				
Expenditures	2,596,276.63	5,006.75	(27,455,608.05)	(24,854,324.67)
Other Financing Sources (Uses):				
Transfers Out	(3,519.16)			(3,519.16)
Cancellation of Prior Year Accounts Receivable	(247,140.80)			(247,140.80)
Total Other Financing Sources (Uses)	(250,659.96)			(250,659.96)
Net Change in Fund Balances	2,345,616.67	5,006.75	(27,455,608.05)	(25,104,984.63)
Fund Balances, July 1	26,761,178.62	102,747.34	65,959,418.61	92,823,344.57
Fund Balances, June 30	\$ 29,106,795.29	\$ 107,754.09	\$ 38,503,810.56	\$ 67,718,359.94

The accompanying notes to financial statements are an integral part of this statement.

- * Includes interest earnings on the unemployment compensation bank account
 ** Special revenue fund now includes revenues from scholarships and student activities
 *** Special revenue fund now includes expenditures from scholarships and student activities

**ESSEX COUNTY VOCATIONAL SCHOOL
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ (25,104,984.63)

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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.

Depreciation Expense	\$ (4,971,004.81)	
Capital Outlays/Adjustments	<u>28,815,732.64</u>	
		23,844,727.83

Governmental funds report lease principal payments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization expense exceeded lease principal payments in the period.

Amortization Expense	\$ (69,216.40)	
Lease Principal Payment	<u>69,797.23</u>	
		580.83

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.

1,672,754.00

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

(8,706.43)

Change in Net Position of Governmental Activities	A-2	<u>\$ 404,371.60</u>
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The accompanying notes to financial statements are an integral part of this statement.

PROPRIETARY FUNDS

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 842,201.96	\$ 842,201.96
Intergovernmental Accounts Receivable:		
State	1,926.96	1,926.96
Federal	105,459.34	105,459.34
Inventories:		
USDA	9,725.48	9,725.48
Food	33,390.59	33,390.59
Total Current Assets	<u>992,704.33</u>	<u>992,704.33</u>
Noncurrent Assets:		
Capital Assets:		
Furniture, Machinery & Equipment	1,374,886.62	1,374,886.62
Less Accumulated Depreciation	<u>(710,777.63)</u>	<u>(710,777.63)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>664,108.99</u>	<u>664,108.99</u>
Total Noncurrent Assets	<u>664,108.99</u>	<u>664,108.99</u>
Total Assets	<u>\$1,656,813.32</u>	<u>\$1,656,813.32</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Interfunds Payable:		
General Fund	863,032.29	863,032.29
Total Current Liabilities	<u>863,032.29</u>	<u>863,032.29</u>
Total Liabilities	<u>\$ 863,032.29</u>	<u>\$ 863,032.29</u>
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	\$ 658,474.95	\$ 658,474.95
Unrestricted (Deficit)	<u>135,306.08</u>	<u>135,306.08</u>
Total Net Position	<u>\$ 793,781.03</u>	<u>\$ 793,781.03</u>

The accompanying notes to financial statements are an integral part of this statement.

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 403,340.50	\$ 403,340.50
Miscellaneous	16,926.86	16,926.86
Total Operating Revenues	420,267.36	420,267.36
Operating Expenses:		
Food Service Management Company Salaries	518,199.01	518,199.01
Food Service Management Company Employee Benefits	141,304.71	141,304.71
Cost of Sales / Goods Sold - Reimbursable Programs	533,196.49	533,196.49
Cost of Sales / Goods Sold - Non-Reimbursable Programs	70,606.44	70,606.44
Purchased Services (Including Fixed Price Contract)	88,111.00	88,111.00
Other Purchased Professional and Technical Services	2,718.54	2,718.54
Depreciation Expense	76,014.87	76,014.87
Miscellaneous	103,341.79	103,341.79
Total Operating Expenses	1,533,492.85	1,533,492.85
Operating Income/(Loss)	(1,113,225.49)	(1,113,225.49)
Nonoperating Revenues (Expenses):		
<u>State Sources:</u>		
School Lunch		
Free	25,522.98	25,522.98
<u>Federal Sources:</u>		
National School Breakfast Program	236,050.43	236,050.43
National School Lunch Program	1,083,903.87	1,083,903.87
Food Distribution Program	95,266.64	95,266.64
Interest and Investment Revenue	3,261.54	3,261.54
Total Nonoperating Revenues (Expenses)	1,444,005.46	1,444,005.46
Income (Loss) before Contributions	330,779.97	330,779.97
Change in Net Position	330,779.97	330,779.97
Total Net Position July 1 - Beginning	463,001.06	463,001.06
Total Net Position June 30 - Ending	\$ 793,781.03	\$ 793,781.03

The accompanying notes to financial statements are an integral part of this statement.

ESSEX COUNTY VOCATIONAL SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers and Other Funds	\$ 403,340.50	\$ 403,340.50
Payments to Employees	(518,199.01)	(518,199.01)
Payments to Employees' Benefits	(141,304.71)	(141,304.71)
Payments to Suppliers (for Goods and Services)	(710,601.21)	(710,601.21)
	<u>(966,764.43)</u>	<u>(966,764.43)</u>
Net Cash Provided by (Used for) Operating Activities		
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
State Sources	25,793.04	25,793.04
Federal Sources	1,241,226.06	1,241,226.06
	<u>1,267,019.10</u>	<u>1,267,019.10</u>
Net Cash Provided by (Used for) Noncapital Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	300,254.67	300,254.67
Cash and Cash Equivalents Balances - Beginning of Year	541,947.29	541,947.29
Cash and Cash Equivalents Balances - End of Year	<u>\$ 842,201.96</u>	<u>\$ 842,201.96</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income/(Loss)	\$ (1,113,225.49)	\$ (1,113,225.49)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	76,014.87	76,014.87
USDA Commodities	87,597.79	87,597.79
Change in Assets and Liabilities:		
Increase/(Decrease) in Other Current Assets	(5,634.04)	(5,634.04)
Increase/(Decrease) in Accounts Payable	(11,517.51)	(11,517.51)
Total Adjustments	<u>146,461.11</u>	<u>146,461.11</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (966,764.38)</u>	<u>\$ (966,764.38)</u>

The accompanying notes to financial statements are an integral part of this statement.

FIDUCIARY FUNDS (IF APPLICABLE)

NOTES TO THE FINANCIAL STATEMENTS

ESSEX COUNTY VOCATIONAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Essex County Vocational Schools is a county regional vocational school system. The District provides a full range of vocational and technical training to adult and high school students residing in Essex County. A full range of educational services, academic programs, and vocational-technical training in grades 9 to 12 are provided. The District functions independently of the Board of County Commissioners through an appointed board of seven members. The District had an approximate enrollment at June 30, 2022 of 2,097 students.

As a reporting entity, the school system is considered a component unit of the primary government County of Essex, State of New Jersey. As a component unit, the Essex County Vocational Schools is responsible for general operations, food service, and student related activities of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Essex County Vocational Schools District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program of function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

2. Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund. This fund also includes payroll agency, payroll net and unemployment reserve accounts.

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is for the benefit of the school district. The District presently has no resources that are considered Permanent Funds.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

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

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The School does not currently utilize any internal service funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

3. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments and early retirement incentive programs

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Position.

2. Fund Financial Statements

All government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered an "accounts receivable".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and 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 overexpenditures related to on-behalf payments in the general fund are due to the inclusion of the nonbudgeted on-behalf payments made by the State of New Jersey as district expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$56,079,549.27	\$7,214,016.04
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(552,850.69)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,380,803.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,744,997.00)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$55,715,355.27</u>	<u>\$6,661,165.35</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$53,119,078.84	\$7,209,008.78
Differences - Budget-to-GAAP:		
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting</i> purposes.		<u>(552,850.69)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$53,119,078.84</u>	<u>\$6,656,158.09</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.

F. Encumbrances

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances (Continued)

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

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

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

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

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Deferred Outflows in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

5. Tuition Payable

Tuition charges for the fiscal years 2020-21 and 2021-22 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Short-Term Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 - 100 Years
Furniture and Equipment	5 - 20 Years
Vehicles	18 Years

8. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For Governmental Fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from Governmental Funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

10. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

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

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

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

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

11. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned. Deferred inflows in the General Fund represents prepaid fees collected for future programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the Proprietary Funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

14. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

15. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

16. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the Food Service Enterprise Fund at market value. The use of the commodities is included in cost of sales.

17. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers' compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

18. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

19. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

20. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

20. Accounting and Financial Reporting for Pensions

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

21. Accounting and Financial Reporting for Other Post-Retirement Benefits (“OPEB”)

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. This Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

22. GASB Statement No. 84 Fiduciary Activities

The District implemented GASB Statement No. 84 Fiduciary Activities on July 1, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency, payroll net and unemployment reserve accounts to the General Fund. The Special Revenue Fund was adjusted to include student activities and scholarship accounts. There was no adverse impact on the financial statements of the District.

23. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

Effective Date: The removal of London Interbank Offered rate (IBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

23. Other Accounting Standards (Continued)

- *GASB Statement No. 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

23. Other Accounting Standards (Continued)

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

Effective Dates: The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging government as, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 101. Compensated Absences.* 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.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB No. 3 as amended by GASB No. 40.

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

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

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2022, the Board's cash, cash equivalents and investments consisted of:

	<u>2022</u>
Cash and Cash Equivalents	<u>\$ 34,817,101.89</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$41,578,928.92. Of the bank balance, \$1,598,763.41 was covered by the Federal Depository Insurance and \$39,730,165.51 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB No. 40.

There were no securities held by the District as of June 30, 2022 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

4. CAPITAL ASSETS

	Beginning Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Construction Completed</u>	<u>Retirements</u>	Ending Balance <u>June 30, 2022</u>
Governmental Activities					
Nondepreciable:					
Land	\$ 36,983,452.40	\$ -	\$ -	\$ -	\$ 36,983,452.40
Construction-in-Progress	17,211,951.37	27,479,393.38	(42,367,454.43)	-	2,323,890.32
	<u>54,195,403.77</u>	<u>27,479,393.38</u>	<u>(42,367,454.43)</u>	<u>-</u>	<u>39,307,342.72</u>
Depreciable:					
Buildings and Improvements	198,436,112.72	-	41,416,572.20	-	239,852,684.92
Machinery and Equipment	10,257,687.33	1,336,339.26	950,882.23	-	12,544,908.82
	<u>208,693,800.05</u>	<u>1,336,339.26</u>	<u>42,367,454.43</u>	<u>-</u>	<u>252,397,593.74</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(27,440,267.48)	(4,085,184.52)	-	-	(31,525,452.00)
Machinery and Equipment	(7,593,029.02)	(885,820.29)	-	-	(8,478,849.31)
Total Accumulated Depreciation	<u>(35,033,296.50)</u>	<u>(4,971,004.81)</u>	<u>-</u>	<u>-</u>	<u>(40,004,301.31)</u>
Governmental Activities Capital Assets - Net	<u>\$227,855,907.32</u>	<u>\$ 23,844,727.83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,700,635.15</u>
Business-Type Activities					
Machinery and Equipment	\$ 1,369,252.58	\$ 5,634.04	-	-	\$ 1,374,886.62
Less Accumulated Depreciation: Machinery and Equipment	(634,762.76)	(76,014.87)	-	-	(710,777.63)
Business-Type Activities Capital Assets - Net	<u>\$ 734,489.82</u>	<u>\$ (70,380.83)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,108.99</u>

5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Amounts Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Net Pension Liability	\$ 8,877,038.00	\$ -	\$ 2,595,496.00	\$ 6,281,542.00	\$ -	\$ 6,281,542.00
Compensated Absences	1,536,981.33	8,706.43	-	1,545,687.76	-	1,545,687.76
	<u>\$10,414,019.33</u>	<u>\$8,706.43</u>	<u>\$ 2,595,496.00</u>	<u>\$ 7,827,229.76</u>	<u>\$ -</u>	<u>\$ 7,827,229.76</u>

6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- . New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- . The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- . Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.

6. PENSION PLANS (Continued)

Significant Legislation (Continued)

The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.50% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the school is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2022	\$620,978.00	\$620,978.00	100%
June 30, 2021	595,499.00	595,499.00	100%
June 30, 2020	523,997.00	523,997.00	100%

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Retirement Medical Benefits</u>	<u>Long-Term Disability Insurance</u>
June 30, 2022	\$6,511,992.00	100%	\$1,521,465.00	\$ 2,417.00
June 30, 2021	4,763,179.00	100%	1,492,706.00	2,772.00
June 30, 2020	3,594,380.00	100%	1,333,449.00	3,080.00

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$6,511,992.00 to the TPAF for normal pension, \$1,521,465.00 for post-retirement medical benefits and \$2,417.00 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,392,400.18 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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 Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$77,304,641, as measured on June 30, 2021 and \$106,008,858 as measured on June 30, 2020.

For the year ended June 30, 2022, the district recognized pension expense of \$1,819,012 and revenue of \$1,819,012 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective Deferred Outflows of Resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective Deferred Inflows of Resources	27,221,092,460	14,424,322,612
Collective Net Pension Liability (Nonemployer - State of New Jersey)	48,075,188,642	65,848,796,740
State's Portion of the Net Pension Liability that was Associated with the District	77,604,641	106,008,858
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.1607994616%	0.1609882997%

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

6. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45%
	Based on Years of Service
Thereafter	2.75% - 5.65%
	Based on Years of Service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

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

6. PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf22.pdf>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2022, the District reported a liability of \$6,281,542 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2020. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the District proportion was 0.0530244554%, which was a decrease of 0.0014112353% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(1,012,295). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 99,068	\$ 44,968
Changes of Assumptions	32,714	2,236,270
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,654,723
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	77,988	570,376
District Contributions Subsequent to the Measurement Date	<u>620,978</u>	
Total	<u>\$830,748</u>	<u>\$4,506,337</u>

The \$620,078 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022 the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (1,482,170)
2023	(1,058,266)
2024	(721,557)
2025	(542,396)
2026	<u>211</u>
	<u>\$ (3,804,178)</u>

Additional Information:

Collective balances at June 30, 2020 and 2021 are as follows:

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information: (Continued)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability (Nonstate - Local Group)	11,972,782,878	16,435,616,426
District's Portion of Net Pension Liability	6,281,542	8,877,038
District's Proportion	0.0524651793%	0.0540109830%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on Years of Service
Thereafter	3.00% - 7.00%
	Based on Years of Service
Investment Rate of Return:	7.00%

Preretirement 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-2020 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries.

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Collective Net Pension Liability	\$ 8,645,374	\$ 6,281,542	\$ 4,399,283

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

7. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

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

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

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

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

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

7. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB's No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtml.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$60,007,650,970	
Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on	Based on
	Service Years	Service Years
Thereafter	1.55% - 4.45%	3.00% - 7.00%
	Based on	Based on
	Service Years	Service Years

7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Total Nonemployer OPEB Liability (Continued)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectfully.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decrease to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024 increasing to 15.23% in fiscal year 2025 and decrease to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decrease to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

7. **POST-RETIREMENT BENEFITS (Continued)**

Changes in the Total OPEB Liability Reported by the State of New Jersey

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	<u>\$67,809,962,608</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments ¹	(1,226,213,382)
Contributions from the Nonemployer	N/A
Contributions from the Member ¹	39,796,196
Net Investment Income ¹	N/A
Administrative Expense ¹	N/A
Net Changes	<u>(7,802,311,638)</u>
Balance as of June 30, 2020 Measurement Date	<u>\$60,007,650,970</u>

¹Data for Measurement Periods Ending June 30, 2020 were provided by the State.

At June 30, 2021, the State's proportionate share of the OPEB liability attributable to the District is \$82,369,569. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the State's share of the OPEB liability attributable to the District was P.13727 percent, which was an increase of .00030 percent from its proportionate share measured as of June 30, 2020 of .13697 percent.

There were no changes of benefit terms.

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2021 and 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

7. **POST-RETIREMENT BENEFITS (Continued)**

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB Liability (School Retirees)	\$ 98,665,813	\$82,369,569	\$69,537,255

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability (School Retirees)	\$111,968,942	\$92,877,767	\$77,950,307

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

The following presents the total nonemployer OPEB liability as of June 30, 2021 and 2020, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$62,560,480	\$82,369,569	\$103,441,604

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$74,974,066	\$92,877,767	\$114,197,096

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$4,664,238 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

In accordance with GASB's No. 75, the Essex County Vocational School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

7. POST-RETIREMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ 9,045,886,863	\$ 18,009,362,976
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	<u>10,179,536,966</u>	<u>6,438,261,807</u>
(4) Sub-Total	<u>19,225,423,829</u>	<u>24,447,624,783</u>
(5) Contributions Made in Fiscal Year Ending 2021 After June 30, 2020 Measurement Date ¹	<u>TBD</u>	<u>N/A</u>
(6) Total	<u><u>\$19,225,423,829</u></u>	<u><u>\$ 24,447,624,783</u></u>

¹Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2022	\$ (1,622,890)
2023	(1,622,890)
2024	(1,622,890)
2025	(1,622,890)
2026	(1,153,852)
Thereafter	<u>477,151</u>
	<u><u>\$ (7,168,260)</u></u>

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

8. DEFERRED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

9. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

It is the policy of the Board to pay teachers, secretaries, and administrators for accumulated sick days upon retirement after at least 15 years of service. The employee shall receive terminal leave allowance of one day's salary for each four days of accumulated unused sick leave. The accrued leave is capped at \$15,000.00 for teachers, maintenance workers, security guards and drivers. The accrued leave is capped at \$12,000.00 for secretaries, paraprofessionals, systems network administration and parent coordinators. This became effective July 1, 1954. The liability of the board at June 30th for the three prior years is as follows:

<u>Year</u>	<u>Amount</u>
2022	\$1,545,687.76
2021	1,536,981.33
2020	1,396,582.91

These amounts were recorded in the General Long-Term Debt Account Group, since they do not require the use of available spendable resources.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Food Service Fund.

14. FUND BALANCE APPROPRIATED

General Fund - Of the \$29,106,795.29 General Fund fund balance reported in Statement "B-1" at June 30, 2022, \$12,791,051.20, Restricted for Excess Surplus Designated for Subsequent Years Expenditures, \$10,770,198.78 Restricted for Excess Surplus, \$5,633,381.49 Committed for Year End Encumbrances, \$29,712.54 is reserved for Unemployment Compensation, \$7,600,000.00 Capital Reserve and \$(117,548.72) is Unassigned.

Special Revenue Fund - Of the \$107,745.09 Special Revenue Fund fund balance at June 30, 2022, \$107,745.09 is restricted for student activities.

Capital Projects Fund - Of the \$38,503,810.56 Capital Projects Fund fund balance at June 30, 2022, \$31,964,869.55 is restricted for Capital Projects and \$6,538,941.01 is committed to year end encumbrances.

15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The reserve balance of \$12,791,051.20 will be appropriated in the fiscal year 2022-2023 and \$10,770,198.78 will be appropriated in the fiscal year 2023-2024

16. RECONCILIATION OF FUND BALANCE - GENERAL FUND

<p>The Surpluses are Presented on a GAAP Basis and a Reconciliation from the Budget Basis to the GAAP Basis is as follows:</p> <p>Balance on a Budget Basis on the General Fund Budgetary Basis Comparison</p> <p>Less: Allocation of State Aid Payment of Not Recognized on a GAAP Basis</p> <p>Balances on a GAAP Basis on the Governmental Fund Balance Sheet</p>	<p>Unreserved and Designated</p> <p>\$31,851,792.29</p> <p><u>2,744,997.00</u></p> <p><u>\$29,106,795.29</u></p>
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17. CONTINGENT LIABILITIES

A. Litigation

Essex County Vocational Technical Schools Board of Education advs. Richard Derkacs, Agency Docket No. 171-7/19: This matter involves an action filed by a tenured teacher. The ECVS filed a responsive pleading. Discovery is currently ongoing and a hearing date has not yet been scheduled.

In the event there is an unfavorable outcome against the ECVS, the estimated amount of damages would be approximately \$175,000.00.

17. CONTINGENT LIABILITIES (Continued)

B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectivity of any related receivable at June 30, 2022 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore no provisions have been recorded in the accompanying general-purpose financial statements for such contingencies.

C. Commitments and Contingencies

In October 2006 the School District was approved for funding to have a vendor install network cable runs to the District's four schools. This was completed and in accordance with e-rate rules the District paid the vendor 10% or \$143,139.50 of the cost of the project. USAC paid the balance of \$1,288,255.50 directly to the vendor.

In June 2008 the Universal Service Administrative Company (USAC), the administrator of the Universal Services Schools and Library Programs (e-rate), initialed a Cost Effectiveness Review (CER) of the School District's funding request.

If the USAC rules against the District, the USAC will issue a Commitment Adjustment (COMAD) letter reducing the funding approval to \$ - 0 - and requesting the District pay \$844,565.50 within 30 days.

Management has indicated that given the unprecedented review of a funding request after payment has been made, and in consultation with their e-rate consultant who believes the District will not prevail, it is only prudent to establish this liability on the balance sheet under Commitments and Contingencies.

18. LEASES

In June 2017, the GASB issued GASB No. 87, Leases. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the balance sheet and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease liability, which is initially measured at the present value of the future lease payments. For income statement purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operation lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.

The District adopted this new accounting standard on June 15, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning retained earnings. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The District elected a package of practical expedients permitted under the transition guidance, which among other things allows the carryforward of historical lease classification. The adoption of this new accounting standard is expected to result in recognition of lease liabilities of approximately \$132,599.60 and recognition of the right-of-use assets of approximately \$139,895.93 net of liabilities. The adoption is also expected to result in a decrease to net position of approximately \$7,866.70 due to transition date impairment of right-of-use assets.

18. LEASES (Continued)

The District determines if an arrangement contains a lease at the inception of a contract. The lease classification is determined at the commencement date. Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the district's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. Lease commencement is the date the District has the right to control the property. The District utilizes its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the District's estimated rate of interest for a collateralized borrowing over a similar term as the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expensed on a straight line basis over the lease term.

The District accounts for lease components and non-lease components as a single lease component. Variable lease payment amounts that cannot be determined at the commencement of the lease such as increases in lease payments based on changes in index rates or usage are not included in the right-of-use assets or lease liabilities. These are expensed as incurred.

Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

Supplemental balance sheet information related to leases were as follows:

Balance Sheet Supplemental Information:	<u>June 30, 2022</u>
Finance Leases:	
Right-of-Use Assets Included in:	
Property, Plant and Equipment, Net	<u>\$ 132,600</u>
Lease Obligations Included in:	
Accrued Expenses and Other Liabilities	
Other Noncurrent Liabilities	<u> </u>
Total Finance Lease Obligations	<u><u> </u></u>

Average Lease Term and Discount Rates as of June 30, 2022 were as follows:

Weighted Average Terms and Discount Rates:	<u>June 30, 2022</u>
Weighted Average Remaining Lease Terms in Years:	
Finance Leases	2.33
Weighted Average Discount Rate:	
Finance Leases	5.44%

18. LEASES (Continued)

The aggregate future lease payments for operating and finance leases as of June 30, 2022 were as follows:

	<u>Finance Lease</u>
Future Lease Payments (Fiscal Years):	
2023	\$ 73,262
2024	30,300
2025	27,675
2026	<u>18,040</u>
Total Undiscounted Minimum Lease Payments	\$ 149,277
Less: Present Value Discount	<u>(9,381)</u>
Lease Liability	<u>\$ 139,896</u>

19. PRIOR PERIOD ADJUSTMENT - GASB NO. 87

The District implemented GASB No. 87 related to former operating and capital leases being reclassified into the Governmental Funds. The reclassification was reflected as a prior period adjustment to the Governmental Funds - Statement of Activities (A-2), effective July 1, 2021, and no retroactive restatement of financial statements was done since financial statements are not comparative. The reclassification involved assets, liabilities and net position with no material impact on the financial position of the District.

20. SUBSEQUENT EVENT

The Essex County Vocational School District has evaluated subsequent events that occurred after the balance sheet date, but before February 20, 2023. Based upon this evaluation, the District has determined that the following subsequent event needed to be disclosed:

Subsequent to the date of these financial statements, the COVID-19 Corona Virus continued to spread across the State of New Jersey and the Nation as a whole. The impact of this view on the District's operation in Fiscal Year 2022 cannot be reasonably estimated at this time, but may negatively affect revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

ESSEX COUNTY VOCATIONAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION - Part II
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
County Tax Levy	\$ 5,450,000.00	\$	\$ 5,450,000.00	\$ 5,450,000.00	\$
Tuition From LEAs	14,080,268.00		14,080,268.00	13,362,746.41	(717,521.59)
Other Tuition	60,000.00		60,000.00	36,050.00	(23,950.00)
Unrestricted Miscellaneous Revenues	65,017.00		65,017.00	205,438.28	140,421.28
Other Restricted Miscellaneous Revenues	251,262.00		251,262.00	189,206.39	(62,055.61)
Total Local Sources	19,906,547.00		19,906,547.00	19,243,441.08	(663,105.92)
Revenues from Intermediate Sources:					
Total Revenues from Intermediate Sources					
State Sources:					
Equalization Aid	24,768,623.00		24,768,623.00	24,768,623.00	
Security Categorical Aid	1,032,999.00		1,032,999.00	1,032,999.00	
Special Education Categorical Aid	1,669,351.00		1,669,351.00	1,669,351.00	
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contribution				6,511,992.00	6,511,992.00
TPAF - Long-Term Disability Contribution				2,417.00	2,417.00
TPAF - Post-Retirement Medical Contribution				1,421,465.00	1,421,465.00
Reimbursed TPAF Social Security Contributions				1,392,400.18	1,392,400.18
Total State Sources	27,460,973.00		27,460,973.00	36,789,247.18	9,328,274.18
Federal Sources:					
Medicaid Reimbursement	39,381.00		39,381.00	46,861.21	7,480.21
Total Federal Sources	39,381.00		39,381.00	46,861.21	7,480.21
Total Revenues	\$ 47,406,901.00		\$ 47,406,901.00	\$ 56,079,549.47	\$ 8,672,648.47
EXPENDITURES					
<u>Current Expense</u>					
Regular Programs - Instruction:					
Salaries of Teachers	8,050,518.00	54,684.74	8,105,202.74	8,075,559.59	29,643.15
Purchased Professional-Educational Services	499,000.00	(40,039.50)	458,960.50	60,799.74	398,160.76
Purchased Technical Services	370,000.00	9,013.87	379,013.87	359,903.65	19,110.22
Other Purchased Services (400-500 series)	8,000.00	(1,818.78)	6,181.22	990.59	5,190.63
General Supplies	239,000.00	(19,034.71)	219,965.29	100,130.84	119,834.45
Textbooks	303,000.00		303,000.00	62,025.45	240,974.55
Other Objects	105,850.00	(23,191.75)	82,658.25	4,863.77	77,794.48
Regular Programs - Home Instruction:					
Other Purchased Services (400-500 series)	40,000.00	39,000.00	79,000.00	78,457.50	542.50
TOTAL REGULAR PROGRAMS - INSTRUCTION	9,615,368.00	18,613.87	9,633,981.87	8,742,731.13	891,250.74
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	1,500,700.00	(65,642.00)	1,435,058.00	1,348,688.80	86,369.20
Other Salaries for Instruction	318,296.00	66,029.00	384,325.00	357,030.06	27,294.94
General Supplies	30,825.00	(1,887.00)	28,938.00	6,159.34	22,778.66
Other Objects		1,500.00	1,500.00	533.50	966.50
Total Resource Room/Resource Center	1,849,821.00		1,849,821.00	1,712,411.70	137,409.30
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,849,821.00		1,849,821.00	1,712,411.70	137,409.30
Bilingual Education - Instruction:					
Salaries of Teachers	430,168.00	(9,040.00)	421,128.00	401,173.40	19,954.60
Other Salaries for Instruction	307,211.00	33,800.00	341,011.00	337,573.95	3,437.05
Unused Vacation Payment to Terminated/Retired Staff	50,000.00	(24,716.00)	25,284.00		25,284.00
General Supplies	14,500.00	(44.00)	14,456.00	4,996.11	9,459.89
Total Bilingual Education - Instruction	801,879.00		801,879.00	743,743.46	58,135.54
VOCATIONAL PROGRAMS:					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	5,230,824.00	2,651.00	5,233,475.00	4,866,338.10	367,136.90
Unused Vacation Payment to Terminated/Retired Staff	50,000.00		50,000.00		50,000.00
Other Purchased Services (400-500 series)	75,000.00		75,000.00	2,454.29	72,545.71
General Supplies	767,400.00	24,367.13	791,767.13	478,545.56	313,221.57
Textbooks	6,000.00		6,000.00	54.71	5,945.29
Other Objects	45,000.00		45,000.00	41,568.17	3,431.83
Total Regular Vocational Programs - Instruction	6,174,224.00	27,018.13	6,201,242.13	5,388,960.83	812,281.30
Special Vocational Programs - Instruction:					
Purchased Technical Services	5,000.00		5,000.00		5,000.00
General Supplies	31,000.00		31,000.00		31,000.00
Other Objects	36,000.00		36,000.00	400.00	35,600.00
Total Special Vocational Programs - Instruction	72,000.00		72,000.00	400.00	71,600.00
TOTAL VOCATIONAL PROGRAMS	6,246,224.00	27,018.13	6,273,242.13	5,389,360.83	883,881.30

ESSEX COUNTY VOCATIONAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION - Part II
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:	\$	\$	\$	\$	\$
Salaries	100,000.00	72,216.75	172,216.75	170,369.75	1,847.00
Supplies and Materials	28,000.00	(14,113.99)	13,886.01	8,857.37	5,028.64
Other Objects	42,000.00	(14,323.30)	27,676.70	24,763.70	2,913.00
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	170,000.00	43,779.46	213,779.46	203,990.82	9,788.64
School-Sponsored Athletics - Instruction:					
Salaries	750,720.00	31,534.14	782,254.14	782,254.14	
Purchased Services (300-500 series)	151,500.00	(12,236.55)	139,263.45	85,755.75	53,507.70
Supplies and Materials	275,000.00	77,080.28	352,080.28	304,712.24	47,368.04
Other Objects	75,000.00	(27,518.13)	47,481.87	43,575.27	3,906.60
Total School-Sponsored Athletics - Instruction	1,252,220.00	68,859.74	1,321,079.74	1,216,297.40	104,782.34
Total Instruction	19,935,512.00	158,271.20	20,093,783.20	18,008,535.34	2,085,247.86
Undistributed Expenditures - Health Services:					
Salaries	584,392.00	(4,871.00)	579,521.00	490,788.28	88,732.72
Purchased Professional and Technical Services	40,000.00	4,500.00	44,500.00	43,826.00	674.00
Other Purchased Services (400-500 Series)	3,000.00	3,000.00	6,000.00	1,508.76	4,491.24
Supplies and Materials	54,400.00	(6,681.00)	47,719.00	12,473.14	35,245.86
Other Objects	10,000.00		10,000.00	334.90	9,665.10
Total Undistributed Expenditures - Health Services	691,792.00	(4,052.00)	687,740.00	548,931.08	138,808.92
Undist. Expend.-Other Supp.Serv.Students-Extraordinary Services:					
Purchased Professional-Educational Services				2,200.00	(2,200.00)
Total Undist. Expend.-Other Supp.Serv.Students-Extraordinary Services				2,200.00	(2,200.00)
Undistributed Expenditures - Guidance Service:					
Salaries of Other Professional Staff	993,503.00	390.00	993,893.00	878,684.12	115,208.88
Salaries of Secretarial and Clerical Assistants	241,381.00	(5,150.00)	236,231.00	235,094.75	1,136.25
Other Salaries	175,000.00	946.00	175,946.00	40,436.23	135,509.77
Purchased Professional - Educational Services	98,000.00	(7,500.00)	90,500.00	63,610.00	26,890.00
Supplies and Materials	22,400.00	6,800.00	29,200.00	13,978.88	15,221.12
Other Objects	3,250.00		3,250.00	2,591.95	658.05
Total Undistributed Expenditures - Guidance Service	1,533,534.00	(4,514.00)	1,529,020.00	1,234,395.93	294,624.07
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	779,278.00	(128.00)	779,150.00	686,589.22	92,560.78
Salaries of Secretarial and Clerical Assistants	71,542.00	10,128.00	81,670.00	78,188.32	3,481.68
Other Salaries		500.00	500.00	500.00	
Purchased Professional - Educational Services	20,000.00	7,690.00	27,690.00	18,147.80	9,542.20
Other Purchased Services (400-500 series)	53,700.00	(3,690.00)	50,010.00	20,311.56	29,698.44
Supplies and Materials	73,800.00	(4,500.00)	69,300.00	7,251.79	62,048.21
Other Objects	3,500.00		3,500.00		3,500.00
Total Undistributed Expenditures - Child Study Team	1,001,820.00	10,000.00	1,011,820.00	810,989.69	200,831.31
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	1,187,989.00	6,490.42	1,194,479.42	1,194,479.10	0.32
Salaries of Other Professional Staff	50,000.00		50,000.00	45,577.60	4,422.40
Salaries of Secretaries and Clerical Assistants	136,299.00	2,636.00	138,935.00	138,934.75	0.25
Other Salaries	60,000.00	(9,126.42)	50,873.58	8,268.00	42,605.58
Unused Vacation Payment to Terminated/Retired Staff	75,000.00		75,000.00	6,679.10	68,320.90
Supplies and Materials	2,550.00		2,550.00	1,584.22	965.78
Other Objects		500.00	500.00	186.00	314.00
Total Undistributed Expenditures - Improvement of Instructional Services	1,511,838.00	500.00	1,512,338.00	1,395,708.77	116,629.23
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	194,644.00	11,185.00	205,829.00	140,859.00	64,970.00
Supplies and Materials	34,300.00	601.35	34,901.35	18,656.28	16,245.07
Total Undistributed Expenditures - Educational Media Services/School Library	228,944.00	11,786.35	240,730.35	159,515.28	81,215.07
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	20,000.00		20,000.00	8,630.00	11,370.00
Purchased Professional-Educational Services	5,000.00		5,000.00	2,963.00	2,037.00
Other Purchased Services (400-500 series)	19,500.00		19,500.00	1,111.38	18,388.62
Other Objects	10,000.00		10,000.00	7,350.00	2,650.00
Total Undistributed Expenditures - Instructional Staff Training Services	54,500.00		54,500.00	20,054.38	34,445.62
Undistributed Expenditures - Support Services - General Administration:					
Salaries	435,705.00		435,705.00	434,609.30	1,095.70
Salaries of Attorneys	127,178.00		127,178.00	127,177.92	0.08
Legal Services	50,000.00	(24,000.00)	26,000.00	25,983.00	17.00
Audit Fees	40,000.00	2,300.00	42,300.00	42,300.00	
Other Purchased Professional Services		1,000.00	1,000.00	600.00	400.00
Communications / Telephone	1,340,000.00	186,857.41	1,526,857.41	1,369,229.15	157,628.26
Other Purch. Serv. (400-500 series other than 530 & 585)	175,500.00	(54,307.55)	121,192.45	114,235.47	6,956.98
General Supplies	40,600.00	4,000.00	44,600.00	22,883.22	21,716.78
Judgments Against The School District	40,000.00		40,000.00	38,307.42	1,692.58
Miscellaneous Expenditures	35,000.00	(4,000.00)	31,000.00	28,137.45	2,862.55
BOE Membership Dues and Fees	20,000.00	(500.00)	19,500.00	18,358.70	3,141.30
Total Undistributed Expenditures - Support Services - General Administration	2,303,993.00	111,349.86	2,415,332.86	2,219,821.63	195,511.23
Undistributed Expenditures - Support Services - School Administration:					

ESSEX COUNTY VOCATIONAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION - Part II
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Salaries of Principals/Assistant Principals	\$ 1,060,797.00	\$ (1,492.00)	\$ 1,059,305.00	\$ 1,041,589.60	\$ 17,715.40
Salaries of Secretarial and Clerical Assistants	614,338.00	(5,872.00)	608,466.00	577,630.01	30,835.99
Other Salaries	115,000.00	1,624.67	116,624.67	69,710.85	46,913.82
Unused Vacation Payment to Terminated/Retired Staff		1,370.33	1,370.33	1,370.33	
Other Purchased Services (400-500 Series)	5,000.00		5,000.00		5,000.00
Supplies and Materials	360,925.00	(68,065.26)	292,859.74	132,187.93	160,671.81
Other Objects	36,000.00	5,000.00	41,000.00	19,787.00	21,213.00
Total Undistributed Expenditures - Support Services - School Administration	2,192,060.00	(67,434.26)	2,124,625.74	1,842,275.72	282,350.02
Undistributed Expenditures - Central Services:					
Salaries	855,517.00	(3,000.00)	852,517.00	808,496.45	44,020.55
Unused Vacation Payment to Terminated/Retired Staff		4,500.00	4,500.00	4,432.00	68.00
Purchased Professional Services	50,000.00	71,340.35	121,340.35	99,200.50	22,139.85
Miscellaneous Purchased Services (400-500 series other than 594)	23,000.00	8,854.65	31,854.65	18,727.63	13,127.02
Supplies and Materials	90,000.00	(23,695.00)	66,305.00	26,797.66	39,507.44
Other Objects	5,000.00		5,000.00	4,292.50	707.50
Total Undistributed Expenditures - Central Services	1,023,517.00	58,000.00	1,081,517.00	961,946.64	119,570.36
Undistributed Expenditures - Administrative Information Technology:					
Salaries	499,869.00	(3,000.00)	496,869.00	496,067.24	801.76
Purchased Professional Services		3,000.00	3,000.00	3,000.00	
Purchased Technical Services		69,000.00	69,000.00	67,195.94	1,804.06
Other Purchased Services (400-500 series)	483,660.00	(29,700.00)	453,960.00	382,498.82	71,461.18
Supplies and Materials	327,250.00	12,323.31	339,573.31	318,917.98	20,655.33
Total Undistributed Expenditures - Administrative Information Technology	1,310,779.00	51,623.31	1,362,402.31	1,267,679.98	94,722.33
Undistributed Expenditures - Operations and Maintenance of Plant Services:					
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	409,819.00	(53,760.00)	356,059.00	175,351.57	180,707.43
Unused Vacation Payment to Terminated/Retired Staff		6,800.00	6,800.00	6,736.47	63.53
Cleaning, Repair, and Maintenance Services	2,527,778.00	(15,183.80)	2,512,594.20	1,900,221.94	612,372.26
General Supplies	85,000.00	6,563.58	91,563.58	48,104.20	43,459.38
Other Objects	7,500.00	8,000.00	15,500.00	13,458.11	2,041.89
Total Undist. Expend. - Required Maintenance for School Facilities	3,030,097.00	(47,580.22)	2,982,516.78	2,143,872.29	838,644.49
Undistributed Expenditures - Custodial Services:					
Cleaning, Repair, and Maintenance Services	1,600,000.00	321,373.20	1,921,373.20	1,750,651.34	170,721.86
Other Purchased Property Services	88,700.00	6,289.65	94,989.65	51,340.12	43,649.53
Insurance	550,000.00	(30,000.00)	520,000.00	455,497.20	64,502.80
Miscellaneous Purchased Services	220,000.00	2,250.00	222,250.00	42,125.00	180,125.00
Energy (Natural Gas)	1,905,000.00	(327,784.34)	1,577,215.66	551,844.98	1,025,370.68
Energy (Electricity)	2,250,000.00	7,627.32	2,257,627.32	990,931.32	1,266,696.00
Other Objects		600.00	600.00		600.00
Total Undistributed Expenditures - Custodial Services	6,613,700.00	(19,644.17)	6,594,055.83	3,842,389.96	2,751,665.87
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	285,000.00	115,446.80	400,446.80	334,901.13	65,545.67
Total Undistributed Expenditures - Care and Upkeep of Grounds	285,000.00	115,446.80	400,446.80	334,901.13	65,545.67
Undistributed Expenditures - Security:					
Salaries	433,008.00	442.00	433,450.00	432,449.96	1,000.04
Purchased Professional and Technical Services	2,200,000.00	(132,237.00)	2,067,763.00	1,189,704.13	878,058.87
Cleaning, Repair, and Maintenance Services		135,795.00	135,795.00	116,651.48	19,143.52
General Supplies	33,000.00	(11,000.00)	22,000.00	5,245.64	16,754.36
Other Objects	3,500.00	7,000.00	10,500.00	9,621.52	978.48
Total Undistributed Expenditures - Security	2,669,508.00		2,669,508.00	1,753,572.73	915,935.27
Total Undistributed Expenditures - Operations and Maintenance of Plant Services	12,598,305.00	48,222.41	12,646,527.41	8,074,736.11	4,571,791.30
Undistributed Expenditures - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	76,802.00		76,802.00	76,802.00	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch.)	155,873.00	35,917.35	191,790.35	191,789.65	0.70
Cleaning, Repair, and Maint. Services	100,000.00	(15,917.35)	84,082.65	59,838.03	24,244.62
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	463,000.00	(3,000.00)	460,000.00	214,982.22	245,017.78
Misc. Purchased Serv. - Transportation	14,000.00	14,000.00	28,000.00	15,989.22	12,010.78
General Supplies	3,000.00		3,000.00		3,000.00
Total Undistributed Expenditures - Student Transportation Services	812,675.00	31,000.00	843,675.00	559,401.12	284,273.88
UNALLOCATED BENEFITS:					
Group Insurance	20,000.00		20,000.00	14,944.96	5,055.04
Social Security Contributions	555,500.00		555,500.00	551,272.61	4,227.39
Other Retirement Contributions - PERS	691,557.00		691,557.00	651,060.72	40,496.28
Other Retirement Contributions - Regular	5,000.00		5,000.00		5,000.00
Unemployment Compensation	260,000.00		260,000.00	78,986.95	181,013.05
Workers' Compensation	225,000.00		225,000.00	170,340.56	54,659.44
Health Benefits	6,362,610.00	(40,192.45)	6,322,417.55	4,595,883.86	1,726,533.69
Tuition Reimbursement	90,000.00		90,000.00	35,601.86	54,398.14
Other Employee Benefits	200,000.00		200,000.00	167,749.35	32,250.65
Unused Sick Payment to Terminated/Retired Staff	220,000.00		220,000.00	97,040.53	122,959.47
TOTAL UNALLOCATED BENEFITS	8,629,667.00	(40,192.45)	8,589,474.55	6,362,881.40	2,226,593.15
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	8,629,667.00	(40,192.45)	8,589,474.55	6,362,881.40	2,226,593.15
ON-BEHALF CONTRIBUTIONS:					

ESSEX COUNTY VOCATIONAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION - Part II
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf TPAF Pension Contributions (Nonbudgeted)	\$	\$	\$	\$ 6,511,992.00	\$ (6,511,992.00)
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)				1,421,465.00	(1,421,465.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,392,400.18	(1,392,400.18)
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)				2,417.00	(2,417.00)
TOTAL TPAF PENSION/SOCIAL SECURITY				<u>9,328,274.18</u>	<u>(9,328,274.18)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>33,893,414.00</u>	<u>206,289.22</u>	<u>34,099,703.22</u>	<u>34,788,810.91</u>	<u>(689,107.69)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>53,828,928.00</u>	<u>364,560.42</u>	<u>54,193,488.42</u>	<u>52,797,346.25</u>	<u>1,396,140.17</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		169,400.00	169,400.00		169,400.00
Construction Services	4,454,357.00	(169,400.00)	4,284,957.00	179,743.81	4,105,213.19
Total Facilities Acquisition and Construction Services	<u>4,454,357.00</u>		<u>4,454,357.00</u>	<u>179,743.81</u>	<u>4,274,613.19</u>
TOTAL CAPITAL OUTLAY	<u>4,454,357.00</u>		<u>4,454,357.00</u>	<u>179,743.81</u>	<u>4,274,613.19</u>
SPECIAL SCHOOLS					
Summer School - Instruction:					
Salaries of Teachers	200,000.00		200,000.00	8,213.42	191,786.58
Total Summer School - Instruction	<u>200,000.00</u>		<u>200,000.00</u>	<u>8,213.42</u>	<u>191,786.58</u>
Summer School - Support Services					
Salaries	26,000.00		26,000.00		26,000.00
Personal Services - Employee Benefits	7,000.00		7,000.00	628.33	6,371.67
Total Summer School - Support Services	<u>33,000.00</u>		<u>33,000.00</u>	<u>628.33</u>	<u>32,371.67</u>
Total Summer School	<u>233,000.00</u>		<u>233,000.00</u>	<u>8,841.75</u>	<u>224,158.25</u>
Adult Education-Local-Instruction					
General Supplies	3,000.00		3,000.00	2,990.54	9.46
Total Adult Education-Local-Instruction	<u>3,000.00</u>		<u>3,000.00</u>	<u>2,990.54</u>	<u>9.46</u>
Adult Education-Local-Support Serv.					
Supplies and Materials	13,000.00		13,000.00	9,160.81	3,839.19
Total Adult Education-Local-Support Serv.	<u>13,000.00</u>		<u>13,000.00</u>	<u>9,160.81</u>	<u>3,839.19</u>
Total Adult Education-Local	<u>16,000.00</u>		<u>16,000.00</u>	<u>12,151.35</u>	<u>3,848.65</u>
Even.-Sch.-Foreign-Born-Local-Inst.:					
Salaries of Teachers	90,000.00	(8,000.00)	82,000.00	40,870.66	41,129.34
General Supplies	30,000.00	454.45	30,454.45	20,481.62	9,972.83
Textbooks	5,500.00		5,500.00	1,037.75	4,462.25
Total Even.-Sch.-Foreign-Born-Local-Inst.	<u>125,500.00</u>	<u>(7,545.55)</u>	<u>117,954.45</u>	<u>62,390.03</u>	<u>55,564.42</u>
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries	58,500.00	8,000.00	66,500.00	51,536.50	14,963.50
Personal Services - Employee Benefits	10,020.00		10,020.00	7,069.15	2,950.85
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	<u>68,520.00</u>	<u>8,000.00</u>	<u>76,520.00</u>	<u>58,605.65</u>	<u>17,914.35</u>
Total Even.-Sch.-Foreign-Born-Local	<u>194,020.00</u>	<u>454.45</u>	<u>194,474.45</u>	<u>120,995.68</u>	<u>73,478.77</u>
TOTAL SPECIAL SCHOOLS	<u>443,020.00</u>	<u>454.45</u>	<u>443,474.45</u>	<u>141,988.78</u>	<u>301,485.67</u>
TOTAL EXPENDITURES	<u>58,726,303.00</u>	<u>365,014.87</u>	<u>59,091,317.87</u>	<u>53,119,078.84</u>	<u>5,972,239.03</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(11,319,402.00)</u>	<u>(365,014.87)</u>	<u>(11,684,416.87)</u>	<u>2,980,470.63</u>	<u>14,644,887.50</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund - Board Contribution	(500,000.00)		(500,000.00)	(3,519.16)	(496,480.84)
Cancellation of Prior Year Accounts Receivable				(247,140.80)	247,140.80
Total Other Financing Sources (Uses)	<u>(500,000.00)</u>		<u>(500,000.00)</u>	<u>(250,659.96)</u>	<u>(249,340.04)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources (Uses)	<u>(11,819,402.00)</u>	<u>(365,014.87)</u>	<u>(12,184,416.87)</u>	<u>2,709,810.67</u>	<u>14,395,647.46</u>
Fund Balance, July 1	29,141,981.62		29,141,981.62	29,141,981.62	
Fund Balance, June 30	<u>\$ 17,322,579.62</u>	<u>\$ (365,014.87)</u>	<u>\$ 16,957,564.75</u>	<u>\$ 31,851,792.29</u>	<u>\$ 14,395,647.46</u>
Recapitulation:					
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				\$ 12,791,051.20	
Excess Surplus - Current Year				10,770,198.78	
Unemployment Compensation Claims Reserve				29,712.54	
Assigned for:					
Year-End Encumbrances				5,633,381.49	
Unassigned:					
General Fund				2,627,448.28	
Total Fund Balances				<u>31,851,792.29</u>	

ESSEX COUNTY VOCATIONAL SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION - Part II
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable (Unfavorable)
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(2,744,997.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 29,106,795.29</u>	

- * Include interest earnings on the unemployment compensation bank account
- ** Include interest earnings on the flexible benefits bank account
- *** Represents Unemployment Fund Net Position as of June 30, 2020

ESSEX COUNTY VOCATIONAL SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION - Part II
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 195,495.42	\$	\$ 195,495.42	\$ 331,853.70	\$ (136,358.28) Note 1
Total - Local Sources	<u>195,495.42</u>		<u>195,495.42</u>	<u>331,853.70</u>	<u>(136,358.28)</u>
Federal Sources:					
Title I, Part A	\$ 1,654,505.97	\$	\$ 1,654,505.97	\$ 1,654,505.97	\$
Title II, Part A	139,170.00		139,170.00	139,170.00	
Title IV, Part A	104,511.88		104,511.88	104,511.88	
I.D.E.A. Part B, Basic	732,657.08		732,657.08	635,724.37	96,932.71
Education Stabilization Fund (CARES Act)	4,904,577.40		4,904,577.40	3,122,948.18	1,781,629.22
Other	11,957,157.67	197,060.72	12,154,218.39	1,050,408.37	11,103,810.02
Total - Federal Sources	<u>19,492,580.00</u>	<u>197,060.72</u>	<u>19,689,640.72</u>	<u>6,707,268.77</u>	<u>12,982,371.95</u>
State Sources:					
Other	179,038.00	(169,710.62)	9,327.38	174,893.57	(165,566.19)
Total - State Sources	<u>179,038.00</u>	<u>(169,710.62)</u>	<u>9,327.38</u>	<u>174,893.57</u>	<u>(165,566.19)</u>
Total Revenues	<u>19,867,113.42</u>	<u>27,350.10</u>	<u>19,894,463.52</u>	<u>7,214,016.04</u>	<u>12,680,447.48</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	4,562,546.00	544,165.35	5,106,811.35	1,645,412.29	3,461,399.06
Purchased Professional-Educational Services	194,292.00	78,878.94	273,170.94	199,399.00	73,771.94
Other Purchased Services (400-500 series)	2,001.00		2,001.00		2,001.00
General Supplies	3,118,115.00	1,859,267.00	4,977,382.00	2,075,105.92	2,902,276.08
Other Objects	7,000.00	1,000.00	8,000.00	2,634.00	5,366.00
Total Instruction	<u>7,884,054.00</u>	<u>2,483,311.29</u>	<u>10,367,365.29</u>	<u>3,922,551.21</u>	<u>6,444,814.08</u>
Support Services:					
Salaries-Support	806,561.00	454,682.81	1,261,243.81	622,578.32	638,665.49
Personal Services - Employee Benefits	660,228.00	190,125.16	850,353.16	570,232.39	280,120.77
Purchased Professional - Technical Services	392,107.08	407,617.10	799,724.18	349,466.24	450,257.94
Purchased Property-Support	9,782.00		9,782.00	9,781.05	0.95
Other Purchased Services _Support	2,195,024.00	207,067.45	2,402,091.45	125,326.05	2,276,765.40
Travel	7,915.00	10,000.00	17,915.00	4,680.52	13,234.48
Supplies and Materials	177,625.00	282,360.51	459,985.51	75,983.71	384,001.80
Other Object	32,258.00	23,573.12	55,831.12	400.00	55,431.12
Scholarships Awarded				162,071.22	(162,071.22) Note 1
Total Support Services	<u>4,281,500.08</u>	<u>1,576,426.15</u>	<u>5,856,926.23</u>	<u>1,920,519.50</u>	<u>3,936,406.73</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	290,450.00		290,450.00	286,081.37	4,368.63
Noninstructional Equipment	2,229,723.00	1,149,999.00	3,379,722.00	1,079,857.21	2,299,864.79
Total Facilities Acquisition and Construction Services	<u>2,520,173.00</u>	<u>1,149,999.00</u>	<u>3,670,172.00</u>	<u>1,365,938.58</u>	<u>2,304,233.42</u>
Total Expenditures	<u>14,685,727.08</u>	<u>5,208,736.44</u>	<u>19,894,463.52</u>	<u>7,209,009.29</u>	<u>12,685,454.23</u>
Other Financing Sources (Uses):					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>\$ 5,181,386.34</u>	<u>\$ (5,181,386.34)</u>	<u>\$</u>	<u>\$ 5,006.75</u>	<u>\$ (5,006.75)</u>
Fund Balance, July 1				102,747.34	
Fund Balance, June 30				<u>\$ 107,754.09</u>	
Recapitulation:					
Restricted:					
Scholarships					
Student Activities				107,754.09	
Total Fund Balance				<u>\$ 107,754.09</u>	

Note 1 Not required to budget for Scholarships and Student Activities funds.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

ESSEX COUNTY VOCATIONAL SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION - Part II
 BUDGET-TO-GAAP RECONCILIATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

		General <u>Fund</u>		Special Revenue <u>Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 56,079,549.27	[C-2]	\$ 7,214,016.04
Difference - Budget-to-GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(552,850.69)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		2,380,803.00		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	[C-1]	<u>(2,744,997.00)</u>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 55,715,355.27</u>	[B-2]	<u>\$ 6,661,165.35</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 53,119,078.84	[C-2]	\$ 7,209,008.78
Differences - Budget-to-GAAP:				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .				(552,850.69)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 53,119,078.84</u>	[B-2]	<u>\$ 6,656,158.09</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

ESSEX COUNTY VOCATIONAL SCHOOL
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST NINE FISCAL YEARS **
 (Unaudited)

	Fiscal Year Ending June 30,								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability (asset)	*	*	0.0563%	0.0576%	0.0573%	0.0569%	0.0539%	0.0544%	5.3024%
District's proportionate share of the net pension liability (asset)	*	*	\$ 12,640,102	\$ 17,057,562	\$ 13,343,768	\$ 11,194,950	\$ 9,706,568	\$ 8,877,038	\$ 6,281,542
State's proportionate share of the net pension liability (asset) associated with the District	*	*	<u>22,447,996,119</u>	<u>29,617,131,759</u>	<u>23,278,401,588</u>	<u>19,689,501,539</u>	<u>18,143,832,135</u>	<u>16,435,616,426</u>	<u>11,972,782,878</u>
Total	\$	\$	<u>\$ 22,460,636,221</u>	<u>\$ 29,634,189,321</u>	<u>\$ 23,291,745,356</u>	<u>\$ 19,700,696,489</u>	<u>\$ 18,153,538,703</u>	<u>\$ 16,444,493,464</u>	<u>\$ 11,979,064,420</u>
District's covered-employee payroll	*	*	\$ 3,928,601	\$ 3,935,493	\$ 3,759,518	\$ 3,974,424	\$ 3,801,238	\$ 4,099,444	\$ 4,186,826
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	*	31.08%	23.07%	28.17%	35.50%	39.16%	46.18%	66.65%
Plan fiduciary net position as a percentage of the total pension liability	*	*	52.08%	47.93%	40.14%	53.60%	48.72%	42.05%	51.51%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

* Data was not provided by School District.

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

ESSEX COUNTY VOCATIONAL SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS
 (Unaudited)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	*	*	*	\$ 484,101	\$ 511,653	\$ 531,032	\$ 565,548	\$ 523,997	\$ 595,499	\$ 620,978
Contributions in Relation to the Contractually Required Contribution	*	*	*	(484,101)	(511,653)	(531,032)	(565,548)	(523,997)	(595,499)	(620,978)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	*	*	*	\$ 3,935,493	\$ 4,006,848	\$ 3,759,518	\$ 3,974,424	\$ 3,801,238	\$ 4,099,444	\$ 4,186,826
Contributions as a Percentage of Covered-Employee Payroll	*	*	*	12.30%	12.77%	14.13%	14.23%	13.78%	14.53%	14.83%

* Data was not provided by School District.

ESSEX COUNTY VOCATIONAL SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST NINE FISCAL YEARS **
 (Unaudited)

	Fiscal Year Ending June 30,								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's Proportion of the Net Pension Liability (Asset)	*	*	0.1731%	0.1683%	0.1706%	0.1682%	0.1678%	0.1610%	16.0799%
District's Proportionate Share of the Net Pension Liability (Asset)	*	*	\$ 109,415,599	\$ 132,360,334	\$ 115,048,742	\$ 107,035,080	\$ 103,007,731	\$ 106,008,858	\$ 77,304,641
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	*	*	63,204,270,305	79,028,907,033	67,670,209,171	63,806,350,446	61,519,112,443	65,993,498,688	48,165,991,182
Total	\$	\$	\$ 63,313,685,904	\$ 79,161,267,367	\$ 67,785,257,913	\$ 63,913,385,526	\$ 61,622,120,174	\$ 66,099,507,546	\$ 48,243,295,823
District's Covered-Employee Payroll	*	*	\$ 17,127,017	\$ 17,381,230	\$ 17,294,655	\$ 17,364,260	\$ 17,192,375	\$ 18,089,016	\$ 18,710,350
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	*	*	638.85%	761.51%	665.23%	616.41%	599.15%	586.04%	413.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	*	*	28.71%	22.33%	25.41%	26.49%	33.76%	24.60%	35.52%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

* Data was not provided by School District.

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

ESSEX COUNTY VOCATIONAL SCHOOLS
COUNTY OF ESSEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 6 in the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Note: GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

ESSEX COUNTY VOCATIONAL SCHOOL
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS ***
(Unaudited)

	Measurement Date					
	Fiscal Year Ending June 30,					
	2016	2017	2018	2019	2020	2021
District's proportionate share of the net OPEB liability (asset)	*	*	*	*	*	*
State's proportionate share of the net OPEB liability (asset) associated with the District:	\$ 78,734,793	\$ 73,106,775	\$ 62,817,456	\$ 57,014,221	\$ 60,799,937	\$ 50,090,085
Total	\$ 78,734,793	\$ 73,106,775	\$ 62,817,456	\$ 57,014,221	\$ 60,799,937	\$ 50,090,085
District's covered-employee payroll	\$ 17,381,230	\$ 17,294,655	\$ 17,364,260	\$ 17,192,375	\$ 18,089,016	\$ 18,710,350
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll						
Plan Fiduciary net position as a percentage of the total OPEB liability						
State's proportionate share of OPEB associated with the District:						
Service Cost	\$ 2,347,130	\$ 3,259,938	\$ 2,543,328	\$ 2,310,078	\$ 2,375,532	\$ 4,416,072
Interest Cost	2,482,791	2,316,202	2,679,501	2,487,886	2,051,439	2,136,753
Change in Benefit Term						(87,672)
Difference Between Expected and Actual Experiences			(6,681,869)	(9,752,999)	(16,038,915)	(15,627,731)
Change in Assumptions	11,724,102	(9,658,463)	(7,208,617)	850,087	16,965,576	81,264
Contributions: Members**	62,999	62,352	58,054	51,880	49,009	54,626
Gross Benefit Payments**	(1,665,453)	(1,693,308)	(1,679,716)	(1,750,167)	(1,616,925)	(1,683,163)
Change in Total OPEB Liability	\$ 14,951,569	\$ (5,713,279)	\$ (10,289,319)	\$ (5,803,235)	\$ 3,785,716	\$ (10,709,852)
State's proportionate share of the net OPEB liability (asset) associated with the District:						
Beginning Balance	\$ 63,783,224	\$ 78,820,054	\$ 73,106,775	\$ 62,817,456	\$ 57,014,221	\$ 60,799,937
Ending Balance	\$ 78,734,793	\$ 73,106,775	\$ 62,817,456	\$ 57,014,221	\$ 60,799,937	\$ 50,090,085
State's proportionate share of the net OPEB liability associated with the District as a percentage of its covered-employee payroll	453.00%	423.00%	362.00%	332.00%	336.00%	268.00%

**Data for Measurement Periods Ending June 30 were provided by the State.
*** The amounts presented for each fiscal year were determined as of the previous fiscal year end.

Notes to Schedule:
Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records
Benefit Changes: None
Changes in Assumptions: Assumptions used in calculating the OPEB liability are presented in Note 10.
This schedule is required by GASB 75 to show information for a 10 year period. However, information is currently only available for six years, additional years will be presented as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

ESSEX COUNTY VOCATIONAL SCHOOLS
COUNTY OF ESSEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 8 in the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1A2	ADULT BASIC ED/SL-FED	Title I Part A	Title I 21-22	Title III	Totals 2022
REVENUE						
Federal Sources	\$ 4,909,791.80	\$ 103,500.00	\$ 1,421,121.00	\$ 233,384.97	\$ 39,471.00	\$ 6,707,268.77
State Sources	174,893.57					174,893.57
Local Sources	331,853.70					331,853.70
Total Revenue	\$ 5,416,539.07	\$ 103,500.00	\$ 1,421,121.00	\$ 233,384.97	\$ 39,471.00	\$ 7,214,016.04
EXPENDITURES						
Instruction:						
Salaries of Teachers	\$ 764,607.74	\$ 78,408.00	\$ 695,497.26	\$ 86,833.29	\$ 20,066.00	\$ 1,645,412.29
Purchased Professional-Educational Services	149,899.00		49,500.00			199,399.00
General Supplies	1,692,460.70	8,435.00	219,571.54	137,316.68	17,322.00	2,075,105.92
Other Objects	2,634.00					2,634.00
Total Instruction	2,609,601.44	86,843.00	964,568.80	224,149.97	37,388.00	3,922,551.21
Salaries-Support	527,099.42	9,900.00	85,578.90			622,578.32
Personal Services - Employee Benefits	198,207.58	6,757.00	354,497.81	9,235.00	1,535.00	570,232.39
Purchased Professional and Technical Services	344,986.24		500.00			345,486.24
Purchased Professional-Educational Services	3,980.00					3,980.00
Purchased Property-Support	9,781.05					9,781.05
Other Purchased Services _Support	123,438.05		1,340.00		548.00	125,326.05
Travel	4,680.52					4,680.52
Supplies and Materials	61,348.22		14,635.49			75,983.71
Other Object	400.00					400.00
Student Activities	162,070.71					162,070.71
Facilities Acquisition and Construction Services:						
Instructional Equipment	286,081.37					286,081.37
Noninstructional Equipment	1,079,857.21					1,079,857.21
Total Facilities Acquisition and Construction Services	1,365,938.58					1,365,938.58
Total Expenditures	\$ 5,411,531.81	\$ 103,500.00	\$ 1,421,121.00	\$ 233,384.97	\$ 39,471.00	\$ 7,209,008.78
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,007.26					5,007.26
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 5,007.26					\$ 5,007.26
Fund Balance, July 1						
Prior Period Adjustment	102,746.83					102,746.83
Fund Balance, July 1 (Restated)	102,746.83					102,746.83
Fund Balance, June 30	\$ 107,754.09	\$	\$	\$	\$	\$ 107,754.09

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1A3	Title III 21-22	I.d.e.a. Part B Current Year	Title II-A Train & Recurring Current	Title IV Part A	Title IV Part A 20-21	Carl Perkins Secondary-Federal	Totals Carried Forward 2022
REVENUE								
Federal Sources	\$ 3,230,526.23	\$ 5,424.39	\$ 635,724.37	\$ 139,170.00	\$ 104,262.00	\$ 249.88	\$ 794,434.93	\$ 4,909,791.80
State Sources	174,893.57							174,893.57
Local Sources	331,853.70							331,853.70
Total Revenue	\$ 3,737,273.50	\$ 5,424.39	\$ 635,724.37	\$ 139,170.00	\$ 104,262.00	\$ 249.88	\$ 794,434.93	\$ 5,416,539.07
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ 237,789.39	\$	\$ 300,886.63	\$ 78,054.00	\$ 26,710.40	\$	\$ 121,187.32	\$ 764,607.74
Purchased Professional-Educational Services	87,300.40				7,583.60		55,015.00	149,899.00
General Supplies	1,286,902.82	5,424.39	12,223.85		52,023.95	249.88	335,635.81	1,692,460.70
Other Objects	1,000.00		1,634.00					2,534.00
Total Instruction	1,612,972.61	5,424.39	314,744.48	78,054.00	86,317.95	249.88	511,838.13	2,609,501.44
Salaries-Support	307,389.50		190,497.39	13,151.65			16,060.88	527,099.42
Personal Services - Employee Benefits	67,385.27		111,302.00	6,977.26	2,044.05		10,499.00	198,207.58
Purchased Professional and Technical Services	289,309.74		17,738.50	10,850.00	15,900.00		11,188.00	344,986.24
Purchased Professional-Educational Services	3,980.00							3,980.00
Purchased Property-Support							9,781.05	9,781.05
Other Purchased Services_Support	28,746.98		1,042.00	27,866.07			65,783.00	123,438.05
Travel	3,015.00						1,665.52	4,680.52
Supplies and Materials	59,077.20			2,271.02				61,348.22
Other Object			400.00					400.00
Student Activities	162,070.71							162,070.71
Facilities Acquisition and Construction Services:								
Instructional Equipment	118,462.02						167,619.35	286,081.37
Noninstructional Equipment	1,079,857.21							1,079,857.21
Total Facilities Acquisition and Construction Services	1,198,319.23						167,619.35	1,365,938.58
Total Expenditures	\$ 3,732,266.24	\$ 5,424.39	\$ 635,724.37	\$ 139,170.00	\$ 104,262.00	\$ 249.88	\$ 794,434.93	\$ 5,411,531.81
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,007.26							5,007.26
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 5,007.26	\$	\$	\$	\$	\$	\$	\$ 5,007.26
Fund Balance, July 1								
Prior Period Adjustment	102,746.83							102,746.83
Fund Balance, July 1 (Restated)	102,746.83							102,746.83
Fund Balance, June 30	\$ 107,754.09	\$	\$	\$	\$	\$	\$	\$ 107,754.09

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1A4	CRRSA ACT - ESSER II	CRRSA ACT - learning II	CRRSA ACT - MENTAL Health II	ARP COASH EDUCATOR	ARP ESSER Summer Leasing and Enrichment Activities	Totals Carried Forward 2022
REVENUE							
Federal Sources	\$ 40,000.00	\$ 2,944,227.00	\$ 168,216.18	\$ 10,505.00	\$ 63,447.45	\$ 4,130.60	\$ 3,230,526.23
State Sources	174,893.57						174,893.57
Local Sources	331,853.70						331,853.70
Total Revenue	\$ 546,747.27	\$ 2,944,227.00	\$ 168,216.18	\$ 10,505.00	\$ 63,447.45	\$ 4,130.60	\$ 3,737,273.50
EXPENDITURES							
Instruction:							
Salaries of Teachers	\$ 38,982.21	\$ 119,438.51	\$ 75,512.07	\$	\$	\$ 3,836.60	\$ 237,769.39
Purchased Professional-Educational Services	85,451.34		1,849.06				87,300.40
General Supplies	66,205.55	1,130,175.53	72,776.79	9,725.00	8,019.95		1,286,902.82
Other Objects	1,000.00						1,000.00
Total Instruction	191,639.10	1,249,614.04	150,137.92	9,725.00	8,019.95	3,836.60	1,612,972.61
Salaries-Support	25,145.76	278,359.48	3,884.26				307,389.50
Personal Services - Employee Benefits	4,906.04	56,111.23	6,074.00			294.00	67,385.27
Purchased Professional and Technical Services	3,000.00	223,409.74	8,120.00	780.00	54,000.00		289,309.74
Purchased Professional-Educational Services	3,980.00						3,980.00
Other Purchased Services _Support	895.38	27,851.60					28,746.98
Travel	3,015.00						3,015.00
Supplies and Materials	8,403.00	49,246.70			1,427.50		59,077.20
Student Activities	162,070.71						162,070.71
Facilities Acquisition and Construction Services:							
Instructional Equipment	118,462.02						118,462.02
Noninstructional Equipment	20,223.00	1,059,634.21					1,079,857.21
Total Facilities Acquisition and Construction Services	138,685.02	1,059,634.21					1,198,319.23
Total Expenditures	\$ 541,740.01	\$ 2,944,227.00	\$ 168,216.18	\$ 10,505.00	\$ 63,447.45	\$ 4,130.60	\$ 3,732,266.24
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,007.26						5,007.26
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)							
	\$ 5,007.26	\$	\$	\$	\$	\$	\$ 5,007.26
Fund Balance, July 1							
Prior Period Adjustment	102,746.83						102,746.83
Fund Balance, July 1 (Restated)	102,746.83						102,746.83
Fund Balance, June 30	\$ 107,754.09	\$	\$	\$	\$	\$	\$ 107,754.09

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1B1	ARP ESSER Comprehensive Beyond the Schol Activities	Totals Carried Forward 2022
REVENUE			
Federal Sources	\$	\$ 40,000.00	\$ 40,000.00
State Sources	174,893.57		174,893.57
Local Sources	331,853.70		331,853.70
Total Revenue	\$ 506,747.27	\$ 40,000.00	\$ 546,747.27
EXPENDITURES			
Instruction:			
Salaries of Teachers	\$ 1,825.21	\$ 37,157.00	\$ 38,982.21
Purchased Professional-Educational Services	85,451.34		85,451.34
General Supplies	66,205.55		66,205.55
Other Objects	1,000.00		1,000.00
Total Instruction	154,482.10	37,157.00	191,639.10
Salaries-Support	25,145.76		25,145.76
Personal Services - Employee Benefits	2,063.04	2,843.00	4,906.04
Purchased Professional and Technical Services	3,000.00		3,000.00
Purchased Professional-Educational Services	3,980.00		3,980.00
Other Purchased Services _Support	895.38		895.38
Travel	3,015.00		3,015.00
Supplies and Materials	8,403.00		8,403.00
Student Activities	162,070.71		162,070.71
Facilities Acquisition and Construction Services:			
Instructional Equipment	118,462.02		118,462.02
Noninstructional Equipment	20,223.00		20,223.00
Total Facilities Acquisition and Construction Services	138,685.02		138,685.02
Total Expenditures	\$ 501,740.01	\$ 40,000.00	\$ 541,740.01

ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Total Brought Forward E-1B1	ARP ESSER Comprehensive Beyond the Schol Activities	Totals Carried Forward 2022
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>5,007.26</u>		<u>5,007.26</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$ 5,007.26</u>	<u>\$</u>	<u>\$ 5,007.26</u>
Fund Balance, July 1			
Prior Period Adjustment	<u>102,746.83</u>		<u>102,746.83</u>
Fund Balance, July 1 (Restated)	102,746.83		102,746.83
Fund Balance, June 30	<u>\$ 107,754.09</u>	<u>\$</u>	<u>\$ 107,754.09</u>

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1C1	NJ CASE Grant	Carl Perkins post Secondary-State	Carl Perkins Secondary-State	Alyssa's Lw security Grant	Totals Carried Forward 2022
REVENUE						
State Sources	\$	\$ 5,000.00	\$ 83,117.00	\$ 86,001.57	\$ 775.00	\$ 174,893.57
Local Sources	331,853.70					331,853.70
Total Revenue	\$ 331,853.70	\$ 5,000.00	\$ 83,117.00	\$ 86,001.57	\$ 775.00	\$ 506,747.27
EXPENDITURES						
Instruction:						
Salaries of Teachers	\$	\$	\$ 1,825.21	\$	\$	\$ 1,825.21
Purchased Professional-Educational Services	82,451.34		3,000.00			85,451.34
General Supplies	25,241.87		33,073.13	7,890.55		66,205.55
Other Objects	1,000.00					1,000.00
Total Instruction	108,693.21		37,898.34	7,890.55		154,482.10
Salaries-Support	23,540.10		1,605.66			25,145.76
Personal Services - Employee Benefits	1,801.04		262.00			2,063.04
Purchased Professional and Technical Services			3,000.00			3,000.00
Purchased Professional-Educational Services	3,980.00					3,980.00
Other Purchased Services _Support	895.38					895.38
Travel		3,015.00				3,015.00
Supplies and Materials	6,418.00	1,985.00				8,403.00
Student Activities	162,070.71					162,070.71
Facilities Acquisition and Construction Services:						
Instructional Equipment			40,351.00	78,111.02		118,462.02
Noninstructional Equipment	19,448.00				775.00	20,223.00
Total Facilities Acquisition and Construction Services	19,448.00		40,351.00	78,111.02	775.00	138,685.02
Total Expenditures	\$ 326,846.44	\$ 5,000.00	\$ 83,117.00	\$ 86,001.57	\$ 775.00	\$ 501,740.01
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,007.26					5,007.26
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ 5,007.26	\$	\$	\$	\$	\$ 5,007.26
Fund Balance, July 1						
Prior Period Adjustment	102,746.83					102,746.83
Fund Balance, July 1 (Restated)	102,746.83					102,746.83
Fund Balance, June 30	\$ 107,754.09	\$	\$	\$	\$	\$ 107,754.09

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Total Brought Forward E-1C2	NJSBAIG/Eric North Safety Grant Program	Whole Kids Foundation NJ School Garden Grant	Victoria Foundation Grant	Sustainable Jersey Grant by NJEA	Prostart Grow- Rachel Ray Foundation	Totals Carried Forward 2022
REVENUE							
Local Sources	\$ 170,630.35	\$ 19,448.00	\$ 1,914.92	\$ 131,794.53	\$ 5,818.00	\$ 2,247.90	\$ 331,853.70
Total Revenue	<u>\$ 170,630.35</u>	<u>\$ 19,448.00</u>	<u>\$ 1,914.92</u>	<u>\$ 131,794.53</u>	<u>\$ 5,818.00</u>	<u>\$ 2,247.90</u>	<u>\$ 331,853.70</u>
EXPENDITURES							
Instruction:							
Purchased Professional-Educational Services				82,451.34			82,451.34
General Supplies			1,914.92	22,079.05		1,247.90	25,241.87
Other Objects						1,000.00	1,000.00
Total Instruction			<u>1,914.92</u>	<u>104,530.39</u>		<u>2,247.90</u>	<u>108,693.21</u>
Salaries-Support				21,629.10	1,911.00		23,540.10
Personal Services - Employee Benefits				1,655.04	146.00		1,801.04
Purchased Professional-Educational Services				3,980.00			3,980.00
Other Purchased Services _Support					895.38		895.38
Supplies and Materials	3,552.38				2,865.62		6,418.00
Student Activities	162,070.71						162,070.71
Facilities Acquisition and Construction Services:							
Noninstructional Equipment		19,448.00					19,448.00
Total Facilities Acquisition and Construction Services		<u>19,448.00</u>					<u>19,448.00</u>
Total Expenditures	<u>\$ 165,623.09</u>	<u>\$ 19,448.00</u>	<u>\$ 1,914.92</u>	<u>\$ 131,794.53</u>	<u>\$ 5,818.00</u>	<u>\$ 2,247.90</u>	<u>\$ 326,846.44</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>5,007.26</u>						<u>5,007.26</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)							
	<u>\$ 5,007.26</u>						<u>\$ 5,007.26</u>
Fund Balance, July 1							
Prior Period Adjustment	102,746.83						102,746.83
Fund Balance, July 1 (Restated)	102,746.83						102,746.83
Fund Balance, June 30	<u>\$ 107,754.09</u>						<u>\$ 107,754.09</u>

**ESSEX COUNTY VOCATIONAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>NJDOH WSCC Shool health project</u>	<u>Student Activities</u>	<u>Totals Carried Forward 2022</u>
<u>REVENUE</u>			
Local Sources	\$ 3,552.38	\$ 167,077.97	\$ 170,630.35
Total Revenue	<u>\$ 3,552.38</u>	<u>\$ 167,077.97</u>	<u>\$ 170,630.35</u>
<u>EXPENDITURES</u>			
Instruction:			
Total Instruction			
Supplies and Materials	3,552.38		3,552.38
Student Activities		162,071.22	162,071.22
Total Expenditures	<u>\$ 3,552.38</u>	<u>\$ 162,071.22</u>	<u>\$ 165,623.60</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures		<u>5,006.75</u>	<u>5,006.75</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$</u>	<u>\$ 5,006.75</u>	<u>\$ 5,006.75</u>
Fund Balance, July 1			
Prior Period Adjustment		<u>102,747.34</u>	<u>102,747.34</u>
Fund Balance, July 1 (Restated)		102,747.34	102,747.34
Fund Balance, June 30	<u>\$</u>	<u>\$ 107,754.09</u>	<u>\$ 107,754.09</u>

F. CAPITAL PROJECTS FUND

ESSEX COUNTY VOCATIONAL SCHOOL
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Project Title/Issue</u>	<u>Balance Unexpended June 30, 2021</u>	<u>Revenue</u>	<u>Expended Current Year</u>	<u>Adjustments</u>	<u>Balance June 30, 2022</u>
Project / Equipment FY 10	\$ 2,295.00				\$ 2,295.00
Capital Projects/Equipment FY12	1,114.83				1,114.83
Various Renovations	808,884.10			(244,662.28)	564,221.82
Acquisition and Construction of New School	1,568,513.60		20,490.65		1,548,022.95
Site Development - Teal Center	35,852.91				35,852.91
Construction of New School	569,136.03			(569,136.03)	
Renovation of West Caldwell	357,272.38		94,526.28	(87,469.37)	175,276.73
Equipment FY 10	296,075.08		61,479.35		234,595.73
Renovations of Newark Tech	59,911,861.00		26,347,806.63		33,564,054.37
Capital Reserve	529,552.95				529,552.95
Capital Reserve	1,291,645.78		934,225.70		357,420.08
Interest Income	293,318.69	2,920.56			296,239.25
Adjustment Account	293,896.26			901,267.68	1,195,163.94
	<u>\$ 65,959,418.61</u>	<u>\$ 2,920.56</u>	<u>\$ 27,458,528.61</u>		<u>\$ 38,503,810.56</u>

**ESSEX COUNTY VOCATIONAL SCHOOL
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources:

Interest Income	\$	2,920.56
Total Revenues and Other Financing Sources		2,920.56

Expenditures and Other Financing Uses:

Construction Services		27,458,529
Total Expenditures and Other Financing Uses		27,458,528.61

Excess (Deficiency) of Revenues Over/(Under) Expenditures		(27,455,608.05)
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Other Financing Sources/(Uses):

Transfer from Capital Reserve		
Net Change in Fund Balance		(27,455,608.05)
Fund Balance, June 30 2021		65,959,418.61
Fund Balance, June 30 2022	\$	38,503,810.56

Reconciliation to Governmental Funds Statements (GAAP Basis)

Fund Balance (Budgetary Basis)	\$	38,503,810.56
Less: Encumbrances		6,538,941.01
Fund Balance Per Governmental Funds (GAAP Basis)	\$	31,964,869.55

G. PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS (IF APPLICABLE)

I. LONG-TERM DEBT

ESSEX COUNTY VOCATIONAL SCHOOL
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER LEASES
 YEAR ENDED JUNE 30, 2022

Purpose	Date of Original Issue	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2021	Issued Current year	Retired Current year	Balance June 30, 2022
			Principal	Interest					
Copier Lease #19141	4/20/2018	60 Months	\$ 36,989.55	\$ 5,730.45	5.82%	\$ 14,183.27		\$ 7,927.91	\$ 6,255.36
Copier Lease #19318	5/22/2018	60 Months	158,943.33	20,936.67	4.98%	65,635.70		33,464.31	32,171.39
Copier Lease #19360	6/20/2018	60 Months	15,296.22	2,583.78	6.32%	6,701.91		3,245.37	3,456.54
Copier Lease #22792	1/19/2021	60 Months	34,624.82	4,675.18	5.10%	32,063.92		6,372.33	25,691.59
Copier Lease #21147	11/20/2019	60 Months	19,249.58	3,250.42	6.32%	13,796.29		3,735.32	10,060.97
Copier Lease #22808	3/16/2021	60 Months	80,978.52	8,721.48	4.10%	77,311.05		15,050.97	62,260.08
						\$ 209,692.14		\$ 69,796.21	\$ 139,895.93

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

**ESSEX COUNTY VOCATIONAL SCHOOL
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
Unaudited**

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 25,931,080	\$ 29,853,686	\$ 68,585,564	\$ 102,618,285	\$ 162,092,991	\$ 195,820,793	\$ 195,294,707	\$ 223,658,828	\$ 227,855,907	\$ 251,700,635
Restricted	13,718,792	16,358,752	36,031,438	146,661,863	88,788,540	57,106,077	53,239,953	36,613,607	92,736,977	67,835,909
Unrestricted	(856,694)	(11,332,263)	(11,820,854)	(12,217,787)	(12,772,021)	(13,310,586)	(4,283,067)	(13,505,578)	(13,080,499)	(11,627,664)
Total Governmental Activities Net Position	\$ 38,793,178	\$ 34,880,175	\$ 92,796,148	\$ 237,062,361	\$ 238,109,510	\$ 239,616,284	\$ 244,251,593	\$ 246,766,857	\$ 307,512,385	\$ 307,908,880
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 120,256	\$ 69,560	\$ 59,355	\$ 49,948	\$ 49,948	\$	\$ 30,754	\$ 810,505	\$ 734,490	\$ 658,475
Unrestricted	(144,111)	15,717	41,089	268,104	389,934	573,582	555,988	(228,218)	(271,489)	135,306
Total Business-Type Activities Net Position	\$ (23,855)	\$ 85,277	\$ 100,444	\$ 318,052	\$ 439,882	\$ 573,582	\$ 586,742	\$ 582,287	\$ 463,001	\$ 793,781
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 26,051,336	\$ 29,923,246	\$ 68,644,919	\$ 102,668,233	\$ 162,142,939	\$ 195,820,793	\$ 195,325,461	\$ 224,469,333	\$ 228,590,397	\$ 252,359,110
Restricted	13,718,792	16,358,752	36,031,438	146,661,863	88,788,540	57,106,077	53,239,953	36,613,607	92,736,977	67,835,909
Unrestricted	(1,000,805)	(11,316,546)	(11,779,765)	(11,949,683)	(12,382,087)	(12,737,004)	(3,727,079)	(13,733,796)	(13,351,988)	(11,492,358)
Total District-Wide Net Position	\$ 38,769,323	\$ 34,965,452	\$ 92,896,592	\$ 237,380,413	\$ 238,549,392	\$ 240,189,866	\$ 244,838,335	\$ 247,349,144	\$ 307,975,386	\$ 308,702,661

Source: ACFR Exhibit A-1

ESSEX COUNTY VOCATIONAL SCHOOL
CHANGES IN NET ASSETS / NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 13,623,251	\$ 13,957,179	\$ 13,451,525	\$ 12,799,567	\$ 13,713,289	\$ 14,755,510	\$ 16,723,305	\$ 15,476,781	\$ 18,376,559	\$ 19,800,515
Special Education								2,800,419	3,221,957	3,025,175
Other Special Instruction	3,295,093	2,877,889	2,681,324	2,618,937	2,675,972	3,015,816	8,282,035	8,160,805	8,746,522	9,134,616
Vocational	7,066,814	7,060,389	7,377,114	7,499,237	7,531,171	8,764,700	6,111,597	886,685	1,822,963	2,045,465
Other Instruction	1,291,374	1,756,917	2,164,361	1,873,745	1,705,799	2,420,410	721,462	1,923,457	1,163,557	1,420,288
Support Services:										
Student and Instruction Related Services	5,142,427	5,224,742	5,786,739	6,084,372	6,439,208	6,926,244	7,652,876	6,455,545	7,911,628	8,321,284
General Administrative Services	2,762,267	1,976,943	2,208,810	1,982,522	1,879,219	2,232,922	2,475,141	2,466,371	2,313,876	2,554,308
School Administrative Services	2,176,351	2,139,367	2,146,850	2,292,625	2,650,670	3,105,243	3,460,202	2,142,192	2,334,353	2,286,834
Central Services	846,909	849,941	990,483	1,060,492	1,109,820	1,220,522	1,290,635	1,235,982	1,441,003	1,584,186
Administration of Information Technology	1,415,988	1,434,876	1,314,877	1,393,595	1,198,508	1,628,708	1,813,241	1,491,730	1,422,408	1,649,466
Plant Operations and Maintenance	6,334,522	4,708,871	4,732,886	4,768,993	4,699,959	4,579,653	5,544,322	4,589,065	5,135,349	5,986,262
Care and Upkeep of Grounds								273,200	290,068	334,901
Security		1,315,077	1,281,293	1,426,939	1,454,394	1,382,196	2,222,493	1,770,545	1,993,815	2,086,397
Pupil Transportation	608,768	494,323	400,650	535,429	567,433	809,933	804,059	521,432	383,369	559,401
Special Schools	435,055	375,229	485,322	352,811	505,171	398,737	551,437	287,367	183,513	141,989
Interest on Long-Term Debt										9,180
Unallocated Depreciation				1,083,694	1,095,278	1,157,295	3,933,017	3,933,017	4,440,002	4,971,005
Unallocated Amortization Expense - Leases										69,216
Total Governmental Activities	44,998,821	44,171,743	45,022,233	45,772,960	47,225,891	52,397,889	61,585,821	54,414,593	61,180,942	65,980,488
Business-Type Activities:										
Food Service	1,380,707	1,406,973	1,333,878	1,299,180	1,420,209	1,482,205	1,542,914		519,362	1,533,493
Total Business-Type Activities	1,380,707	1,406,973	1,333,878	1,299,180	1,420,209	1,482,205	1,542,914		519,362	1,533,493
Total District Expenses	\$ 46,379,528	\$ 45,578,716	\$ 46,356,111	\$ 47,072,140	\$ 48,646,101	\$ 53,880,093	\$ 63,128,736	\$ 54,414,593	\$ 61,700,304	\$ 67,513,981
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition):										
Support Service:										
Student and Instruction Related Services									85,135	167,078
Operating Grants and Contributions	7,611,614	6,605,741	7,040,226	7,336,886	8,941,280	12,723,418	12,106,188	11,599,187	16,604,795	20,078,438
Total Governmental Activities Program Revenues	7,611,614	6,605,741	7,040,226	7,336,886	8,941,280	12,723,418	12,106,188	11,599,187	16,689,930	20,245,516

ESSEX COUNTY VOCATIONAL SCHOOL
CHANGES IN NET ASSETS / NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Charges for Services:										
Food Service	210,882	219,162	231,431	264,438	280,215	369,987	407,621	278,709	6,548	420,267
Operating Grants and Contributions	1,012,193	1,067,968	1,117,615	1,252,350	1,261,824	1,245,918	1,149,025			
Total Business-Type Activities Program Revenues	<u>1,223,075</u>	<u>1,287,130</u>	<u>1,349,046</u>	<u>1,516,788</u>	<u>1,542,039</u>	<u>1,615,904</u>	<u>1,556,646</u>	<u>278,709</u>	<u>6,548</u>	<u>420,267</u>
TOTAL DISTRICT PROGRAM REVENUES	<u>\$ 8,834,690</u>	<u>\$ 7,892,871</u>	<u>\$ 8,389,271</u>	<u>\$ 8,853,675</u>	<u>\$ 10,483,319</u>	<u>\$ 14,339,323</u>	<u>\$ 13,662,834</u>	<u>\$ 11,877,896</u>	<u>\$ 16,696,478</u>	<u>\$ 20,665,783</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (37,387,206)	\$ (37,566,002)	\$ (37,982,007)	\$ (38,436,074)	\$ (38,284,612)	\$ (39,674,471)	\$ (49,479,633)	\$ (42,815,406)	\$ (44,491,012)	\$ (45,734,972)
Business-Type Activities	<u>(157,632)</u>	<u>(119,843)</u>	<u>15,168</u>	<u>217,608</u>	<u>121,830</u>	<u>133,700</u>	<u>13,732</u>	<u>278,709</u>	<u>(512,814)</u>	<u>(1,113,226)</u>
Total District-Wide Net Expense	<u>\$ (37,544,838)</u>	<u>\$ (37,685,845)</u>	<u>\$ (37,966,839)</u>	<u>\$ (38,218,466)</u>	<u>\$ (38,162,782)</u>	<u>\$ (39,540,771)</u>	<u>\$ (49,465,902)</u>	<u>\$ (42,536,697)</u>	<u>\$ (45,003,826)</u>	<u>\$ (46,848,198)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 5,250,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 5,450,000	\$ 5,450,000	\$ 5,450,000	\$ 5,450,000
Property Taxes, Levied for Debt Service Principal										
Grants and Contributions	27,897,869	20,764,682	20,545,050	20,903,906	20,179,987	21,486,156	25,579,665	23,161,264	23,801,169	27,143,640
Payments in Lieu of Taxes - State Aid Restricted										
Tuition Received	13,266,017	13,625,524	13,952,003	13,870,912	13,560,954	14,255,583	14,659,928	15,105,202	14,870,313	13,398,796
Investment Earnings								66,442	2,419	
Miscellaneous Income	1,076,870	140,633	56,865,650	143,477,467	1,140,820	989,504	7,624,530	1,085,940	974,151	397,565
Proceeds of Long-Term Debt (Refunding Bonds)										
Capital Lease Principal Cancelled										
NJ Schools Development Authority Grants										
Special Item—[Please Type Here / Write In Cell]										
Adjustment to Capital Assets										
Transfers	(50,000)	(100,000)					800,621		60,000,000	(250,660)
Total Governmental Activities	<u>47,440,756</u>	<u>38,880,840</u>	<u>95,812,703</u>	<u>182,702,286</u>	<u>39,331,762</u>	<u>41,181,244</u>	<u>54,114,944</u>	<u>44,868,848</u>	<u>105,098,052</u>	<u>46,139,341</u>
Business-Type Activities:										
Investment Earnings							(572)			3,262
Adjustment to Capital Assets										
Transfers	50,000	100,000								
Total Business-Type Activities	<u>50,000</u>	<u>100,000</u>					<u>(572)</u>			<u>3,262</u>
Total District-Wide	<u>\$ 47,490,756</u>	<u>\$ 38,980,840</u>	<u>\$ 95,812,703</u>	<u>\$ 182,702,286</u>	<u>\$ 39,331,762</u>	<u>\$ 41,181,244</u>	<u>\$ 54,114,372</u>	<u>\$ 44,868,848</u>	<u>\$ 105,098,052</u>	<u>\$ 46,142,603</u>
Change in Net Position:										
Governmental Activities	10,053,550	1,314,838	57,830,696	144,266,212	1,047,150	1,506,773	4,635,310	2,053,442	60,607,040	404,369
Business-Type Activities	<u>(107,632)</u>	<u>(19,843)</u>	<u>15,168</u>	<u>217,608</u>	<u>121,830</u>	<u>133,700</u>	<u>13,160</u>	<u>278,709</u>	<u>(512,814)</u>	<u>(1,109,964)</u>
Total District	<u>\$ 9,945,918</u>	<u>\$ 1,294,995</u>	<u>\$ 57,845,864</u>	<u>\$ 144,483,820</u>	<u>\$ 1,168,980</u>	<u>\$ 1,640,473</u>	<u>\$ 4,648,470</u>	<u>\$ 2,332,151</u>	<u>\$ 60,094,226</u>	<u>\$ (705,595)</u>

Source: ACFR Schedule A-1

**ESSEX COUNTY VOCATIONAL SCHOOL
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Reserved	\$ 3,037,666	\$ 4,035,575	\$ 7,149,835	\$ 9,549,501	\$ 11,816,376	\$ 14,332,411	\$ 22,535,128	\$ 22,717,827	\$ 26,674,811	\$ 29,224,344
Unreserved (deficit)	193,559	214,389	101,934	159,067	181,394	180,722	262,027	37,517	86,368	(117,549)
Restricted										
Unassigned (deficit)										
Total General Fund	<u>\$ 3,231,225</u>	<u>\$ 4,249,964</u>	<u>\$ 7,251,769</u>	<u>\$ 9,708,568</u>	<u>\$ 11,997,770</u>	<u>\$ 14,513,133</u>	<u>\$ 22,797,155</u>	<u>\$ 22,755,344</u>	<u>\$ 26,761,179</u>	<u>\$ 29,106,795</u>
All Other Governmental Funds:										
Reserved	\$ 846,215	\$ 673,815	\$ 11,342,630	\$ 82,541,228	\$ 48,878,861	\$ 41,240,119	\$ 8,974,145	\$ 13,895,780	\$ 66,062,166	\$ 38,611,565
Unreserved, Reported In:										
Capital Projects Fund	10,436,158	11,649,362	17,538,974	54,571,133	28,093,303	1,533,547	30,704,825			
Restricted										
Unassigned (deficit)										
Total All Other Governmental Funds	<u>\$ 11,282,373</u>	<u>\$ 12,323,177</u>	<u>\$ 28,881,604</u>	<u>\$ 137,112,361</u>	<u>\$ 76,972,164</u>	<u>\$ 42,773,666</u>	<u>\$ 39,678,970</u>	<u>\$ 13,895,780</u>	<u>\$ 66,062,166</u>	<u>\$ 38,611,565</u>

Source: ACFR Schedule B-1

**ESSEX COUNTY VOCATIONAL SCHOOL
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 5,450,000	\$ 5,450,000	\$ 5,450,000	\$ 5,450,000
Tuition Charges	13,625,524	13,835,915	13,952,003	13,870,912	13,560,954	14,255,583	14,659,928	15,105,202	14,870,313	13,398,796
Interest Earnings							66,442	66,442	2,419	
Restricted Miscellaneous Revenues	25,022	89,687	736,392	464,915	28,341	909,452	7,546,261	1,083,470	734,341	192,127
Unrestricted Miscellaneous Revenues	115,611	3,449,962	56,102,448	143,012,553	1,112,479	80,052	2,470	2,470	239,811	205,438
State Sources	24,240,090	23,910,103	24,430,674	25,177,259	25,794,263	26,713,209	28,355,057	29,525,441	32,288,133	36,599,947
Federal Sources	4,096,301	3,438,885	3,154,602	3,052,030	3,311,602	3,103,064	3,337,812	3,753,572	3,864,589	6,214,094
Private Sources	39,906	3,930	26,810	11,504	15,402	25,660	78,270	123,195	192,228	319,039
Total Revenues	46,592,454	49,178,482	102,852,929	190,039,173	48,273,041	49,537,020	59,427,328	55,109,792	57,641,834	62,379,441
Expenditures:										
Instruction:										
Regular Instruction	9,721,640	9,626,455	9,171,456	9,478,857	9,716,966	9,453,191	9,935,941	10,224,073	11,435,918	12,319,013
Special Education Instruction								1,724,410	1,772,294	1,712,412
Other Special Instruction	2,336,856	1,849,829	1,717,840	1,654,782	1,673,348	1,619,473	1,631,373	546,068	642,933	743,743
Vocational Education	4,906,834	4,871,366	5,179,471	5,324,307	5,307,780	5,253,925	5,329,535	5,151,543	4,916,738	5,389,361
Other Instruction	1,073,639	1,556,858	1,751,154	1,396,817	1,260,247	1,583,579	1,858,179	1,327,884	1,163,557	1,420,288
Support Services:										
Student and Instruction Related Services	4,343,023	4,375,116	4,265,358	4,395,661	4,586,818	4,351,258	4,558,721	4,271,359	4,730,088	5,503,978
General Administration	2,296,529	1,838,598	2,208,806	1,754,780	1,580,555	1,830,999	1,981,425	2,106,536	1,994,292	2,219,822
School Administrative Services	1,612,526	1,542,460	1,594,547	1,695,114	1,852,350	1,875,229	2,061,735	1,820,327	1,848,741	1,842,276
Central Services	704,114	692,453	741,958	793,367	766,981	787,093	740,239	787,179	890,096	961,947
Administration of Information Technology	1,177,242	1,313,644	1,128,543	1,221,069	1,198,508	1,333,617	1,414,827	1,209,086	1,068,783	1,267,680
Plant Operations and Maintenance	5,266,475	4,520,450	4,466,916	4,526,021	4,409,262	4,318,901	5,199,733	4,589,065	5,385,599	5,986,262
Care and Upkeep of Grounds								273,200	290,068	334,901
Security		1,049,738	932,204	1,050,525	975,313	1,081,303	1,840,070	1,476,408	1,623,924	1,753,573
Pupil Transportation	506,124	445,245	344,078	476,189	474,431	714,150	679,028	521,432	383,369	559,401
Employee Benefits	9,657,197	8,802,730	9,540,404	10,261,950	11,483,770	11,923,535	12,955,903	12,783,539	14,641,105	16,261,388
Special Schools	326,876	292,078	336,855	239,769	346,547	245,626	317,772	287,367	183,513	141,989
Capital Outlay	1,542,176	4,242,019	39,913,008	35,082,407	60,491,159	34,848,277	4,534,140	32,297,138	8,637,071	28,815,733
Total Expenditures	45,471,251	47,019,039	83,292,598	79,351,615	106,124,035	81,220,156	55,038,621	81,396,614	61,608,089	87,233,767
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,121,203	2,159,443	19,560,331	110,687,558	(57,850,994)	(31,683,136)	4,388,707	(26,286,822)	(3,966,255)	(24,854,326)
Other Financing Sources (Uses):										
Transfers In							863,032	6,000,000	60,000,000	
Transfers Out	(50,000)	(100,000)						(6,000,000)		(3,519)
Cancellation of Prior Year Accounts Payable							13,743	575,183		
Cancellation of Prior Year Accounts Receivable							(76,154)	(113,364)		(247,141)
Total Other Financing Sources (Uses)	(50,000)	(100,000)					800,621	461,819	60,000,000	(250,660)
Net Change in Fund Balances	\$ 1,071,203	\$ 2,059,443	\$ 19,560,331	\$ 110,687,558	\$ (57,850,994)	\$ (31,683,136)	\$ 5,189,328	\$ (25,825,003)	\$ 56,033,745	\$ (25,104,986)
Debt service as a percentage of noncapital expenditures										

Note: Noncapital expenditures are total expenditures less capital outlay.

Source: District Records, ACFR Schedule B-2

ESSEX COUNTY VOCATIONAL SCHOOL
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CNA Nurse Program	\$ 1,000	\$	\$	\$	\$	\$	\$	\$	\$	\$
E-Rate Reimbursement	25,022		586,921		1,018,172	552,945	1,189,448		734,341	189,206
Game Gate Receipts				376,103						
Interest Earned on Deposits/Investments	638	582	658	2,519	3,271	16,066	26,045		75,809	53,942
Miscellaneous	49,036	50,880	148,813	46,680	76,365	301,841	165,074		164,002	97,536
Rentals										53,960
Sale of Capital Assets	633						6,016,747			
Tuition - Other	54,800	38,225	41,230	39,612	13,414	38,600	47,905			
Vending Machine Commission	6,801				1,257					
Annual Totals	<u>\$ 137,930</u>	<u>\$ 89,687</u>	<u>\$ 777,623</u>	<u>\$ 464,915</u>	<u>\$ 1,112,479</u>	<u>\$ 909,452</u>	<u>\$ 7,445,219</u>		<u>\$ 974,151</u>	<u>\$ 394,644</u>

Source: District Records

REVENUE CAPACITY

**ESSEX COUNTY VOCATIONAL SCHOOL
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 Unaudited**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Land</u>	<u>Improvements</u>	<u>Less Exemptions and Abatements</u>	<u>Equipment ^a</u>	<u>Net Taxable Value</u>
2012	\$ 34,947,798,552	\$ 42,441,259,698	\$ 213,441,100	\$ 185,759,001	\$ 77,361,376,151
2013	33,393,455,610	44,332,530,617	137,482,900	180,283,784	77,768,787,111
2014	31,944,670,234	43,639,761,624	109,187,006	157,288,323	75,632,530,175
2015	31,863,596,223	43,462,768,766	88,338,900	162,417,409	75,400,443,498
2016	31,841,042,523	43,345,247,432	76,630,500	167,151,822	75,276,811,277
2017	34,136,313,773	44,094,262,292	68,037,100	172,100,677	78,334,639,642
2018	34,538,537,853	44,962,679,282	67,537,700	166,748,056	79,600,130,491
2019	35,354,581,479	48,726,275,792	69,280,500	174,502,589	84,186,079,360
2020	35,354,581,479	48,726,275,792	69,280,500	174,502,589	84,186,079,360
2021	35,357,374,679	48,807,906,927	70,217,800	178,848,616	84,273,912,422

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of tax
 Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

**ESSEX COUNTY VOCATIONAL SCHOOL
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
*Unaudited***

(Rate per \$100 of Assessed Value)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tax</u> <u>Rate</u>	<u>Vocational</u> <u>School</u> <u>Share</u>
2012	\$ 4.510	N/A
2013	4.780	N/A
2014	5.080	N/A
2015	5.070	N/A
2016	5.070	N/A
2017	5.040	N/A
2018	4.890	N/A
2019	4.720	N/A
2020	4.720	N/A
2021	4.657	N/A

Source: County Records

**ESSEX COUNTY VOCATIONAL SCHOOL
MUNICIPALITIES WITHIN ESSEX COUNTY
VARIOUS ECONOMIC AND DEMOGRAPHIC DATA
Unaudited**

<u>MUNICIPALITIES</u>	2021			
	<u>Net Assessed Value</u>	<u>Tax Levy</u>	<u>Taxes County Portion</u>	<u>Estimated Population*</u>
Belleville Township	\$ 3,294,805,364	\$ 117,910,987	\$ 15,344,935	37,774
Bloomfield Township	5,276,960,598	166,320,767	24,576,450	52,829
Caldwell Township	1,245,513,319	30,401,366	5,800,744	8,831
Cedar Grove Township	2,429,451,987	54,659,685	11,314,715	13,430
East Orange City	3,509,284,745	134,561,262	16,343,833	68,903
Essex Fells Borough	796,856,246	16,457,059	3,711,208	2,182
Fairfield Township	3,680,857,390	64,966,902	17,142,900	7,818
Glen Ridge Borough	1,912,641,595	55,553,097	8,907,768	7,709
Irvington Township	2,263,861,759	110,091,714	10,543,510	60,403
Livingston Township	8,705,581,249	199,310,500	40,544,605	31,087
Maplewood Township	4,294,429,700	132,401,509	20,000,497	25,373
Millburn Township	9,913,209,273	188,303,216	46,168,905	22,059
Montclair Township	8,077,971,840	229,440,091	37,521,632	40,935
Newark City	14,960,737,671	463,008,514	69,676,817	307,220
North Caldwell Borough	1,851,122,801	39,699,010	8,621,256	6,625
Nutley Township	4,235,556,102	125,045,183	19,726,305	29,786
City of Orange Township	1,441,433,810	75,411,063	6,713,206	34,002
Roseland Borough	1,788,569,057	37,932,071	8,329,923	6,219
South Orange Village Township	3,127,272,773	95,881,425	14,564,684	18,153
Verona Township	2,591,819,936	70,587,821	12,070,913	14,446
West Caldwell Township	2,530,816,148	60,490,099	11,786,799	10,876
West Orange Township	6,661,086,072	242,088,389	31,022,753	48,257
Total	\$ 94,589,839,435	\$ 2,710,521,731	\$ 440,434,356	854,917

Source: County Tax Assessor

*Division of Local Government Services - Department of Community Affairs

**ESSEX COUNTY VOCATIONAL SCHOOL
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

<u>Fiscal Year Ended June 30,</u>	<u>Total Essex County Tax Levy</u>	<u>School Estimate Amount for the Fiscal Year</u>	<u>Percentage of Essex County Levy</u>
2013	\$ 398,569,300	\$ 4,450,000	1.1165%
2014	405,146,000	4,450,000	1.0984%
2015	415,244,919	4,450,000	1.0717%
2016	421,101,000	4,450,000	1.0568%
2017	420,196,912	4,450,000	1.0590%
2018	430,625,000	5,450,000	1.2656%
2019	432,775,000	5,450,000	1.2593%
2020	434,940,005	5,450,000	1.2530%
2021	437,114,700	5,450,000	1.2468%
2022	437,114,700	5,450,000	1.2468%

Source: District records including the Certificate and Report of School Taxes (A4F Form).

The County of Essex funds the Vocational School. The amount of each years' funding is set by the County Board of School Estimate. The amount set by the Board of School Estimate is then appropriated in the County of Essex yearly budget.

DEBT CAPACITY

**ESSEX COUNTY VOCATIONAL SCHOOL
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

Not applicable, the Vocational School does not issue any type of debt instruments.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**ESSEX COUNTY VOCATIONAL SCHOOL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2013	786,337	\$ 42,938,718,222	\$ 54,606	7.90%
2014	793,443	41,626,400,109	52,463	*
2015	795,039	46,365,879,441	58,319	6.70%
2016	796,914	47,838,747,420	60,030	6.00%
2017	808,285	49,214,048,795	60,887	5.70%
2018	799,767	53,951,482,053	67,459	5.20%
2019	798,975	*	N/A	4.05%
2020	800,501	*	N/A	11.70%
2021	854,917	52,585,944,670	61,510	6.10%
2022	*	*	*	*

Source:

- ^a Population information provided by the NJ Department of Labor and Workplace Development.
- ^b Personal Income has been estimated based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income by municipality source is U.S. Census Data.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

*Unavailable

ESSEX COUNTY VOCATIONAL SCHOOL
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 Unaudited

<u>Employer</u>	<u>2022</u>			
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Percentage of Total Municipal Employment</u>
Prudential Ins. Co of America	49,705	1	*	*
St. Bernabas Health Care System	24,600	2	*	*
Rutgers Universty Campus	23,980	3	*	*
Verizon	15,000	4	*	*
Public service Electic and Gas	12,945	5	*	*
New Jersey Transit	11,500	6	*	*
City of Newark	10,001	7	*	*
Montclair State University	7,900	8	*	*
Newark Board of Education	7,050	9	*	*
Gateway Group One	6,250	10	*	*
Automatic Data Processing	5,649	11	*	*
	<u>174,580</u>			

Source: US BUREAU OF LABOR AND STATISTICS

*Not Available at Time of Audit.

OPERATING INFORMATION

**ESSEX COUNTY VOCATIONAL SCHOOL
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
*Unaudited***

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Function/Program</u>										
Instruction:										
Regular	103	106	111	111	107	114	104	101	116	118
Vocational	61	59	58	57	56	55	58	60	64	64
Other Special Education	26	26	26	20	19	20	21	34	27	25
Other Instructional	16	15	15	18	15	14	14	14	10	11
Support Services:										
Student and Instructional Related Services	34	35	34	35	34	36	35	36	23	27
General Administration	14	12	12	13	12	13	13	7	18	17
School Administrative Service	18	19	20	18	18	19	19	19	16	16
Other Administrative Services	14	15	14	17	18	19	19	13	15	16
Administrative Information Technology							4	4	5	6
Plant Operations and Maintenance	24	23	22	24	24	24	21	14	9	7
Pupil Transportation	4	4	4	4	4	4	4	4	4	4
	<u>314</u>	<u>314</u>	<u>316</u>	<u>317</u>	<u>307</u>	<u>318</u>	<u>312</u>	<u>306</u>	<u>307</u>	<u>311</u>
Total	<u>314</u>	<u>314</u>	<u>316</u>	<u>317</u>	<u>307</u>	<u>318</u>	<u>312</u>	<u>306</u>	<u>307</u>	<u>311</u>

Source: District Personnel Records

**ESSEX COUNTY VOCATIONAL SCHOOL
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited**

Fiscal Year	Enrollment ^e	Operating Expenditures ^a	Cost per Pupil ^d	Percentage Change	Pupil/Teacher Ratio		Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Average Daily Enrollment (ADE) ^c			
2013	2,226	\$ 36,417,461	\$16,360	4.30%	190.0	2,146.9	*	1.88%	*
2014	2,241	36,271,279	16,185	(1.07%)	191.0	2,214.9	*	3.17%	*
2015	2,282	36,753,321	16,106	(0.49%)	195.0	2,218.0	*	0.14%	*
2016	2,338	37,001,011	15,826	(1.74%)	188.0	2,157.0	*	(2.75%)	*
2017	2,187	37,636,975	17,209	8.74%	182.0	2,128.4	*	(1.33%)	*
2018	2,323	38,137,694	16,417	(4.60%)	189.0	2,238.8	*	5.19%	*
2019	2,360	50,074,014	21,218	29.24%	*	*	*	*	*
2020	2,391	49,099,475	20,535	(3.22%)		2,354.7	2,287.1	*	97.13%
2021	2,341	55,644,561	23,770	15.75%	192.0	2,351.9	2,287.6	(0.12%)	97.27%
2022	2,097	58,418,033	27,858	17.20%	192.0	2,059.4	1,956.5	(12.44%)	95.00%

Source: District Records

Note:

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certified staff.
- c Average daily enrollment and average daily attendance are obtained from School Registry Summary (SRS).
- d Cost per pupil is calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.
- e Enrollment is based on annual October district count.

ESSEX COUNTY VOCATIONAL SCHOOL
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

<u>District Building</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Payne Tech										
Square Feet							320,000	320,000	320,000	320,000
Capacity (Students)									1,875	1,875
Enrollment									1,304	1,192
Technical Careers Center										
Square Feet	163,069	166,622	166,622	166,622	166,622	166,622	163,069	163,069	163,069	163,069
Capacity (Students)	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091
Enrollment	744	739	738	738	693	770		770	591	591
West Caldwell Center										
Square Feet	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994
Capacity (Students)	405	405	405	405	405	405	405	405	405	405
Enrollment	316	319	344	344	355	359		333	334	334

Total Enrollment - All Schools
 Number of Schools at June 30, 2022:
 Vocational = 3

Source: District Maintenance/Facilities Office

Note: Year of original construction is shown in parentheses, if available. Increases in square footage and capacity are the result of additions.
 Enrollment is based on annual October District count.

**ESSEX COUNTY VOCATIONAL SCHOOL
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
Unaudited**

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

<u>School Facilities</u> *	Project #	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total School Facilities
North 13th Street		\$ 356,516.24	\$ 278,171.57	\$ 337,685.58	\$ 379,964.00	\$ 258,811.00	\$ 143,225.92	\$ 266,895.71	\$ 190,759.00	\$ 241,010.50	\$ 135,992.53	\$ 1,754,374.31
Technical Careers		591,345.56	472,509.00	422,382.29	539,849.00	433,602.00	198,960.19					3,463,205.78
Bloomfield Center		279,387.05	317,154.99	357,546.98	259,849.34	304,446.00	156,654.73					1,675,039.09
West Caldwell Center		228,926.14	293,894.11	307,097.94	200,858.35	258,391.00	138,937.85	223,043.16	200,478.00	600,324.72	669,293.25	3,121,244.52
Payne Tech							261,517.07	1,146,262.13	949,778.03	951,978.46	1,338,586.51	4,648,122.20
Total		<u>\$ 1,426,174.99</u>	<u>\$ 1,361,729.67</u>	<u>\$ 1,424,712.79</u>	<u>\$ 1,380,520.69</u>	<u>\$ 1,255,250.00</u>	<u>\$ 899,195.76</u>	<u>\$ 1,636,201.00</u>	<u>\$ 1,341,015.03</u>	<u>\$ 1,793,313.68</u>	<u>\$ 2,143,872.29</u>	<u>\$ 14,661,985.90</u>

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

Source: District Records

**ESSEX COUNTY VOCATIONAL
SCHOOL INSURANCE
SCHEDULE June 30, 2022
Unaudited**

Property

Real and Personal Property		\$500,000,000 per occurrence NJSIG Limit
Extra Expense		\$50,000,000 per occurrence NJSIG Limit
Valuable Papers and Records		\$10,000,000 per occurrence NJSIG Limit
Demolition and Increased Cost of Construction		\$25,000,000 per occurrence NJSIG Limit
Loss of Rents		\$100,000 per occurrence
Loss of Business Income/Tuition		\$5,000,000 per occurrence
Limited Builders Risk		\$10,000,000 per occurrence NJSIG Limit
Fire Department Service Charge		\$10,000 per occurrence
Arson Reward		\$10,000 per occurrence
Pollutant Cleanup and Removal		\$250,000 per occurrence/ NJSIG annual aggregate
Fine Arts		Not Covered
Sublimits: Special Flood Hazard Area Flood Zones		\$25,000,000 per occurrence/ NJSIG annual aggregate
Accounts Receivable		\$250,000 per occurrence/annual aggregate
All Flood Zones		\$75,000,000 per occurrence /NJSIG annual aggregate
Earthquake		\$50,000,000 per occurrence /NJSIG annual aggregate
Terrorism		\$1,000,000 per occurrence /NJSIG annual aggregate
Deductibles:	Real & Personal	\$5,000 per occurrence
	Extra Expense	\$5,000 per occurrence
		\$5,000 per occurrence
	Valuable Papers	
Special Flood Hazard Area Flood Deductibles:		\$500,000 per building
		\$500,000 per building contents
All Other Flood Zones Flood Deductible:		\$10,000 per member/per occurrence

General Liability

Bodily Injury & Property Damage	\$16,000,000 per occurrence
Products & Completed Operations	\$16,000,000 annual aggregate
Sexual Abuse	\$16,000,000 per occurrence
	\$26,500,000 annual NJSIG aggregate
Personal Injury & Advertising Injury	\$16,000,000 per occurrence/annual aggregate
Employee Benefits Liability	\$16,000,000 per occurrence/annual aggregate
Employee Benefits Liability Deductible	\$1,000 each claim
Premises Medical payments	\$10,000 per accident
Terrorism	\$1,000,000 per occurrence/annual NJSIG aggregate
	Deductible \$10,000

**ESSEX COUNTY VOCATIONAL SCHOOL
INSURANCE SCHEDULE
June 30, 2022
Unaudited**

**Exhibit J-20
Sheet #2 of 3**

Electronic Data Processing

Data Processing Equipment Including Data and Media,
Extra Expense, Business Income, Duplicates, Transit
and Debris Removal

\$1,000,000 per occurrence

Terrorism
Computer Virus

Included in Property
\$250,000 (\$10,000,000 NJSIG Annual
Aggregate)

Deductible:

\$1,000 per occurrence

Special Flood Hazard Area Flood Deductible:

\$500,000 per building contents

All Other Flood Zones Flood Deductible:

\$10,000 per member/per occurrence

Equipment Breakdown

Combined Single Limit per Accident for Property Damage and
Business Income

\$100,000,000

SubLimits: Property Damage

Included

Off Premises Property Damage

\$1,000,000

Business Income

Included

Extra Expense

\$10,000,000

Service Interruption

\$10,000,000

Perishable Goods

\$1,000,000

Data Restoration

\$1,000,000

Contingent Business Income

\$1,000,000

Demolition

\$1,000,000

Ordinance or Law

\$1,000,000

Expediting Expenses

\$1,000,000

Hazardous Substances

\$1,000,000

Newly Acquired Locations (120 days notice)

\$1,000,000

Terrorism

Included

Deductibles: \$25,000 per Accident for Property Damage

12 Hours for Indirect Coverages

Service Interruption Waiting Period 24 Hours

Crime

Insuring Agreements

Limits

Deductibles

Insuring Agreement 1 - Public Employee Dishonesty with Faithful
Performance

\$250,000

\$1,000

Insuring Agreement 2 - Forgery or Alteration

\$50,000

\$500

Insuring Agreement 3 - Theft, Disappearance and Destruction - Loss of
Money & Securities On or Off Premises

\$75,000

\$500

Insuring Agreement 4 - Money Orders & Counterfeit Paper Currency

\$100,000

\$1,000

Insuring Agreement 5 - Computer Fraud

\$100,000

\$1,000

Bonds

Treasurer

\$320,000

Business Administrator

\$320,000

Board Secretary

\$320,000

CFO

\$320,000

**ESSEX COUNTY VOCATIONAL SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2022
Unaudited**

Cyber Liability \$2,000,000 Deductible \$500,000

Automobile

Liability

Symbol 1 Any Auto

Bodily Injury and Property Damage

\$16,000,000 per accident

Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Autos

\$1,000,000 per accident

Symbol 6 Uninsured/Underinsured Motorists - All Other Vehicles

\$15,000 Bodily Injury Per Person

\$30,000 Bodily Injury Per Accident

\$5,000 Property Damage Per Accident

Symbol 5 Personal Injury Protection (including pedestrians)

\$250,000

Medical Payments

\$10,000 private passenger vehicles

\$5,000 all other vehicles

Terrorism

\$1,000,000 per occurrence/annual
NJSIG aggregate

Deductible

\$0

Physical Damage (Scheduled vehicles only)

Symbol 7 Comprehensive

\$1,000 deductible

Collision

\$1,000 deductible

Hired Car Physical Damage \$110,000 Limit

\$1,000 deductible

Replacement Cost

\$1,000 deductible

Garage Keepers

Included

Excess

NJUEP Excess Liability

\$20,000,00 Per Occurrence

\$20,000,000 Other Aggregate

In Excess of NJSIG \$16,000,000 per
occurrence limits and general aggregate

\$20,000,000 Completed Operations Aggregate

Zurich Student Accident Insurance

\$5,000,000 Max Benefit, \$0 Deductible

Student Disability maximum Benefit

\$1,000,000

School Leaders Errors & Omissions

Coverage A

Limit of Liability

NJSIG

QBE Specialty Ins. Co.

\$15,000,000 each policy period Excess of:

\$ 1,000,000 each policy period/\$3,000,000

annual aggregate

\$5,000 each claim

Deductible

Worker's Compensation and Employer's Liability

Limits under part one Worker's Compensation are Statutory

Limits under part two Employer's Liability

Bodily Injury by Accident

\$3,000,000 each accident

Bodily Injury by Disease

\$3,000,000 each employee

Bodily Injury by Disease

\$3,000,000 aggregate limit

SINGLE AUDIT SECTION

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**INDEPENDENT AUDITOR'S 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**

The Honorable President and Members
of the Board of Education
Essex County Vocational Schools District
County of Essex
Newark, New Jersey 07102

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 as 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 Essex County Vocational Schools District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Essex County Vocational Schools District's basic financial statements, and have issued our report thereon dated February 20, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

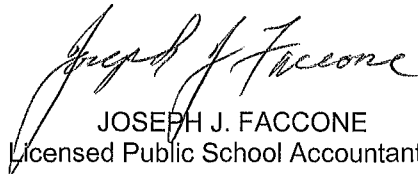
As part of obtaining reasonable assurance about whether the Essex County Vocational Schools District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI
Licensed Public School Accountant #194

Newark, New Jersey
February 20, 2023

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

The Honorable President and Members
of the Board of Education
Essex County Vocational Schools District

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Essex County Vocational Schools District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Essex County Vocational Schools District's major federal and state programs for the year ended June 30, 2022. The Essex County Vocational Schools District's major federal and 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 Essex County Vocational Schools District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Essex County Vocational Schools District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Essex County Vocational Schools District'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, regulations, rules and provisions of contracts or grant agreements applicable to Essex County Vocational Schools District's federal and 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 Essex County Vocational Schools District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the *Office of School Finance, Department of Education, State of New Jersey*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Essex County Vocational Schools District's compliance with the requirements of each major federal and state program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Essex County Vocational Schools District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Essex County Vocational Schools District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance


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

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

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

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


SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI
Licensed Public School Accountant #194

Newark, New Jersey
February 20, 2023

ESSEX COUNTY VOCATIONAL SCHOOLS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2021				Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received				Intergovernmental Accounts Receivable	Deferred Inflow/ Interfund Payable	Due to Grantor	Budgetary Receivable	Comulative Total Expenditures
State Department of Education:																
General Fund:																
Calogorical Special Education Aid	22-495-034-5120-089	\$ 1,859,351.00	7/01/2021	6/30/2022	\$ -	\$ -	\$ -	\$ 1,859,351.00	\$ 1,859,351.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,655.33	\$ 1,859,351.00
Equalization Aid	22-495-034-5120-078	24,788,623.00	7/01/2021	6/30/2022	-	-	-	24,788,623.00	24,788,623.00	-	-	-	-	-	2,475,891.44	24,788,623.00
Security Aid	22-495-034-5120-084	1,032,999.00	7/01/2021	6/30/2022	-	-	-	1,032,999.00	1,032,999.00	-	-	-	-	-	103,250.24	1,032,999.00
On-Behalf TPAF Pension Contributions	22-495-034-5095-002	6,511,992.00	7/01/2021	6/30/2022	-	-	-	6,511,992.00	6,511,992.00	-	-	-	-	-	-	6,511,992.00
On-Behalf TPAF Post Retirement Medical Contr.	22-495-034-5095-001	1,421,465.00	7/01/2021	6/30/2022	-	-	-	1,421,465.00	1,421,465.00	-	-	-	-	-	-	1,421,465.00
On-Behalf TPAF Long-Term Disability	22-495-034-5094-004	2,417.00	7/01/2021	6/30/2022	-	-	-	2,417.00	2,417.00	-	-	-	-	-	-	2,417.00
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	1,353,122.15	7/01/2021	6/30/2022	(65,193.74)	-	-	65,193.74	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	1,392,400.18	7/01/2020	6/30/2021	-	-	-	1,392,400.18	1,392,400.18	-	-	(66,807.10)	-	-	66,807.10	1,392,400.18
Total General Fund					(65,193.74)	-	-	36,737,636.82	36,789,347.18	-	-	(66,807.10)	-	-	2,811,804.11	36,789,347.18
Special Revenue Fund:																
New Jersey School Development Authority School Construction Grant	N/A	1,239,228.00	7/01/2010	6/30/2011	(314,235.26)	-	-	-	-	-	-	(314,235.26)	-	-	-	-
Carl Perkins	N/A	86,380.00	7/01/2021	6/30/2022	-	-	-	84,988.00	86,001.57	1,857.70	-	(1,033.57)	-	-	-	88,001.57
Carl Perkins	N/A	82,920.00	7/01/2019	6/30/2020	(1,857.70)	-	-	-	-	-	-	-	-	-	-	-
Carl Perkins Post-Secondary	N/A	84,066.00	-	-	-	-	-	83,117.00	83,117.00	226.78	-	0.00	0.00	-	-	83,117.00
Carl Perkins Post-Secondary	N/A	84,859.00	7/01/2020	6/30/2021	(226.78)	-	-	-	-	-	-	-	-	-	-	-
New Jersey Department of Agriculture USDA School Breakfast	N/A	3,416.81	7/01/2014	6/30/2015	-	-	-	1,050.00	-	-	-	-	-	1,050.00	-	-
New Jersey CASE Grant		5,000.00	7/01/2021	6/30/2022	-	-	-	5,000.00	5,000.00	-	-	(5,000.00)	-	-	-	5,000.00
NON-INSTRUCT - Alyce's Law		154,000.00	7/01/2019	6/30/2020	(153,999.98)	-	-	775.00	775.00	774.98	-	(154,000.00)	-	-	775.00	-
Total Special Revenue Fund					(489,269.72)	-	-	188,085.00	174,893.57	2,859.46	-	(474,268.83)	0.00	1,050.00	-	174,893.57
U.S. Department of Agriculture Passed-Through																
State Department of Agriculture:																
Enterprise Fund:																
National Lunch Program	21-100-010-3350-023	11,108.37	7/01/2019	6/30/2020	(949.05)	-	-	949.05	949.05	-	-	-	-	-	-	-
National Lunch Program	22-100-010-3350-023	25,522.98	7/01/2021	6/30/2022	-	-	-	23,595.02	25,522.98	-	-	(1,926.96)	-	-	-	-
Total Enterprise Fund					(949.05)	-	-	24,545.07	25,522.98	-	-	(1,926.96)	-	-	-	-
Total State Financial Assistance					\$ (635,417.51)	\$ -	\$ -	\$ 38,980,269.89	\$ 36,989,663.73	\$ 2,859.46	\$ -	\$ (543,002.89)	\$ 0.00	\$ 1,050.00	\$ 2,811,804.11	\$ 36,964,140.75
On Behalf TPAF Contributions not Subject to GMB 15-08																
On-Behalf TPAF Pension Contributions	22-495-034-5095-002							\$ 6,511,992.00								
On-Behalf TPAF (Post-Retirement Medical) Contributions	22-495-034-5095-001							1,421,465.00								
On-Behalf TPAF Long-Term Disability	22-495-034-5094-004							2,417.00								
Total - Major Program Determination for State Financial Assistance								\$ 7,935,874.00								

The accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule

ESSEX COUNTY VOCATIONAL SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022		
					From	To							Accounts Receivable	Deferred Inflows	Due to Grantor
U.S. Department of Education:															
General Fund:															
ARRA/SEMI	93.778	1606NJSMAP	N/A	\$ 15,054.22	7/01/2014	6/30/2015	\$ 15,054.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,054.22	\$ -
Total General Fund							15,054.22	-	-	-	-	-	-	15,054.22	-
U.S. Department of Education Pass-Through State Department of Education:															
Special Revenue Fund:															
Title I	84.010	S010A210030		1,421,121.00	7/01/2021	6/30/2022			1,421,121.00	1,421,121.00					
Title I	84.010	S010A200030	NCLB-1350-21	1,450,526.00	7/01/2020	6/30/2021	(11,617.03)		11,617.03					(0.00)	
Title I -RA CY	84.010	S010A200030	NCLB-1350-21	62,573.00	7/01/2020	6/30/2021	(4,612.22)		4,612.22						
Title I -PY	84.010	S010A210030			7/01/2021	6/30/2022			233,394.57	233,394.57					
Title II A	84.367	S365A150030		139,170.00	7/01/2021	6/30/2022			101,212.00	139,170.00				(37,958.00)	
Title III	84.365	S365A160030	NCLB-1350-21	31,675.00	7/01/2020	6/30/2021	(4,210.61)		4,210.61					(0.00)	
Title III	84.365	S365A160030		39,471.00	7/01/2021	6/30/2022			39,471.00						
Title III -PY	84.365	S365A150030		5,424.39	7/01/2021	6/30/2022			5,424.39	5,424.39					
Title III -Immigrant	84.365	S365A150031	NCLB-1350-21	10,387.00	7/01/2020	6/30/2021	(1,252.00)								
Title IV	84.424A	S424A200031	NCLB-1350-21	105,234.00	7/01/2020	6/30/2021	249.88								
Title IV	84.424A	S424A200031		104,262.00	7/01/2021	6/30/2022			90,465.00	104,262.00				(13,797.00)	
Adult Basic Education	84.002A		N/A	108,000.00	7/01/2018	6/30/2019	1,421.00					1,421.00			
Adult Basic Education	84.002A		N/A	122,000.00	7/01/2019	6/30/2020	2,555.00					2,555.00			
Adult Basic ED/SL	84.002A		N/A	102,000.00	7/01/2020	6/30/2021	(6,829.00)		6,829.00						
Adult Basic Education	84.002A			103,500.00	7/01/2021	6/30/2022			93,365.00	103,500.00				(10,135.00)	
I.D.E.A. Part B - Basic	84.028	H027A200101	IDEA-1399-20	730,426.00	7/01/2019	6/30/2020	(2.49)				2.49			0.00	0.00
I.D.E.A. Part B - Basic	84.028	H027A210101		732,657.00	7/01/2021	6/30/2022			382,101.38	635,724.37				(253,622.99)	
I.D.E.A. Part B CY	84.027	H027A200101	IDEA-1399-21	686,122.67	7/01/2020	6/30/2021	(102,549.49)		102,549.49						0.00
Carl D. Perkins - Secondary	84.048A	V048A140030	N/A	840,853.00	7/01/2020	6/30/2021	(14,943.37)		14,943.37						0.00
Carl D. Perkins - Secondary	84.048A	V048A140030		846,556.00	7/01/2021	6/30/2022			787,290.00	794,434.93				(7,144.93)	
ARP ESSER Program	84.425U	S425U210027		10,522,108.00	3/13/2020	9/30/2024									
ARP ESSER Subgrant-Accelerated Learning Coaching and Educators Support Grant	84.425U	S425U210027		315,098.00	3/13/2020	9/30/2024			30,447.00	63,447.45				(33,000.45)	
ARP ESSER Subgrant-Evidence Based Summer Learning and Enrichment Activities Grant	84.425U	S425U210027		40,000.00	3/13/2020	9/30/2024				4,130.60				(4,130.60)	
ARP ESSER Subgrant-Evidence Based Comprehensive Beyond the School Day Activities Grant	84.425U	S425U210027		40,000.00	3/13/2020	9/30/2024				40,000.00				(40,000.00)	
ARP ESSER Subgrant-New Jersey Tiered System of Support (NTSS) Mental Health Support- Staffing Grant	84.425U	S425U210027		45,000.00	3/13/2020	9/30/2024									
ARP Homeless Children and Youth II Grant	84.425U	S425U210027		26,575.00	3/13/2020	9/30/2024									
CRRSA Act ESSER II	84.425D	S425D210027		4,681,829.00	3/13/2020	9/30/2023	(80,755.14)		2,639,218.00	2,944,227.00				(185,764.14)	
CRRSA Act-Mental Health Program	84.425D	S425D210027		45,000.00					10,505.00						
CRRSA Act Learning II Acceleration Grant	84.425D	S425D210027		300,458.00	3/13/2020	9/30/2023	(41,652.46)		116,429.00	168,216.18	0.46			(93,733.18)	
Total Special Revenue Fund							(284,497.87)		6,286,447.46	6,707,268.77	2.89	3,976.00	(679,232.29)	0.00	
U.S. Department of Agriculture Pass-Through State Department of Agriculture:															
Enterprise Fund:															
Food Distribution Program	10.555		N/A	60,530.64	7/01/2020	6/30/2021	17,838.77			17,838.77					
Food Distribution Program	10.555		N/A	103,341.79	7/01/2021	6/30/2022			103,341.79	95,286.64					8,075.15
School Breakfast Program	10.553	211N1304N1099	N/A	130,986.16	7/01/2020	6/30/2021	(9,532.68)		9,532.68						0.00
School Breakfast Program	10.553	211N1304N1099	N/A	236,050.43	7/01/2021	6/30/2022			214,322.12	236,050.43				(21,728.31)	
National Lunch PB Program	10.555	211N1304N1099	N/A	4,131.54	7/01/2020	6/30/2021	(295.26)		295.26						0.00
National Lunch PB Program	10.555	211N1304N1099	N/A	17,015.32	7/01/2021	6/30/2022			15,730.68	17,015.32				(1,284.64)	
National Lunch PB Program	10.555	211N1304N1099	N/A	208,347.66	7/01/2020	6/30/2021	(14,889.54)		14,889.54					(0.00)	
National Lunch Program	10.555	211N1304N1099	N/A	1,066,888.55	7/01/2021	6/30/2022			984,442.19	1,066,888.55				(82,446.36)	
National Lunch Program	10.555	211N1304N1099	N/A						1,433,059.71					(105,459.31)	8,075.15
Total Enterprise Fund							(6,878.71)		1,239,212.47	1,433,059.71				(82,446.36)	8,075.15
Total Federal Financial Awards							\$ (256,322.38)	\$ -	\$ 7,635,639.93	\$ 8,140,328.43	\$ 2.89	\$ 3,976.00	\$ (784,751.60)	\$ 23,129.37	\$ -

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

ESSEX COUNTY VOCATIONAL SCHOOLS

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

JUNE 30, 2022

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Essex County Vocational Schools. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedules of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

ESSEX COUNTY VOCATIONAL SCHOOLS

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCEJUNE 30, 2022
(Continued)**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(552,850.69) for the general fund. \$(364,194.00) See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 46,861.21	\$ 36,425,053.18	\$ 36,471,914.39
Special Revenue Fund	6,167,232.70	174,893.57	6,342,126.27
Food Service Fund	<u>1,415,220.94</u>	<u>25,522.98</u>	<u>1,440,743.92</u>
Total Awards and Financial Assistance	<u>\$ 7,629,314.85</u>	<u>\$ 36,625,469.73</u>	<u>\$ 44,254,784.58</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2022.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

The amount reported as TPAF Post-Retirement Medical Benefit Contributions and Teacher's Pension Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

ESSEX COUNTY VOCATIONAL SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

JUNE 30, 2022
(Continued)

7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-Behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ESSEX COUNTY VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general-purpose financial statements noted? Yes No

Federal Awards Section

Internal control over major programs:

- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555		Child Nutrition Cluster
84.010	S010A210030	Title I - Grant to Local Education Agencies
84.048A	V048A190030	Carl D. Perkins - Vocational Education
84.425D	S425D210027	Education Stabilization Fund, ESSER
84.425U	S425U210027	Education Stabilization Fund, ESSER

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes No

**ESSEX COUNTY VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

**Section I - Summary of Auditor's Results
(Continued)**

State Awards Section

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

Unmodified

Internal control over major programs:

- | | | | | |
|--|-------|-----|---|---------------|
| 1) Material weakness(es) identified? | _____ | Yes | _____ <input checked="" type="checkbox"/> | No |
| 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> | None Reported |

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letters 15-08 and 04-04?

_____ Yes _____ No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-089	Categorical Special Education
21-495-034-5120-078	Equalization Aid
21-495-034-5094-003	TPAF Social Security
21-495-034-5120-084	Security Aid

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

\$750,000.00

Auditee qualified as low-risk auditee?

_____ Yes _____ No

Section II - Financial Statement Findings

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

Section III:

a) Federal Award Findings and Questioned Costs:

NONE

b) State Award Findings and Questioned Costs:

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2022**

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

