

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOLS  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
NEW JERSEY**

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

**Prepared by**

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

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

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## INTRODUCTORY SECTION

# Monmouth County Vocational School District

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*Superintendent*

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Sean R. Meehan  
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Kelly Brazelton  
*Business Administrator  
Board Secretary*

March 3, 2023

Honorable President and  
Members of the Board of Education  
Monmouth County Vocational School District  
County of Monmouth, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Monmouth County Vocational School District (“District”) for the fiscal year ended June 30, 2022 is hereby submitted. This ACFR includes the District’s Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Monmouth County Vocational School District’s Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the 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, the District’s organizational chart, 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 the Single Audit Act and the state Treasury OMB Circular Letter 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB’s Circular 15-08, Single audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Monmouth County Vocational School District is a component unit of Monmouth County within the criteria adopted by the GASB Statement No. 14. The State Department of Education requires the District’s financial statements be reported separately. All funds and account groups of the District are included in this report. The Monmouth County Vocational School District’s Board of Education and all of its schools constitute the District’s reporting entity.

The District provides a full range of vocational-technical educational services appropriate to secondary students, special needs students, post-secondary students and part-time adult students throughout the Monmouth County area.

The District completed the 2021-2022 fiscal year with a total enrollment at year-end of 3785 students. The following details the breakdown of the enrollment:

### **2021-2022 MCVSD ENROLLMENT**

#### **High School Programs**

##### **Shared Time**

Vocational Programs	589
Career Center	349

##### **Full Time**

Academy of Allied Health & Science	299
Academy of Law & Public Safety	55
Biotechnology High School	313
Communications High School	305
High Technology High School	280
Marine Academy of Science & Technology	264

<b>Total High School</b>	<b>2454</b>
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#### **Adult Programs**

Adult Basic Education Program	28
Evening School (Part Time)	403
Practical Nursing	20
Post Secondary	58

<b>Total Adult Programs</b>	<b>509</b>
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#### **Specialty Programs**

Pre-Vocational Evaluation (Career Center)	326
Summer School - Vocational	10
Summer School – Career Academies	260
Registered Apprentices	226

<b>Total Specialty Programs</b>	<b>822</b>
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<b>GRAND TOTAL</b>	<b>3785</b>
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## 2. ECONOMIC CONDITION AND OUTLOOK:

Monmouth County is located 47 miles south of New York City in Central New Jersey. It is 472 square miles. The district is bordered on the west by Mercer and Middlesex counties, and on the south by Burlington and Ocean counties, on the east by the Atlantic Ocean, and on the north by the Raritan and Sandy Hook bays. The county is located within the New York City metropolitan region, which consists of southern Connecticut and New York State and Northeastern New Jersey. There are 52 municipalities in Monmouth County.

Monmouth County is a desirable area to live in because of its easy access to all major modes of transportation. It is sandwiched between the major cities of New York City and Philadelphia. The beauty and diversity of the region are beyond compare, and it can boast about the excellent school districts.

The leading trends that are evolving in Monmouth County in areas of income, employment, education and mobility are the following:

The median household income is based on the income distribution of all households, including those with no income. Monmouth County is comprised of 269,917 households; 75.2% of them are owner occupied, with a median value of \$454,000. The median household income was \$110,356. This information comes from the U.S. Census Quick Facts, last updated July 1, 2021.

The population of Monmouth County was estimated to be 643,615 people for 2021. The ratio of male to female persons is 49% to 51%, respectively. The population is 84.7% white, 7.3% is black or African American, and 5.7% is Asian. Other races make up the remaining population. Approximately 11.4% of the overall population identify themselves as Hispanic or Latino. The number of persons without health insurance under the age of 65 is estimated to be 7.0% of the population. According to the U.S. Department of Commerce, in Monmouth County 94.1% of our population over 25 years old have obtained a high school degree or higher.

## 3. MAJOR INITIATIVES

The following major initiatives took place during the 2021-22 school year:

### **Curriculum & Instruction**

Throughout the early part of the 2021-22 academic year, MCVSD continued to demonstrate capacity for the evolving demands of remote, hybrid, and in-person instruction. The district prioritized educators' proficiencies in technological applications assisting in those efforts. All the while, the organization maintained its commitment to a meaningful approach to curriculum and highly effective teaching and learning. Staff continued to receive formal training in the Understanding by Design framework, and this initiative was supplemented by the diligent work of district curriculum coaches ensuring theory translated into classroom practice. Teachers were challenged to articulate new performance tasks matching the authentic demands of their respective disciplines, and design new midterm and end-of-year assessments properly capturing student achievement. Their professional knowledge was critical in identifying power standards and disseminating best practices amongst subject area clusters. They remained committed to the further use of the Rubicon/Atlas mapping platform in ensuring the responsiveness and accessibility of their curriculum. These steps have left MCVSD well-positioned in its intentions to emphasize dynamic assessment across its divisions in the coming years.



### **Assessment Design**

MCVSD showcased its commitment to meaningful and responsive assessment. Subject area teachers collaborated in developing common frameworks for midterm and end-of-year assessments, an effort that allows for students to demonstrate their achievement through valid, reliable, and context-specific means. Cohorts of teachers began to facilitate their classroom-level examinations through the testing and data platform, LinkIt!. Widespread reliance on this technology provided these staff members, students, and district leaders the opportunity to analyze student achievement and utilize it in instructional and strategic decision-making.

### **Personalized Professional Learning**

The organization provided a comprehensive professional development program throughout the 2021-2022 academic year. Teacher leaders facilitated collaborative opportunities for their colleagues in the areas of technology applications (Google Suite, LinkIt!, PearDeck, etc.), socio-emotional learning, pedagogical approaches to hybrid instruction, organizational techniques, and on a number of additional topics. This learning occurred on prescribed staff days and in a coherent sequence of after school sessions offered each month. The district's reliance on its own staff members in providing this training ensured it remains interest-driven and context-specific, critical factors in meaningful professional development.

Other strategic initiatives were executed in fulfilling the district's responsibilities to students. Multiple groups of teachers received external training in curating inclusive curriculum, allowing for instructional materials to reflect varying experiences and perspectives, and in preparing to meet pending related state mandates. The organization also added to its coaching resources, developing a formal role for a social emotional learning coordinator and equity and diversity team, meant to impact district educators' knowledge of and comfort with techniques catering to students' needs in these areas.

### **Pathways, Industry Credentials and Articulations**

Understanding the importance of expanding opportunities for students to follow CTE programs of study and career pathways to earn industry-valued credentials, MCVSD examined their program options and the credentials offered. After conducting a program audit and a certification crosswalk, gaps were identified and feedback was solicited from their advisory board members to identify and prioritize high-quality industry-recognized credentials and post-secondary pathways for every shared time program. The organization focused on increasing partnerships with state institutions to increase articulation agreements and embarking on the development of new programs to meet local needs, i.e. welding.

#### **4. 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, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- a) The cost of a control should not exceed the benefits likely to be derived.
- b) The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to guarantee compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District 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 the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. This budget is adopted for the General Fund and the Special Revenue Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance account 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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

6. 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 Note 1 of the Notes to the Financial Statements.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants and public school accountants. The Board selected Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, CPAs. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the general-purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Monmouth County Vocational School District's Board of Education 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.

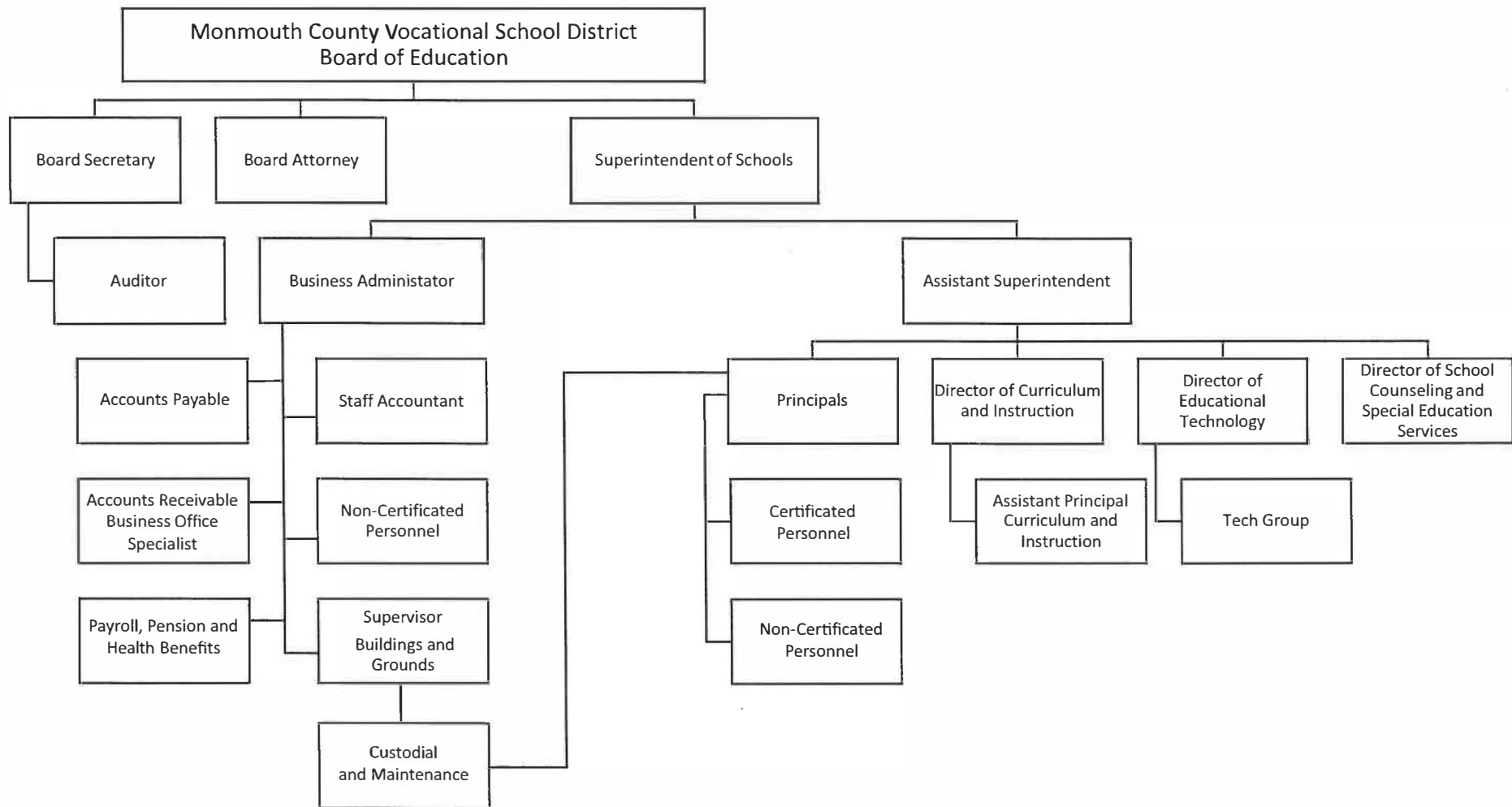
Respectfully submitted,



Charles R. Ford, Ed.D.  
Superintendent



Kelly Brazelton  
Business Administrator/Board Secretary



MONMOUTH COUNTY VOCATIONAL SCHOOLS  
BOARD OF EDUCATION  
MONMOUTH COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brian D. McAndrew, President	2023
Dennis Ingoglia, Vice President	2024
Anthony Schaible	2025

Lester W. Richens, Ed.D., Interim Executive County Superintendent

Other Officials

Charles R. Ford, Ed.D, Superintendent

Sean Meehan, Assistant Superintendent

Kelly Brazelton, Business Administrator/Board Secretary

Isabelle Machado, Esq., Solicitor

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

---

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Monmouth County Vocational School District  
County of Monmouth  
Freehold, New Jersey

### Report on the Financial Statement

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities of each major fund and the aggregate remaining fund information of the Board of Education of the Monmouth County Vocational School District (a component unit of the County of Monmouth), County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2022 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities of each major fund and the aggregate remaining fund information of the Board of Education of the Monmouth County Vocational School District, a component unit of the County of Monmouth), 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 Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Monmouth County Vocational School 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.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements.

Such information, 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.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth County Vocational School District's (a component unit of the County of Monmouth) basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Combining and Individual Fund Financial Statements, Long-term Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the Board of Education of the Monmouth County Vocational School District's (a component unit of the County of Monmouth) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Monmouth County Vocational School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Monmouth County Vocational School District internal control over financial reporting compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
March 3, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis (MD&A) of the Monmouth County Vocational School District's Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement-and Management's Discussion and Analysis-for State and Local Governments".

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

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 Monmouth County Vocational School District 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 with all other non-major funds presented in total in one column. In the case of the Monmouth County Vocational School District, the General Fund is by far the most significant.

The School Board's auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

## **Reporting the School District as a Whole**

### **Comparative Statement of Net Position and Comparative 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 Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis 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 change to the position. The 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. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2021-2022 fiscal year include the following:

As reported in the Statement of Activities in section A-2 the cost of all of the School Board’s governmental and business-type activities this year, including a charge for depreciation and amortization of \$122,079 was \$52,456,492. Of this amount, \$1,807,815 was paid through various operating grants, contributions and charges for services. Consequently, the net expense of \$52,456,492 after taking into consideration these fees and subsidies, amounts that were paid by the County of Monmouth (county contributions and contributed capital), the State of New Jersey (state education aid and entitlement grants), restricted Federal aid, other LEA’s (tuition), and from other miscellaneous revenue (interest, in-kind fees and fund transfers).

In the Comparative Statement of Net Position and the Comparative Statement of Activities, the School District is divided into two kinds of activities:

**Governmental Activities** — All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities and extracurricular activities.

**Business Type Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as business activities.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

The District maintains two (2) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund and special revenue fund and both are considered to be major funds.

The District adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 28-29 of this report.

## **Proprietary Funds**

The District maintains one proprietary fund type merely as an accommodation to a small group of students. Enterprise fund is used to report the same functions presented as a business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program. The basic proprietary fund financial statements can be found on pages 33-35 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 37-82 of this report.

## **Other Information**

The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 83-93 of this report.

## **The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2022 and 2021.



## **Government-wide Financial Statements**

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

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

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

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

## **THE SCHOOL BOARD'S FUNDS**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the County of Monmouth, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2022 it reported a combined net position balance of \$85,299,223. The Reconciliation of the Statement of Revenue and Expenditures, and Change in Net Position of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and change in net position.

The School Board's 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. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally expended less than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecast very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2022 and 2021.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85,299,223 at the close of fiscal 2022. The following table provides a summary of net position at June 30, 2022 and 2021 relating to the District's governmental and business-type activities:

**Table 1 – Comparative Summary of Net Position**

	June 30,	
	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current and Other Assets	\$ 4,095,147	\$ 3,031,008
Capital Assets, Net	<u>95,897,209</u>	<u>95,009,073</u>
Total Assets	<u>\$ 99,992,356</u>	<u>\$ 98,040,081</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension	<u>\$ 727,458</u>	<u>1,212,560</u>
<u>LIABILITIES</u>		
Current and Other Liabilities	\$ 1,703,993	\$ 828,775
Net Pension Liability	5,576,497	7,785,928
Long-term Liabilities	<u>4,237,745</u>	<u>3,924,617</u>
Total Liabilities	<u>\$ 11,518,235</u>	<u>\$ 12,539,320</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension	<u>\$ 3,902,356</u>	<u>\$ 3,762,116</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 95,569,025	\$ 95,009,073
Restricted	377,210	325,722
Unrestricted/(Deficit)	<u>(10,647,012)</u>	<u>(12,383,589)</u>
Total Net Position	<u>\$ 85,299,223</u>	<u>\$ 82,951,206</u>

The District's combined net position were \$85,299,223 on June 30, 2022. This is an increase of \$2,348,018 or 2.83% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Capital assets, net increased from the prior year due to the fact that acquisitions exceeded depreciation.

Total liabilities decreased due to a reduction of net pension liability.

Unrestricted net position increased mainly due to increases in the county capital contributions and other donated asset in excess of the depreciation. General fund encumbrances at June 30, 2022 totaled \$589,278 as compared with \$24,638 at June 30, 2021.

Table 2 shows the comparative changes in net position from fiscal year 2022 and 2021.

**Table 2 – Comparative Statement of Changes in Net Position**

	<u>2021-2022</u>	<u>2020-2021</u>
<b><u>Revenues</u></b>		
General Revenues:		
County Contribution	\$ 17,962,178	\$ 16,662,178
State Aid	17,803,680	22,566,811
Federal Aid	174,442	766,716
Miscellaneous Income	1,348,788	1,506,884
Tuition	<u>13,514,000</u>	<u>13,829,585</u>
 Total Revenues	 \$ <u>50,803,088</u>	 \$ <u>55,332,174</u>
<b><u>Functions/Program Expenses</u></b>		
Instruction:		
Regular Vocational Programs	\$ 638,319	\$ 968,144
Special Vocational Programs	18,865,597	18,356,749
Support services:		
Student and Instruction Related Services	4,092,338	3,982,417
School Administrative Services	3,164,071	3,023,455
Other Administrative Services	1,136,514	1,375,309
Operation and Maintenance of Plant	4,627,127	4,741,506
Unallocated Benefits	15,896,098	22,589,910
Special Schools	1,483,234	2,010,490
Unallocated Depreciation and Amortization	4,328,069	4,315,144
Interest	12,940	
Business-type Activities:		
Food Service	<u>20,000</u>	<u>23,100</u>
 Total Expenses	 \$ <u>54,264,307</u>	 \$ <u>61,386,224</u>
Less: Program Revenues	<u>(1,807,815)</u>	<u>(2,106,616)</u>
 District-Wide Net Expenses	 \$ <u>52,456,492</u>	 \$ <u>59,279,608</u>
 Net Change	 <u>(1,653,404)</u>	 <u>(3,947,434)</u>
 Add: Prior Period Adjustment		343,625
Less: Donated Assets	3,840,887	1,664,099
Contributed Capital	<u>159,512</u>	<u>4,767,582</u>
 Change in Net Position (A-2)	 \$ <u><u>2,346,995</u></u>	 \$ <u><u>2,827,872</u></u>

## The School District's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$54,546,163 and expenditures were \$54,279,077.

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 schedules present a comparative summary of the revenues of the general fund and special revenue fund for the fiscal years ended June 30, 2022 and June 30, 2021, and the amount of increase and decreases in relation to prior year revenues.

### Comparative Summary of Revenues

Revenue	2021-2022		2020-2021		Increase/ (Decrease) from 2020-2021 to 2021-2022
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 33,287,776	61.03%	\$ 32,212,439	62.32%	\$ 1,075,337
State Sources	19,437,402	35.63%	16,887,947	32.68%	2,549,455
Federal Sources	1,820,985	3.34%	2,580,107	4.99%	(759,122)
	<u>\$ 54,546,163</u>	<u>100.00%</u>	<u>\$ 51,680,493</u>	<u>100.00%</u>	<u>\$ 2,865,670</u>

Local revenues increased primarily because of additional county contribution (via budget appropriation).

Federal revenues decreased significantly due to non-recurring COVID related funds.

State revenue increased primarily due to an increase in on-behalf pension payments.

The following schedule presents a comparative summary of general fund and special revenue fund exclusive of capital lease expenditures for the fiscal years ended June 30, 2022 and June 30, 2021, and the increases and decreases in relation to prior year amounts.

### Comparative Summary of Expenditures

<u>Expenditures</u>	2021-2022		2020-2021		Increase/ (Decrease) from 2020-2021 to 2021-2022
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 19,624,766	36.16%	\$ 19,466,853	36.68%	\$ 157,913
Undistributed Expenditures	32,392,594	59.67%	30,610,061	57.68%	1,782,533
Capital Outlay	778,483	1.44%	984,223	1.85%	(205,740)
Special Schools	1,483,234	2.73%	2,010,490	3.79%	(527,256)
	\$ 54,279,077	100.00%	\$ 53,071,627	100.00%	\$ 1,207,450

Changes in expenditures were the results of varying factors. Current expense increased due to increase in health benefits and utility costs.

Of the 2021-2022 closing fund balance of \$2,616,458, \$589,278 is committed for year-end encumbrances, \$2,000,000 is assigned-designated for the subsequent year's budget, and \$27,180 is unassigned which is within the limits permitted by law.

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

### *STATEMENT OF REVENUE, EXPENSES AND CHANGE IN FUND BALANCE (EXHIBIT B-2)*

For the 2021-2022 school year, the School Board was able to sustain its general fund budget through the county contribution (via the county regular tax levy), state education aid, tuition, and local revenue sources. This was accomplished through tightened spending. State Aid makes up approximately 36.89% of the general fund revenue. The remaining revenue is comprised of 34.42% county contribution, 25.73% from tuition, 1.62% from other LEA's and 1.34% is from miscellaneous revenue, which among other things includes adult and post-secondary tuition. The county also continues to contribute towards the District's capital needs which during the fiscal year amounted to \$3,840,887 is reflected as non-recurring revenue since it doesn't support the operating budget.

### *STATEMENT OF NET POSITION (EXHIBIT A-1)*

The \$10,647,012 deficit in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities (early retirement obligation, compensated absences and the net pension liability), the School Board would be in deficit in the amount of \$10,647,012. There is no likelihood that all \$10.6 million in liabilities for compensated absences, lease obligations, and the net pension liability would come due in one year.

### *FUTURE*

At this time, the most important factor affecting the budget is the combined effects of the national and State economies and the State aid formula. The tax levy and tuition will be the areas that will need to absorb any increase in budget obligations. The effect of any decrease in future funding or enrollments may negatively impact revenue. The School Board anticipates maintaining the current level of enrollment for the 2022-2023 fiscal year, but due to the elective nature of its programs the School Board cannot accurately forecast future enrollment.

**CAPITAL ASSETS**

At June 30, 2022, the School Board had approximately \$162,088,655 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. The amount presented is net of accumulated depreciation to date. Table 4 shows fiscal 2022 balances compared to 2021.

**Table 4 – Capital Assets (Net of Depreciation) at June 30**

	<b>Governmental Activities</b>	
	2022	<i>[As Restated]</i> 2021
Land	\$ 662,000	\$ 662,000
Building and Building Improvements	90,427,060	89,478,187
Machinery and Equipment	4,479,965	4,868,886
Right to Use - Leased Assets	<u>328,184</u>	<u>392,741</u>
Total Capital Assets - Net of Depreciation and Amortization	<u>\$ 95,897,209</u>	<u>\$ 95,401,814</u>

Refer to Notes to *Financial* Statements (Note 5) for more detailed information.

**Debt Administration**

The School District had outstanding debt at June 30<sup>th</sup> as follows:

	<u>2022</u>	<i>[As Restated]</i> <u>2021</u>
Compensated Absences	\$ 3,909,561	\$ 3,924,617
Lease Obligation	<u>328,184</u>	<u>392,741</u>
Totals	<u>\$ 4,237,745</u>	<u>\$ 4,317,358</u>

Refer to Notes to Financial Statements (Note 6) for more detailed information.



## **General Fund Budgetary Highlights**

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described on the next page are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

### **Revenues**

- Actual miscellaneous revenue was less than the modified budgeted amount by approximately \$761,784 or 37.32% as a result mostly of a reduction in participation in the post-secondary program.

### **Expenditures**

- Total vocational programs – instruction final budget was higher than the original budget by \$151,488 or .75%. Actual expenditures of \$18,986,218 represented 94.25% of budget. The increase in the budget was caused by less of a need for expenditures for vocational instruction.
- Total instructional – final budget was higher than the original budget by \$161,949 or .86%. Actual total instructional expenditures were \$19,014,678 or 94.20% of the budget. The increase in the budget was caused by a reduced need for additional professional educational services.
- Undistributed – other operating and maintenance of plant were higher than the final budget by \$181,465 or .38% primarily due to higher than anticipated cleaning and maintenance costs and electric cost. Actual expenditures were \$4,082,554 or .83% of the final budget.
- Total employee benefit – final budget was lower than the original budget by \$22,255 or .23%. Expenditures, net of on-behalf payments, were \$8,239,127 or 87.90% of final budget. This was aided by favorable health benefits costs.

### **Expenditures (Continued)**

- Total undistributed – final budget was higher than the original budget by \$218,579 or .90%. Expenditures, net of on-behalf payments, were \$20,230,535 or 86.62% of final budget. This was aided by favorable health benefits costs.
- Total current expense portion of the budget as modified (final) was higher by \$380,527, or .16% lower than the adopted budget. Total expenditures net of on-behalf payments was \$39,241,213 or 90.15% of the budget.
- Total post-secondary program – final budget was lower than the original by \$351,753 or 24.5%. Actual expenditures were \$358,852 or 96.0% of final budget. This was caused by less participation.
- Total special school – final budget was lower by \$355,889 or .16%. Actual expenditures was \$1,483,234 or 83.98%. This was caused by less participation.
- The capital outlay portion of the budget mostly equipment was adjusted based on the needs of the District.

### **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Kelly Brazelton, Business Administrator, 4000 Kozloski Road, P.O. Box 5033, Freehold, NJ, 07728-5033, (732) 431-7942, extension 7944.



Charles R. Ford, Ed. D.  
Superintendent



Kelly Brazelton  
Business Administrator/Board Secretary

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,684,945.30	\$ 7,953.10	\$ 1,692,898.40
Receivables	2,402,248.42		2,402,248.42
Capital Assets:			
Non-depreciable	662,000.00		662,000.00
Depreciable	94,907,025.21		94,907,025.21
Leased - Right to Use	<u>328,183.64</u>		<u>328,183.64</u>
Total Assets	<u>\$ 99,984,402.57</u>	<u>\$ 7,953.10</u>	<u>\$ 99,992,355.67</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension	<u>\$ 727,458.00</u>		<u>\$ 727,458.00</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 792,331.88		792,331.88
Other Current Liabilities	210,027.71		210,027.71
Retainage Percentage due to Contractors	140,958.30		140,958.30
Unearned Revenue	560,675.20		560,675.20
Net Pension Liability	5,576,497.00		5,576,497.00
Noncurrent Debt:			
Due Within One Year	501,466.10		501,466.10
Due Beyond One Year	<u>3,736,278.54</u>		<u>3,736,278.54</u>
Total Liabilities	<u>\$ 11,518,234.73</u>		<u>\$ 11,518,234.73</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	<u>\$ 3,902,356.00</u>		<u>\$ 3,902,356.00</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	\$ 95,569,025.21		\$ 95,569,025.21
Restricted	377,209.74		377,209.74
Unrestricted/(Deficit)	<u>(10,654,965.11)</u>	<u>\$ 7,953.10</u>	<u>(10,647,012.01)</u>
Total Net Position	<u>\$ 85,291,269.84</u>	<u>\$ 7,953.10</u>	<u>\$ 85,299,222.94</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

Functions/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
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 638,319.15		\$ 610,088.22	\$ (28,230.93)		\$ (28,230.93)
Vocational Education	18,865,596.72			(18,865,596.72)		(18,865,596.72)
<b>Support Services:</b>						
<b>Student and Instruction</b>						
Related Services	4,092,337.92		984,683.91	(3,107,654.01)		(3,107,654.01)
Other Administrative Services	1,136,514.01			(1,136,514.01)		(1,136,514.01)
School Administrative Services	3,164,071.02			(3,164,071.02)		(3,164,071.02)
Plant Operations and Maintenance	4,627,127.70		60,243.50	(4,566,884.20)		(4,566,884.20)
Special Schools	1,483,233.52			(1,483,233.52)		(1,483,233.52)
Unallocated Benefits	15,896,098.07		152,799.26	(15,743,298.81)		(15,743,298.81)
Unallocated Depreciation	4,218,930.00			(4,218,930.00)		(4,218,930.00)
Interest Expense	12,939.54			(12,939.54)		(12,939.54)
Unallocated Amortization	109,139.34			(109,139.34)		(109,139.34)
<b>Total Governmental Activities</b>	<b>\$ 54,244,306.99</b>		<b>\$ 1,807,814.89</b>	<b>\$ (52,436,492.10)</b>		<b>\$ (52,436,492.10)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 51,494.84	\$ 32,517.50			\$ (18,977.34)	\$ (18,977.34)
<b>Total Business-Type Activities</b>	<b>\$ 51,494.84</b>	<b>\$ 32,517.50</b>			<b>\$ (18,977.34)</b>	<b>\$ (18,977.34)</b>
<b>Total</b>	<b>\$ 54,295,801.83</b>	<b>\$ 32,517.50</b>	<b>\$ 1,807,814.89</b>	<b>\$ (52,436,492.10)</b>	<b>\$ (18,977.34)</b>	<b>\$ (52,455,469.44)</b>
<b>General Revenues</b>						
<b>County Contribution -</b>						
General Purposes			\$ 17,962,178.00			\$ 17,962,178.00
Tuition Received			13,514,000.40			13,514,000.40
Federal and State Aid			17,978,121.79			17,978,121.79
Miscellaneous Income			1,348,787.61			1,348,787.61
<b>Total General Revenues</b>			<b>50,803,087.80</b>			<b>50,803,087.80</b>
<b>Excess of Revenue over Expense</b>			<b>\$ (1,633,404.30)</b>	<b>\$ (18,977.34)</b>		<b>\$ (1,652,381.64)</b>
<b>Non-Operating Revenues/(Expenses):</b>						
Contributed Capital - County			3,840,887.22			3,840,887.22
Other Donated Assets			159,511.96			159,511.96
Transfers			(20,000.00)	20,000.00		
<b>Total Non-Operating Revenues</b>			<b>3,980,399.18</b>	<b>20,000.00</b>		<b>4,000,399.18</b>
<b>Increase/(Decrease) in Net position</b>			<b>2,346,994.88</b>	<b>1,022.66</b>		<b>2,348,017.54</b>
<b>Net Position - Beginning</b>			<b>\$ 82,944,274.96</b>	<b>\$ 6,930.44</b>		<b>\$ 82,951,205.40</b>
			<b>82,944,274.96</b>	<b>6,930.44</b>		<b>82,951,205.40</b>
<b>Net Position - Ending</b>			<b>\$ 85,291,269.84</b>	<b>\$ 7,953.10</b>		<b>\$ 85,299,222.94</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**



**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,430,856.47	\$ 254,088.83	\$ 1,684,945.30
Intergovernmental Accounts Receivable	<u>2,103,727.59</u>	<u>298,520.83</u>	<u>2,402,248.42</u>
Total Assets	<u>\$ 3,534,584.06</u>	<u>\$ 552,609.66</u>	<u>\$ 4,087,193.72</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts Payable	\$ 27,818.50	\$ 154,046.38	\$ 181,864.88
Payroll Deductions and Withholdings Payable	210,027.71		210,027.71
Retainage Percentage due to Contractors	140,958.30		140,958.30
Unearned Revenue	<u>539,321.66</u>	<u>21,353.54</u>	<u>560,675.20</u>
Total Liabilities	<u>\$ 918,126.17</u>	<u>\$ 175,399.92</u>	<u>\$ 1,093,526.09</u>
Fund Balances:			
Restricted:			
Scholarships		\$ 13,126.14	\$ 13,126.14
Student Activities		364,083.60	364,083.60
Committed for other purposes	\$ 589,278.27		589,278.27
Assigned - Designated for Subsequent Year Expenditures	2,000,000.00		2,000,000.00
Unassigned	<u>27,179.62</u>		<u>27,179.62</u>
Total Fund Balances	<u>\$ 2,616,457.89</u>	<u>\$ 377,209.74</u>	<u>\$ 2,993,667.63</u>
Total Liabilities and Fund Balance	<u>\$ 3,534,584.06</u>	<u>\$ 552,609.66</u>	<u>\$ 4,087,193.72</u>
Total Fund Balances above			\$ 2,993,667.63
Amounts reported for <i>governmental activities</i> 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 governmental funds. The cost of capital assets is \$161,519,901.21 and the accumulated depreciation is \$65,950,876.00. (see Note 5)			95,569,025.21
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost basis of the asset is \$568,754.62 and the accumulated amortization is \$240,570.98. (See note 5)			328,183.64
Noncurrent liabilities, including compensated absences and lease obligation are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)			(4,237,744.64)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:			
Accrued Pension Liability			(610,467.00)
(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ended June 30, 2022, however will be raised in the budget for the fiscal year ending June 30, 2023) (See Note 8)			
Net Pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 8)			<u>(8,751,395.00)</u>
Net position of governmental activities (A-1)			<u>\$ 85,291,269.84</u>

See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b><u>REVENUES</u></b>			
Local sources:			
County Contribution	\$ 17,962,178.00		\$ 17,962,178.00
Tuition Charges	13,429,411.80		13,429,411.80
Non-Resident Fees	84,588.60		84,588.60
Other Restricted Miscellaneous	407,823.40		407,823.40
Miscellaneous	<u>871,392.93</u>	<u>\$ 532,381.20</u>	<u>1,403,774.13</u>
Total - Local Sources	32,755,394.73	532,381.20	33,287,775.93
State Sources	19,255,459.14	181,942.50	19,437,401.64
Federal Sources	<u>174,442.00</u>	<u>1,646,543.12</u>	<u>1,820,985.12</u>
Total Revenues	<u>\$ 52,185,295.87</u>	<u>\$ 2,360,866.82</u>	<u>\$ 54,546,162.69</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Regular Instruction	\$ 28,459.99	610,088.22	\$ 638,548.21
Vocational Education	18,986,217.75		18,986,217.75
Support Services and Undistributed Costs:			
Student and Instruction Related Services	3,109,122.57	984,683.91	4,093,806.48
School Administrative Services	3,176,129.17		3,176,129.17
Other Administrative Services	1,137,057.87		1,137,057.87
Plant Operations and Maintenance	4,569,098.42	60,243.50	4,629,341.92
Employee Benefits	19,203,459.81	152,799.26	19,356,259.07
Special Schools	1,483,233.52		1,483,233.52
Capital Outlay	<u>276,919.14</u>	<u>501,563.89</u>	<u>778,483.03</u>
Total Expenditures	<u>\$ 51,969,698.24</u>	<u>\$ 2,309,378.78</u>	<u>\$ 54,279,077.02</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>215,597.63</u>	<u>51,488.04</u>	<u>267,085.67</u>
Other Financing Sources/(Uses):			
Transfer In/(Out)			
Food Service Fund	<u>(20,000.00)</u>		<u>(20,000.00)</u>
Net Change in Fund Balance	\$ 195,597.63	\$ 51,488.04	\$ 247,085.67
Fund Balance July 1	<u>2,420,860.26</u>	<u>325,721.70</u>	<u>2,746,581.96</u>
Fund Balance - June 30	<u>\$ 2,616,457.89</u>	<u>\$ 377,209.74</u>	<u>\$ 2,993,667.63</u>

See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	247,085.67
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Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

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

Capital outlay	\$	778,483.03	
Depreciation expense		(4,218,930.00)	
County Contribution - Capital		3,840,887.22	
Other Donated Assets		<u>159,511.96</u>	559,952.21

Net pension (obligation)/benefit related to PERS which is attributable to June 30, 2022 not reported in governmental funds; however, it is reported in the statement of activities		1,524,901.00
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In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

15,056.00

Change in Net Position of Governmental Activities (A-2)	\$	<u><u>2,346,994.88</u></u>
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See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**ENTERPRISE FUND - PROPRIETARY FUND - FOOD SERVICE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

ASSETS

Current Assets:	
Cash and Cash equivalents	\$ <u>7,953.10</u>
Total Assets	\$ <u><u>7,953.10</u></u>

NET POSITION

Unrestricted	\$ <u>7,953.10</u>
Total Net Position	\$ <u><u>7,953.10</u></u>

See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**ENTERPRISE FUND - PROPRIETARY FUND - FOOD SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>OPERATING REVENUES</u>	<u>Food Service</u>
Local Sources:	
Daily sales - non-reimbursable programs	\$ <u>32,517.50</u>
Total operating revenues	<u>32,517.50</u>
 <u>OPERATING EXPENSES</u> 	
Cost of sales - Non Reimbursable	\$ <u>51,494.84</u>
Total operating expenses	<u>51,494.84</u>
Excess (deficit) of revenue over expenditures	\$ (18,977.34)
Operating transfers:	
Interfund - operating transfer in	<u>20,000.00</u>
Change in net position	<u>1,022.66</u>
Net position - beginning	<u>6,930.44</u>
Net position - ending	<u><u>\$ 7,953.10</u></u>

See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**ENTERPRISE FUND - PROPRIETARY FUND - FOOD SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 32,517.50
Payments to Suppliers	<u>(51,494.84)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(18,977.34)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfer from General Fund	\$ <u>20,000.00</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>20,000.00</u>
Net Increase in Cash and Cash Equivalents	\$ 1,022.66
Balance - Beginning of Year	<u>6,930.44</u>
Balance - End of Year	\$ <u><u>7,953.10</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash <u>Provided/(Used) by Operating Activities</u>	
Operating Gain/(Loss)	\$ <u>(18,977.34)</u>
Net Cash Provided by/(Used for) by Operating Activities	\$ <u><u>(18,977.34)</u></u>

See Accompanying Notes to Financial Statements

**BOARD OF EDUCATION**  
**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**GRANT/LOAN PROGRAM**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS - FIDUCIARY FUND**  
**JUNE 30, 2022**

<u>ASSETS</u>	Balance July 1, 2021	<u>Additions</u>	<u>Deletions</u>
Cash	\$ 64,619.35	\$ 236,070.00	\$ 300,689.35
Total Assets	<u>\$ 64,619.35</u>	<u>\$ 236,070.00</u>	<u>\$ 300,689.35</u>
 <u>LIABILITIES</u>  			
Accounts Payable	\$ 260.00		\$ 260.00
Deferred Revenue - Cares Act	64,359.32		64,359.32
Pell Grant Program	0.03	\$ 159,979.00	159,979.03
Federal Family Education Loan Program		<u>76,091.00</u>	<u>76,091.00</u>
Total Liabilities	<u>\$ 64,619.35</u>	<u>\$ 236,070.00</u>	<u>\$ 300,689.35</u>

See Accompanying Notes to Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials appointed by the County Board of Chosen Commissioners (the "Commissioners") and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include public school vocational education for secondary, post-secondary and adult students in the County of Monmouth, New Jersey. The District also operates five (5) career academics, a vocational education program and many shared time programs.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year.

GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. In accordance with this statement the District is a component unit of the County of Monmouth; however, the financial statements of the District are not reported in the County's financial statements in accordance with reporting requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (the "Board") of the Monmouth County Vocational School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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 more significant of the Board's accounting policies are described below.

**A. Basis of Presentation**

The 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 that provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county contributions, from business-type activities generally financed in whole or in part with fees charged to external parties.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation (Continued)**

**1. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

**2. Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**B. Fund Accounting**

The 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**

The District reports the following governmental funds:

**General Fund** – The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. The fund also includes payroll agency, payroll net, the unemployment reserve, flexible spending account, capital projects and retainage.

**Special Revenue Fund** – The District accounts for the proceeds of specific revenue sources (other than expendable trusts, major capital projects, enterprise or internal service funds) that are legally restricted to expenditures for specified purposes in the special revenue fund. The fund also includes scholarship account and students activity account.

**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). A county vocational school district by statute does not raise money for capital improvements through issuance of debt (N.J.S.18A:54-31).

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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. A county vocational school district by statute does not raise money for capital improvements through issuance of debt (N.J.S. 18A:54-31).

**2. Proprietary Fund**

The District reports the following proprietary fund:

**Enterprise Fund** – The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**3. Fiduciary Funds**

The District reports the following fiduciary funds:

**Trust and Agency Funds** – The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments or on behalf of other funds within the District. Pell Grant Program and a Stafford Loan Program are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**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 District are included on the Statement on Net Position.

**2. Fund Financial Statements**

All governmental 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus (Continued)**

**2. Fund Financial Statements (Continued)**

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 statement of net position. Fund equity (i.e., net 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 assets.

**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 noncurrent 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 county contribution (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 to be an "accounts receivable".

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.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared each year in advance for the general and special revenue funds. The budgets are submitted to the county office for review and approval and are subject to certain criteria within the tax levy CAP and appropriation CAP automatically enacted without voter approval. In the case of the District, the budget is subject to approval by the County Board of School Estimate. 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 subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the 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 yearend.

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

The over-expenditures 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 over-expenditures.

Refer to Exhibit C-3 for 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 and Special Revenue Funds basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. 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.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses 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.

5. Interfund Receivables/Payables

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.

6. 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.

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**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

6. Capital Assets (Continued)

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 under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	40 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-10 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

7. 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.



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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

8. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent 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.

9. Net Position

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Unearned Revenue

Unearned revenue in all funds represent program revenues that have been received but not yet earned.

11. 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.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

12. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

13. 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.

14. 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.

15. 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 not allocated. Depreciation expense is included in the direct expense column of the Statement of Activities.

16. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical 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.

17. 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.

18. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB Statement No. 68. This Statement amends GASB Statement No. 27. The District has also implemented GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB Statement #68. GASB Statement No. 68 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.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

18. Accounting and Financial Reporting for Pensions (Continued)

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 No. 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.

19. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")

In 2018 the District implemented GASB Statement No. 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. The GASB Statement No. 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.

20. GASB Statement No. 84 Fiduciary Activities

In 2021 the District implemented GASB Statement No. 84 Fiduciary Activities. The objective of this Statement is to improve reporting of fiduciary activities for accounting and financial reporting purposes. 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, unemployment reserve, flexible spending, capital projects and retainage percentage contractors accounts to the General Fund. The Special Revenue Fund was adjusted to include the student activity and scholarship accounts. There was no adverse impact on the financial statement of the District.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

21. GASB Statement No. 87 Leases

In June 2017 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District policy for lease is that all assets are capitalized. The District amortization is based on the maturity schedule which approximates the useful life of an asset. The lease liability is calculated using future lease payments, discounted the interest rate the lessor charges the lessee. If the interest rate cannot be readily determined by the lessee, the District uses the estimated incremental borrowing rate. The estimated incremental borrowing rate is 1.5% for the machine. The District adopted the requirements of the guidance effective July 1, 2021.

22. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Other Accounting Standards**

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

- *GASB Statement No. 91. Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The District does not expect this Statement to impact its financial statements.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards (Continued)**

- *GASB Statement 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective as follows:

(a) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

(b) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

(c) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

(d) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Implementation has been postponed to June 15, 2021. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 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 IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR).

Effective Date: The removal of LIBOR 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, 2021. Earlier application is encouraged. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 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).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). The District does not expect this Statement to impact its financial statement.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards (Continued)**

- *GASB Statement 95. Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019 and later.

Effective Date: The requirements of this Statement are effective immediately. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

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. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

- *GASB Statement 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* 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.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards (Continued)**

*GASB Statement 97. (Continued)*

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

• *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).*
- Disclosures related to nonmonetary transactions.



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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards (Continued)**

*GASB Statement 99. (Continued)*

- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.
- Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective 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 governments, 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, PPPSs, 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.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement 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. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 3, 2023, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

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 Statement No. 3 as amended by GASB Statement No. 40.

**A. Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that 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.

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 \$25,000,000.00.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

The District had no securities as of June 30, 2022 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

**C. Detail of Cash**

As of June 30, 2022 the District had funds in interest bearing checking account totaling \$4,111,589.69.

Reconciliation by Fund:	
Governmental	\$ 4,103,636.59
Proprietary	<u>7,953.10</u>
	<u>\$ 4,111,589.69</u>

Custodial Credit Risk – The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2022 which minimizes credit risk.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2022 consisted of Federal source, State source, County source and other LEA's for tuition. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>
General Fund	
Intergovernmental Accounts Receivable:	
State:	
TPAF - FICA Reimbursement	\$ 71,956.47
Secure Our Children's Future (Alyssa's Grant)	170,571.00
County of Monmouth - Capital Projects	316,385.98
Federal:	
Department of the Navy	40,428.34
LEA's:	
Tuition Receivable	1,500,777.00
Other	<u>3,608.80</u>
 Total General Fund	 \$ <u>2,103,727.59</u>
 Special Revenue Fund	
Federal:	
Title I	\$ 79,068.00
Title II	16,339.00
Title IV	3,302.55
IDEA	110,549.00
Adult Basic Education	7,781.44
ESSER II	26,140.36
CRRSA - Accelerated Learning	2,495.97
CRRSA - Mental Health	4,683.93
ARP - ESSER	<u>48,116.08</u>
	 \$ <u>298,476.33</u>
State:	
Perkins Post-Secondary	<u>44.50</u>
 Total Special Revenue Fund	 \$ <u>298,520.83</u>
	 \$ <u><u>2,402,248.42</u></u>

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**5. CAPITAL ASSETS, NET**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance [As Adjusted]	Additions	Transfers (Retirements)	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 662,000.00			\$ 662,000.00
Total capital assets not being depreciated	<u>662,000.00</u>			<u>662,000.00</u>
Capital assets being depreciated:				
Building and Building Improvements	144,337,563.00	\$ 4,325,411.21		148,662,974.21
Machinery and Equipment	11,754,398.00	453,471.00	\$ (12,942.00)	12,194,927.00
Total at historical cost	<u>156,091,961.00</u>	<u>4,778,882.21</u>	<u>(12,942.00)</u>	<u>160,857,901.21</u>
Less accumulated depreciation for:				
Building and Building Improvements	(54,859,376.00)	(3,376,538.00)		(58,235,914.00)
Machinery and Equipment	(6,885,512.00)	(842,392.00)	12,942.00	(7,714,962.00)
Total accumulated depreciation	<u>(61,744,888.00)</u>	<u>(4,218,930.00)</u>	<u>12,942.00</u>	<u>(65,950,876.00)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>94,347,073.00</u>	<u>559,952.21</u>		<u>94,907,025.21</u>
Right to Use - Leased assets:				
Lease equipment	524,172.41	44,582.21		568,754.62
Less: accumulated amortization	<u>(131,431.64)</u>		<u>(109,139.34)</u>	<u>(240,570.98)</u>
Total leased assets	<u>392,740.77</u>	<u>44,582.21</u>	<u>(109,139.34)</u>	<u>328,183.64</u>
Governmental activities capital assets, net	<u>\$ 95,401,813.77</u>	<u>\$ 604,534.42</u>	<u>\$ (109,139.34)</u>	<u>\$ 95,897,208.85</u>
<u>Detail of additions</u>				
Governmental Activities:				
General Fund		\$ 276,919.14		
Special Revenue Fund		501,563.89		
Capital Projects Fund - County Capital		3,840,887.22		
Other Donated Assets		159,511.96		
		<u>\$ 4,778,882.21</u>		

Note: The July 1, 2021 beginning balance includes right-to-use assets (\$392,740.77 net amount) due to the implementation of GASB Statement No. 87, *Leases*. The accounting standard states that it should be applied retroactively by restating beginning net position. However, due to the insignificant impact of this implementation to the District's capital assets – as well as the financial statements – as a whole, management deemed that a restatement of beginning net position related to GASB 87 was not considered necessary.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**6. UNEARNED REVENUE**

Cash receipts that are earmarked for use in subsequent year as of June 30, 2022 is as follows:

General Fund:	
Prepaid Summer School	\$ 39,321.66
NJ Grant Advance	500,000.00
	<u>\$ 539,321.66</u>
Special Revenue Fund:	
State:	
SDA Emergent Needs	\$ 11,125.00 *
Local:	
NJSBIG	2,345.75 *
Federal:	
CRRSA - Stabilization	7,882.79
	<u>\$ 21,353.54</u>
	<u>\$ 560,675.20</u>

\* Items are actually encumbered (budgetary basis of accounting), however under GAAP are "Unearned Revenues".

**7. NONCURRENT DEBT**

During the fiscal year ended June 30, 2022 the following changes occurred in noncurrent liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
<u>Governmental Activities:</u>						
Compensated						
Absences Payable	\$ 3,924,617	_____	\$ 15,056	\$ 3,909,561	\$ 390,956	\$ 3,518,605
Lease Obligation	392,741	\$ 44,582	109,139	328,184	110,510	217,674
	<u>\$ 4,317,358</u>	<u>\$ 44,582</u>	<u>\$ 124,195</u>	<u>\$ 4,237,745</u>	<u>\$ 501,466</u>	<u>\$ 3,736,279</u>

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 statement of net position 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 obligation, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating 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.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**7. NONCURRENT DEBT (CONTINUED)**

Leases (Continued)

The District adopted this new accounting standard on July 1, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning net position. 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 \$568,754.62 and recognition of the right-of-use assets of approximately \$328,183.64 net of liabilities.

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

The District entered into lease purchase agreements for school copy machines. The future minimum lease obligations for the machine and the net present value of the future payments, with imputed rates approximately from .40% to 1.10% at June 30, 2022 are as follows:

Total minimum lease payments for 2023	\$	347,546.26
Less: Amount representing interest		19,362.62
Present value of minimum lease payments	\$	328,183.64

The future minimum lease obligations and the net present value of these minimum lease payments are as follows

Year Ending June 30	Leases		Total
	Principal	Interest	
2023	\$ 110,518.00	\$ 9,687.81	\$ 120,205.81
2024	91,207.31	5,961.59	97,168.90
2025	82,548.30	2,943.06	85,491.36
2026	39,570.69	770.16	40,340.85
2027	4,339.34	74.98	4,414.32
	\$ 328,183.64	\$ 19,437.60	\$ 347,621.24

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. 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 that 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 of Pension 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.

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

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

**Description of Plans (Continued)**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Funding Policy:** The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

**Funding Policy (Continued):**

Three-Year Trend Information for PERS (Paid on-behalf of the District)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Annual Pension</u> <u>Net Cost</u> <u>to District</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Employee</u> <u>Contribution</u>
2022	\$ 551,279	100%	\$ 260,205
2021	522,304	100%	263,948
2020	473,542	100%	261,326

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Cost</u> <u>(APC)</u>	<u>APC</u> <u>Contributed</u>	<u>Pension</u>		<u>TPAF</u> <u>FICA</u>
			<u>Total</u> <u>On-Behalf of</u>	<u>Employee</u> <u>Contribution</u>	
2022	\$ None	100%	\$ 7,697,037	\$ 1,527,507	\$ 1,466,284
2021	None	100%	5,465,528	1,559,690	1,469,714
2020	None	100%	4,150,228	1,556,462	1,490,001

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$7,697,037 to the TPAF for normal pension and insurance. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,469,714 during the year ended June 30, 2021 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 No. 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS)**

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2021 and June 30, 2020 [*the measurement dates*] Independent Auditor's Report dated July 21, 2022 and June 4, 2021, respectively.

The District reported a liability of \$5,576,497 and \$7,785,928 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and June 30, 2020 (*the Measurement Date*), respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The proportion of PERS pension liabilities is as follows:

	<i>[Measurement Date]</i>	
	June 30,	
	<u>2021</u>	<u>2020</u>
District Proportionate Share	0.0470729538 %	0.0477447972 %
Difference - Decrease	(0.0006718434)	

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2022 were seven and 50/100<sup>th</sup> percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

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

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2022, the District recognized pension benefit of \$1,524,901. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 29,042	\$ 1,985,269
Difference between expected and actual experience	87,949	39,921
Net difference between projected and actual earnings on pension plan investments		1,468,996
Changes in proportion		408,170
District contributions subsequent to the measurement date	<u>610,467</u>	
Total	<u>\$ 727,458</u>	<u>\$ 3,902,356</u>

The \$610,467 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, 2023. 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	\$ (1,301,929)
2023	(929,574)
2024	(633,811)
2025	(476,437)
2026	185,190

**Additional Information**

Collective balances (Local Group) are as follows:

	<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	11,972,782,878	16,435,616,421
Collective total pension expense/(benefit)	(1,599,674,464)	407,305,399
District's proportion (of Local Group)	0.0407295380 %	0.0477447972 %

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

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 rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on year of service)
Thereafter	3.00-7.00% (based on year of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on 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 one period July 1, 2014 to June 30, 2018.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 (*measurement date*) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50	8.71
Emerging Market Equities	5.50	0.96
Private Equity	13.00	11.30
Real Assets	3.00	7.40
Real Estate	8.00	9.15
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 will be made based on 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments was applied to at projected benefit payments after that date in determining the total pension liability.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021 [ <i>Measurement Date</i> ]		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 7,594,039	\$ 5,576,497	\$ 3,864,301

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at [www.state.nj.us/treasury/pensions/pers1](http://www.state.nj.us/treasury/pensions/pers1).

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

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2021 and June 30, 2020 [*measurement dates*] Independent Auditor's Reports dated July 21, 2022 and June 4, 2021, respectively.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	None
State's proportionate share associated with the District	\$ 88,703,512
	\$ 88,703,512

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

The net pension liability was measured as of June 30, 2021 [*measurement date*] and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The proportion of the TPAF net pension liability associated with the District is as follows:

	June 30,	
	2021	2020
District Proportionate Share	0.1845099607 %	0.1858840879 %
Difference - Decrease	(0.0013741272)	

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$2,087,233 for contributions provided by the State.

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% (based on year of service)
Thereafter	2.75% - 5.65% (based on year of service)
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 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.



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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50	8.71
Emerging Market Equities	5.50	0.96
Private Equity	13.00	11.30
Real Assets	3.00	7.40
Real Estate	8.00	9.15
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 will be made based on 100% of the actuarially determined contribution for the state most recent fiscal years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**8. PENSION PLANS (CONTINUED)**

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

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

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2022 (*measurement date June 30, 2021*) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	At 1% Increase <u>8.00%</u>
State's proportionate share of net pension associated with the District	\$ 104,951,071	\$ 88,703,512	\$ 75,059,078

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group are as follows:

	<u>June 30 [Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources	\$ 6,373,530,834	\$ 9,859,140,982
Deferred inflows of resources	27,175,330,929	14,409,361,877
Net pension liability	48,075,188,642	65,993,498,688
Total expenses - non-employer	1,133,770,138	4,114,319,534
District share of liability	0.1845099607 %	0.1858840879 %

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)**

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2021 and June 30, 2020 [*measurement dates*] Independent Auditor’s Reports dated January 18, 2023 and January 21, 2022, respectively.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2021 the State paid PRM benefits for 142,895 State and local retirees.

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 NJSA 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

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

At June 30, 2020 the following employees (*statewide*) were covered by the benefit terms:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,247
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>None</u>
Total Plan Members	<u><u>364,148</u></u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Three-Year Trend Information for TPAF Medical (Paid on-behalf of the District)

Fiscal Year Ended <u>June 30,</u>	<u>Post-Retirement Medical</u>
2022	\$ 1,798,339
2021	1,712,812
2020	1,539,659

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 District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent.

The District 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. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The following OPEB liability note information is reported at the board of education level. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/fr.shtml>). The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net OPEB Liability:	
District's proportionate share	None
State's proportionate share associated with the District	<u>\$ 98,289,632</u>
	<u>\$ 98,289,632</u>

The proportion of the PERS and TPAF OPEB collective liability that is associated with the District is as follows:

<u>June 30, [Measurement Date]</u>	
<u>2021</u>	<u>2020</u>
0.1637951660 %	0.1622596070 %

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 [*Measurement Date*] 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:

Inflation rate	2.50%	
	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>
	<i>(based on service years)</i>	<i>(based on service years)</i>
Salary increases:		
through 2026	1.55%-4.45%	2:00-6.00%
Thereafter	2.75%-5.65%	3.00-7.00%

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

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

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage, 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

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 (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 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 decreases to 4.50% after eleven (11) years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven (11) years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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.

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

The following represents the total nonemployer OPEB liability as of June 30, 2021, 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 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2021 [ <i>Measurement Date</i> ]		
At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
\$ 117,735,549	\$ 98,289,632	\$ 82,977,139

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

The following represents the total nonemployer OPEB liability as of June 30, 2021, 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 healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2021 [ <i>Measurement Date</i> ]		
Healthcare Cost		
1% Decrease	Trend Rate	1% Increase
\$ 79,565,776	\$ 98,289,632	\$ 123,434,386

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

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

Shown below are details regarding the Total OPEB Liability associated with the District for the measurement period from June 30, 2020 to June 30, 2021.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020 [ <i>Measurement Date</i> ]	\$ 110,028,179
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 4,744,057
Interest on the Total OPEB Liability	2,549,737
Difference between Expected and Actual Experience	(17,081,400)
Changes of Assumptions	96,970
Gross Benefit Payments	(2,008,478)
Changes in Benefit Terms	(104,617)
Contributions from the Member	65,184
Net Changes	\$ (11,738,547)
Balance as of June 30, 2021 [ <i>Measurement Date</i> ]	\$ 98,289,632

Changes of assumptions and other inputs reflect a change in the discount rate of 2.21% as of June 30, 2020 and 2.16% as of June 30, 2021.

The components of the Net OPEB Liability as of June 30, 2021 are as follows:

	<u>[Measurement Date]</u> <u>June 30, 2021</u>
Total OPEB Liability	\$ 98,289,632
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 98,289,632
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	\$ 5,472,883

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

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 \$5,472,883 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District 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:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2021 under GASB No. 75 prior to any reduction due to the Fiscal Year 2022 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of Assumptions	\$ 16,673,590	\$ 10,545,562
Changes in Proportion	2,492,956	1,148,658
Differences between Actual and Expected Experience	<u>14,816,725</u>	<u>29,498,466</u>
Total	<u>\$ 33,983,271</u>	<u>\$ 41,192,686</u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense (revenues) as follows:

Measurement Period Ending June 30,	
2022	\$ (1,936,555)
2023	(1,936,555)
2024	(1,936,555)
2025	(1,936,555)
2026	(1,376,864)
Total Thereafter	569,372

Pension Plan Fiduciary Net Position

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



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)**

Additional Information

Collective balances of the Local Education Group are as follows:

	June 30,	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources	\$ 21,546,947,255	\$ 24,023,298,802
Deferred inflows of resources	26,769,148,205	19,101,933,244
Net OPEB liability	60,007,650,970	67,809,962,608
OPEB Expense	3,527,672,060	3,337,755,596
District's proportionate share	0.1637951660 %	0.1622596070 %

Other

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

**10. 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 various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

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 proprietary fund types.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**11. DEFERRED COMPENSATION**

IRS Code Section 403(b)

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

AXA Equitable	T-Rowe Price
Siracusa	C&A Financial Group

**12. 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 an 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.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employer</u>	<u>Employee</u>
2022	\$ 9,724.52	\$ 5,249.70
2021	8,567.43	11,636.48
2020	12,314.00	22,576.00

**13. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Property and Liability Insurance:** The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**13. RISK MANAGEMENT (CONTINUED)**

**Health Benefits**

The District has opted for the traditional premium based health benefits plan for its employees and the premium is paid monthly on a per employee basis.

**14. FEDERAL LOAN PROGRAMS**

**A. Federal Family Education Loan (FFEL) Program – Stafford**

The District assisted post-secondary students in obtaining Stafford Loans under the Federal Family Education Loan (FFEL) Program to help defray tuition and related costs. The loans are made by lending institutions and guaranteed by State or regional guaranty agencies and underwritten by the Federal government. When loans are approved the proceeds are reviewed by the District and tuition is deducted by the District and the remaining proceeds are disbursed to the student. The receipts and disbursements relating to the Stafford Loans are reflected in the District's agency fund and the Schedule of Federal Financial Assistance.

**B. Pell Grant Program**

The District assisted post-secondary students in obtaining Pell Grants to help defray tuition and related costs. The grants are made by the U.S. Department of Education and proceeds are distributed directly to the District. The proceeds are reviewed by the District and tuition deducted, if applicable. Any remaining proceeds are then disbursed to the student. The receipts and disbursements relating to the Pell Grant Program are reflected in the District's agency fund and the Schedule of Federal Financial Assistance.

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,616,457.89 General Fund fund balance at June 30, 2022, \$589,278.27 is assigned for other purposes (encumbrances); \$2,000,000.00 is assigned – designated for subsequent year's expenditures and \$27,179.62 is unassigned.

**Special Revenue Fund** – Of the \$377,209.74 Special Revenue Fund fund balance, \$13,126.14 is restricted for scholarships and \$364,083.60 is restricted for student activities.

**16. CONTINGENCIES AND COMMITMENTS**

**A. Grant Programs** – The school district participates in federal, state and locally assigned grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**B. Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**16. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

- C. Contracts/Retainage Payable** – The District has established an escrow fund for the handling of all retainage due to the various contractors. The balance as of June 30, 2022 is \$140,958.30 and is included in the General Fund.
- D. Due from County of Monmouth** – The District has incurred expenditures for its capital program which are funded by the County of Monmouth. The District in the normal course of business procures the services and as expenditures are incurred, reimbursement is sought and within a reasonable period of time, the funds are received. The balance due from the County as of June 30, 2022 is \$316,385.98. There are also commitments outstanding in the amount of \$1,257,498.77 as of June 30, 2022, resulting from District authorizations during the year which upon completion will be reimbursed by the County and therefore, not setup as a reserve liability.
- E. Administrative Office** – The District's Administrative Offices are located in a county owned complex in East Freehold (Township). There is no rental fee and the District is responsible for its own utilities.
- F. Contractual Commitments** – The District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$589,278.27.
- G. Unemployment Reserve** – The District has adopted the reimbursement method for its unemployment claims. The balance reflected is included in the payroll deduction payable in the general fund is for the most part employee contributions. The balance at June 30, 2022 is \$197,794.72.

**17. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess surplus at June 30, 2022.

**18. ECONOMIC DEPENDENCY**

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

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**19. RECONCILIATION OF FUND BALANCE – GENERAL FUND**

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

	<u>Unassigned</u>
Balance on a budget basis on the General Fund budgetary basic comparison	\$ 831,176.62
Less: Allocation of state aid payment of not recognized on a GAAP basis - \$803,997.00	<u>803,997.00</u>
	<u>\$ 27,179.62</u>

**20. TAX ABATEMENTS**

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

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

The county of Monmouth has 53 municipalities, some of which provide for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the County of Monmouth are indeterminate. Taxes abated include municipal, local school and county taxes.

**21. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$162,088,656 indicated as part of the Governmental Activities net position is calculated as follows:

	<u>Amount</u>
Capital assets, net of depreciation	\$ 95,897,209
Less: Lease Obligation	<u>(328,184)</u>
	<u>\$ 95,569,025</u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**22. COVID-19 CORONAVIRUS PANDEMIC**

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the District (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its June 30, 2022 financial statements (*audited*). A significant portion of the revenue to support the District operations is state aid and taxation passed through the county budget; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

**23. PRIOR PERIOD ADJUSTMENT GASB STATEMENT No. 87**

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

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Official Budget</u>	<u>Prior Year Encumbered</u>	<u>Original Budget</u>	<u>Transfers In/(Out)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget to Actual</u>
Revenues:							
Local Sources:							
County Contribution	\$ 17,962,178.00		\$ 17,962,178.00		\$ 17,962,178.00	\$ 17,962,178.00	
Tuition	14,555,655.00		14,555,655.00		14,555,655.00	13,429,411.80	\$ (1,126,243.20)
Non-Resident Fees	99,705.00		99,705.00		99,705.00	84,588.60	(15,116.40)
Miscellaneous	885,000.00		885,000.00		885,000.00	871,392.93	(13,607.07)
Other Restricted Miscellaneous Revenues	<u>1,156,000.00</u>		<u>1,156,000.00</u>		<u>1,156,000.00</u>	<u>407,823.40</u>	<u>(748,176.60)</u>
Total Local Sources	<u>34,658,538.00</u>		<u>34,658,538.00</u>		<u>34,658,538.00</u>	<u>32,755,394.73</u>	<u>(1,903,143.27)</u>
State Sources:							
Categorical Special Education Aid	1,572,980.00		1,572,980.00		1,572,980.00	1,572,980.00	
Vocational Expansion Stabilization Aid	3,389,597.00		3,389,597.00		3,389,597.00	3,389,597.00	
Equalization Aid	2,949,050.00		2,949,050.00		2,949,050.00	2,949,050.00	
Categorical Security Aid	208,928.00		208,928.00		208,928.00	208,928.00	
Law Compliance & School Security Grant (Alyssa's Law)				\$ 170,571.00	170,571.00	170,571.00	
Nonbudgeted:							
On-behalf TPAF Pension						7,697,037.00	7,697,037.00
On-behalf TPAF Post-Retirement Medical Contributions						1,798,339.00	1,798,339.00
On-behalf TPAF Long-Term Disability Insurance						2,673.00	2,673.00
Reimbursed TPAF Social Security Contributions						<u>1,466,284.14</u>	<u>1,466,284.14</u>
Total State Sources	<u>8,120,555.00</u>		<u>8,120,555.00</u>	<u>170,571.00</u>	<u>8,291,126.00</u>	<u>19,255,459.14</u>	<u>10,964,333.14</u>
Federal Sources:							
HEERF Grant				174,442.00	174,442.00	174,442.00	
Total Federal Sources				<u>174,442.00</u>	<u>174,442.00</u>	<u>174,442.00</u>	
Total Revenues	\$ <u>42,779,093.00</u>		\$ <u>42,779,093.00</u>	\$ <u>345,013.00</u>	\$ <u>43,124,106.00</u>	\$ <u>52,185,295.87</u>	\$ <u>9,061,189.87</u>



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures:							
Current Expense:							
Instruction:							
Regular Programs - Home Instruction:							
Salaries of Teachers	\$ 12,000.00		\$ 12,000.00	\$ 11,229.50	\$ 23,229.50	\$ 23,229.50	
Other Purchased Services	6,000.00		6,000.00	(769.51)	5,230.49	5,230.49	
Total Regular Programs - Home Instruction	18,000.00		18,000.00	10,459.99	28,459.99	28,459.99	
Regular Vocational Programs - Instruction:							
Salaries of Teachers	14,788,395.53		14,788,395.53	\$ 75,428.73	14,863,824.26	14,376,836.43	\$ 486,987.83
Other Salaries for Instruction	7,000.00		7,000.00	815.27	7,815.27	7,815.27	
Purchased Professional - Educational Services	168,890.00		168,890.00	154,135.50	323,025.50	321,328.46	1,697.04
Other Purchased Services	1,094,320.00		1,094,320.00	29,011.43	1,123,331.43	1,087,975.61	35,355.82
General Supplies	822,697.00		822,697.00	(65,346.02)	757,350.98	527,946.02	229,404.96
Textbooks	209,904.57		209,904.57	(479.65)	209,424.92	198,484.78	10,940.14
Other Objects	217,050.00		217,050.00	(37,830.16)	179,219.84	144,335.23	34,884.61
Total Regular Vocational Programs - Instruction	17,308,257.10		17,308,257.10	155,735.10	17,463,992.20	16,664,721.80	799,270.40
Special Vocational Programs - Instruction:							
Salaries of Teachers	2,365,663.00		2,365,663.00	(24,231.32)	2,341,431.68	2,064,275.73	277,155.95
Purchased Professional - Educational Services	36,115.00		36,115.00	(6,000.00)	30,115.00	9,283.60	20,831.40
Other Purchased Services	56,700.00		56,700.00	30,231.32	86,931.32	76,670.47	10,260.85
General Supplies	218,295.00		218,295.00	(3,435.48)	214,859.52	164,978.13	49,881.39
Textbooks	3,165.80		3,165.80	1,237.28	4,403.08	3,955.02	448.06
Other Objects	4,500.00		4,500.00	(2,048.06)	2,451.94	2,333.00	118.94
Total Special Vocational Programs - Instruction	2,684,438.80		2,684,438.80	(4,246.26)	2,680,192.54	2,321,495.95	358,696.59
Total Vocational Programs - Instruction	19,992,695.90		19,992,695.90	151,488.84	20,144,184.74	18,986,217.75	1,157,966.99
Total - Instruction	20,010,695.90		20,010,695.90	161,948.83	20,172,644.73	19,014,677.74	1,157,966.99

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures:							
Health Services:							
Salaries	\$ 469,820.00		\$ 469,820.00	\$ 40,346.05	\$ 510,166.05	\$ 510,165.65	\$ 40
Other Purchased Services	64,200.00		64,200.00	(42,306.50)	21,893.50	21,736.05	157.45
Supplies and Materials	9,140.00		9,140.00	(352.92)	8,787.08	5,334.74	3,452.34
Other Objects	9,050.00		9,050.00	(3,230.63)	5,819.37	2,819.84	2,999.53
Total Health Services	552,210.00		552,210.00	(5,544.00)	546,666.00	540,056.28	6,609.72
Other Support Students - Regular:							
Salaries of Other Professional Staff	1,546,948.63		1,546,948.63	(285.91)	1,546,662.72	1,512,261.04	34,401.68
Salaries of Secretarial and Clerical Assistants	39,386.69		39,386.69	224.11	39,610.80	39,610.80	
Other Salaries	115,091.59		115,091.59		115,091.59	114,702.00	389.59
Other Purchased Services	110,800.00		110,800.00	9,620.78	120,420.78	88,757.63	31,663.15
Supplies and Materials	9,250.00		9,250.00	(2,414.05)	6,835.95	1,192.69	5,643.26
Other Objects	2,050.00		2,050.00		2,050.00		2,050.00
Total Other Support Students - Regular	1,823,526.91		1,823,526.91	7,144.93	1,830,671.84	1,756,524.16	74,147.68
Other Support Services Students - Special:							
Salaries of Other Professional Staff	285,570.00		285,570.00	14,220.00	299,790.00	125,138.35	174,651.65
Other Purchased Services	200.00		200.00		200.00		200.00
Supplies and Materials	100.00		100.00		100.00		100.00
Total Other Support Services Students - Special	285,870.00		285,870.00	14,220.00	300,090.00	125,138.35	174,951.65
Improvement of Instructional Services:							
Salaries of Supervisor of Instruction	168,639.17		168,639.17	(386.65)	168,252.52	167,362.63	889.89
Salaries of Other Professional Staff	52,000.00		52,000.00		52,000.00		52,000.00
Salaries of Secretarial and Clerical Assistant	22,578.23		22,578.23	386.65	22,964.88	22,964.88	
Supplies and Materials	1,300.00		1,300.00	(150.00)	1,150.00	259.50	890.50
Other Objects	1,000.00		1,000.00	1,618.00	2,618.00	2,500.00	118.00
Total Improvement of Instructional Services	245,517.40		245,517.40	1,468.00	246,985.40	193,087.01	53,898.39

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Educational Media Services/School Library:							
Salaries	\$ 148,949.38		\$ 148,949.38	\$ (2,171.99)	\$ 146,777.39	\$ 95,076.78	\$ 51,700.61
Other Purchased Services	200.00		200.00		200.00		200.00
Supplies and Materials	4,000.00		4,000.00		4,000.00	2,959.85	1,040.15
Total Educational Media Services/School Library	<u>153,149.38</u>		<u>153,149.38</u>	<u>(2,171.99)</u>	<u>150,977.39</u>	<u>98,036.63</u>	<u>52,940.76</u>
Instructional Staff Training Services:							
Salaries of Supervisor of Instruction	82,915.00		82,915.00		82,915.00	82,914.96	.04
Salaries of Other Professional Staff	97,724.17		97,724.17	(1,232.42)	96,491.75	89,066.38	7,425.37
Salaries of Secretarial and Clerical Assistants	22,578.25		22,578.25	386.87	22,965.12	22,965.12	
Other Purchased Services	54,200.00		54,200.00	(1,105.81)	53,094.19	42,509.90	10,584.29
Other Objects	27,060.00		27,060.00	1,137.81	28,197.81	10,131.88	18,065.93
Total Instructional Staff Training Services	<u>284,477.42</u>		<u>284,477.42</u>	<u>(813.55)</u>	<u>283,663.87</u>	<u>247,588.24</u>	<u>36,075.63</u>
Support Services General Administration:							
Salaries	333,225.33		333,225.33	845.55	334,070.88	334,070.88	
Legal Services	98,000.00		98,000.00	(10,000.00)	88,000.00	58,021.18	29,978.82
Audit Fees	38,000.00		38,000.00	(2,000.00)	36,000.00	33,900.00	2,100.00
Other Purchased Professional Services	33,000.00		33,000.00	10,000.00	43,000.00	41,675.10	1,324.90
Communications/Telephone	160,000.00		160,000.00		160,000.00	92,595.27	67,404.73
BOE - Other Purchased Services	4,000.00		4,000.00	(1,120.93)	2,879.07	2,484.00	395.07
Other Purchased Services	13,500.00		13,500.00		13,500.00	11,643.86	1,856.14
General Supplies	13,000.00		13,000.00	(400.00)	12,600.00	7,185.73	5,414.27
Miscellaneous Expenditures	1,000.00		1,000.00	2,837.25	3,837.25	3,836.37	0.88
BOE - Membership Dues & Fees	18,000.00		18,000.00	(437.25)	17,562.75	17,467.65	95.10
Total Support Services General Administration	<u>711,725.33</u>		<u>711,725.33</u>	<u>(275.38)</u>	<u>711,449.95</u>	<u>602,880.04</u>	<u>108,569.91</u>
Support Services School Administration:							
Salaries of Principals/Assistant Principals	1,703,060.24		1,703,060.24	101,986.28	1,805,046.52	1,803,455.53	1,590.99
Salaries of Secretarial and Clerical Assistants	755,494.84		755,494.84	(27,299.15)	728,195.69	725,252.93	2,942.76
Other Purchased Services	11,300.00		11,300.00	9,932.00	21,232.00	10,573.67	10,658.33
Supplies and Materials	46,080.00		46,080.00	(1,148.16)	44,931.84	32,131.82	12,800.02
Other Objects	5,300.00		5,300.00	(1,679.00)	3,621.00	1,835.18	1,785.82
Total Support Services School Administration	<u>2,521,235.08</u>		<u>2,521,235.08</u>	<u>81,791.97</u>	<u>2,603,027.05</u>	<u>2,573,249.13</u>	<u>29,777.92</u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Central Services:							
Salaries	\$ 683,284.20		\$ 683,284.20	\$ (7,239.37)	\$ 676,044.83	\$ 569,712.13	\$ 106,332.70
Purchased Professional Services	66,000.00		66,000.00	10,558.72	76,558.72	75,358.72	1,200.00
Purchased Technical Services				665.00	665.00	665.00	
Miscellaneous Purchased Services	27,300.00		27,300.00	(4,273.98)	23,026.02	21,733.94	1,292.08
Supplies and Materials	9,000.00		9,000.00	(6,597.00)	2,403.00	986.44	1,416.56
Miscellaneous Expenditures	5,000.00	\$ 282.00	5,282.00	15,080.13	20,362.13	20,291.95	70.18
Total Central Services	790,584.20	282.00	790,866.20	8,193.50	799,059.70	688,748.18	110,311.52
Administrative Information Technology:							
Salaries	387,783.20		387,783.20	(3,000.00)	384,783.20	384,607.70	175.50
Other Purchased Services	285,301.83		285,301.83		285,301.83	72,558.71	212,743.12
Supplies and Materials	5,000.00		5,000.00		5,000.00	3,815.52	1,184.48
Total Administrative Information Technology	678,085.03		678,085.03	(3,000.00)	675,085.03	460,981.93	214,103.10
Required Maintenance for School Facilities:							
Cleaning, Repairing and Maintenance Services	568,000.00	\$ 9,327.01	577,327.01	(55,822.17)	521,504.84	368,707.23	152,797.61
Lead Testing of Drinking Water				11,735.00	11,735.00	10,845.00	890.00
General Supplies	102,500.00		102,500.00	(5,454.78)	97,045.22	59,511.57	37,533.65
Other Objects	13,150.00		13,150.00	36,198.05	49,348.05	47,501.03	1,847.02
Total Allowable Maintenance for School Facilities	683,650.00	9,327.01	692,977.01	(13,343.90)	679,633.11	486,564.83	193,068.28
Other Operation and Maintenance of Plant:							
Salaries	2,085,820.08		2,085,820.08	57,748.59	2,143,568.67	2,108,855.74	34,712.93
Cleaning, Repair and Maintenance Services	428,300.00	3,942.90	432,242.90	(24,039.48)	408,203.42	355,668.59	52,534.83
Rental of Land and Buildings Other than Lease Purchase	25,000.00		25,000.00		25,000.00		25,000.00
Other Purchased Property Services	123,000.00	2,172.31	125,172.31	(10,309.11)	114,863.20	102,045.81	12,817.39
Insurance	560,625.00		560,625.00	(2,415.00)	558,210.00	552,922.59	5,287.41
General Supplies	189,400.00		189,400.00	(18,532.82)	170,867.18	126,862.25	44,004.93
Energy (Natural Gas)	379,100.00	5,554.73	384,654.73	119,726.64	504,381.37	416,264.60	88,116.77
Energy (Heat and Electricity)	900,000.00	3,359.09	903,359.09	37,773.36	941,132.45	372,495.79	568,636.66
Other Objects	41,000.00		41,000.00	6,484.13	47,484.13	47,418.22	65.91
Total Other Operation and Maintenance of Plant	4,732,245.08	15,029.03	4,747,274.11	166,436.31	4,913,710.42	4,082,533.59	831,176.83

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Care & Upkeep of Grounds							
Cleaning, Repair and Maintenance Services	\$ 160,000.00		\$ 160,000.00	\$ (40,590.99)	\$ 119,409.01	\$ 87,976.54	\$ 31,432.47
General Supplies	5,000.00		5,000.00	1,000.00	6,000.00	5,574.12	425.88
Total Care & Upkeep of Grounds	165,000.00		165,000.00	(39,590.99)	125,409.01	93,550.66	31,858.35
Security							
Purchased Professional & Technical Services	2,000.00		2,000.00	(1,309.16)	690.84		690.84
General Supplies				1,309.16	1,309.16	1,309.16	
Total Security	2,000.00		2,000.00		2,000.00	1,309.16	690.84
Student Transportation Services:							
Contracted Services:							
Other than Between Home and School - Vendors	122,000.00		122,000.00	1,681.00	123,681.00	41,159.84	82,521.16
Total Student Transportation Services	122,000.00		122,000.00	1,681.00	123,681.00	41,159.84	82,521.16
Employee Benefits:							
Social Security Contributions	460,000.00		460,000.00		460,000.00	459,977.85	22.15
TPAF Contributions - ERIP	76,615.00		76,615.00		76,615.00	1,159.67	75,455.33
Other Retirement Contributions - Regular	575,000.00		575,000.00	(19,644.00)	555,356.00	551,279.00	4,077.00
Other Retirement Contributions - ERIP	12,000.00		12,000.00		12,000.00	6,145.68	5,854.32
Other Retirement Contributions - DCRP	16,000.00		16,000.00		16,000.00	7,149.16	8,850.84
Unemployment Compensation	25,000.00		25,000.00		25,000.00		25,000.00
Workmen's Compensation	315,000.00		315,000.00		315,000.00	264,462.87	50,537.13
Health Benefits	7,500,746.51		7,500,746.51	(24,293.62)	7,476,452.89	6,567,954.14	908,498.75
Tuition Reimbursement	93,800.00		93,800.00	26,619.76	120,419.76	104,562.50	15,857.26
Other Employee Benefits	311,000.00		311,000.00	(4,937.50)	306,062.50	276,435.80	29,626.70
Total Employee Benefits	9,385,161.51		9,385,161.51	(22,255.36)	9,362,906.15	8,239,126.67	1,123,779.48
Nonbudgeted:							
On-behalf TPAF Pension						7,697,037.00	(7,697,037.00)
On-behalf TPAF Post-Retirement Medical Contributions						1,798,339.00	(1,798,339.00)
On-behalf TPAF Long-Term Disability Insurance						2,673.00	(2,673.00)
Reimbursed TPAF Social Security Contributions						1,466,284.14	(1,466,284.14)
Total Nonbudgeted						10,964,333.14	(10,964,333.14)
Total Undistributed Expenditures	23,136,437.34	\$ 24,638.04	23,161,075.38	193,940.54	23,355,015.92	31,194,867.84	(7,839,851.92)
Total Expenditures - Current Expense	\$ 43,147,133.24	\$ 24,638.04	\$ 43,171,771.28	\$ 355,889.37	\$ 43,527,660.65	\$ 50,209,545.58	\$ (6,681,884.93)

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Capital Outlay:							
Equipment:							
Vocational Programs: Regular Program	\$ 50,150.00		\$ 50,150.00		\$ 50,150.00	\$ 19,549.36	\$ 30,600.64
Vocational Programs: Special Program	10,000.00		10,000.00		10,000.00	2,070.00	7,930.00
Undistributed Expenditures - Instruction	5,100.00		5,100.00		5,100.00		5,100.00
Undistributed Expenditures - Central Services	2,000.00		2,000.00		2,000.00		2,000.00
Undistributed Expenditures - Admin Info Tech	6,000.00		6,000.00		6,000.00		6,000.00
Undistributed Expenditures - Required Maint	5,000.00		5,000.00	\$ 3,000.00	8,000.00	5,562.78	2,437.22
Undistributed Expenditures - Custodial Services	8,000.00		8,000.00	(3,000.00)	5,000.00		5,000.00
Undistributed Expenditures - Grounds	5,000.00		5,000.00		5,000.00		5,000.00
	<u>91,250.00</u>		<u>91,250.00</u>		<u>91,250.00</u>	<u>27,182.14</u>	<u>64,067.86</u>
Facilities Acquisition and Construction Service:							
Assessment for Debt Service on SDA Funding	80,586.00		80,586.00		80,586.00	80,586.00	
	<u>80,586.00</u>		<u>80,586.00</u>		<u>80,586.00</u>	<u>80,586.00</u>	
Facilities-Alyssa's Law:							
Alyssa's Law Funding				170,571.00	170,571.00	169,151.00	1,420.00
Total Capital Outlay	<u>171,836.00</u>		<u>171,836.00</u>	<u>170,571.00</u>	<u>342,407.00</u>	<u>276,919.14</u>	<u>65,487.86</u>
Post-Secondary Programs - Instruction:							
Salaries of Teachers	762,617.00		762,617.00	(165,940.00)	596,677.00	478,136.26	118,540.74
Purchased Professional and Technical Services	6,000.00		6,000.00		6,000.00	1,399.00	4,601.00
Other Purchased Services	18,675.00		18,675.00	700.00	19,375.00	18,097.04	1,277.96
General Supplies	74,100.00		74,100.00	(1,025.00)	73,075.00	43,105.42	29,969.58
Textbooks	7,644.46		7,644.46		7,644.46	922.53	6,721.93
Other Objects	4,300.00		4,300.00	25.00	4,325.00	887.23	3,437.77
Total Post-Secondary Programs - Instruction	<u>873,336.46</u>		<u>873,336.46</u>	<u>(166,240.00)</u>	<u>707,096.46</u>	<u>542,547.48</u>	<u>164,548.98</u>
Post-Secondary Programs - Support Services:							
Salaries	256,406.69		256,406.69	(75,187.13)	181,219.56	175,077.70	6,141.86
Personal Services - Employee Benefits	302,126.52		302,126.52	(110,326.14)	191,800.38	183,360.00	8,440.38
Supplies and Materials	600.00		600.00		600.00	374.52	225.48
Total Post-Secondary Programs - Support Services	<u>559,133.21</u>		<u>559,133.21</u>	<u>(185,513.27)</u>	<u>373,619.94</u>	<u>358,812.22</u>	<u>14,807.72</u>
Total Post-Secondary Programs	\$ <u>1,432,469.67</u>		\$ <u>1,432,469.67</u>	\$ <u>(351,753.27)</u>	\$ <u>1,080,716.40</u>	\$ <u>901,359.70</u>	\$ <u>179,356.70</u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Expenditures (Continued):							
Special Schools:							
Summer School - Instruction:							
Salaries of Teachers	\$ 120,000.00		\$ 120,000.00		\$ 120,000.00	\$ 73,351.60	\$ 46,648.40
Other Salaries for Instruction	7,000.00		7,000.00		7,000.00	2,520.00	4,480.00
General Supplies	28,000.00		28,000.00	\$ (3,436.10)	24,563.90	3,992.94	20,570.96
Other Objects	7,000.00		7,000.00	(4,000.00)	3,000.00		3,000.00
<b>Total Summer School - Instruction</b>	<b>162,000.00</b>		<b>162,000.00</b>	<b>(7,436.10)</b>	<b>154,563.90</b>	<b>79,864.54</b>	<b>74,699.36</b>
Summer School - Support:							
Other Salaries for Instruction	85,000.00		85,000.00		85,000.00	68,888.91	16,111.09
<b>Total Summer School</b>	<b>247,000.00</b>		<b>247,000.00</b>	<b>(7,436.10)</b>	<b>239,563.90</b>	<b>148,753.45</b>	<b>90,810.45</b>
Vocational Evening - Local - Instruction:							
Salaries of Teachers	180,000.00		180,000.00	12,436.97	192,436.97	192,436.97	
Other Purchased Services	3,200.00		3,200.00	5,860.62	9,060.62	9,060.62	
General Supplies	54,000.00		54,000.00	(3,201.92)	50,798.08	47,042.42	3,755.66
Textbooks	5,000.00		5,000.00		5,000.00	3,606.54	1,393.46
Other Objects	1,000.00		1,000.00		1,000.00	343.75	656.25
<b>Total Vocational Evening - Local - Instruction</b>	<b>243,200.00</b>		<b>243,200.00</b>	<b>15,095.67</b>	<b>258,295.67</b>	<b>252,490.30</b>	<b>5,805.37</b>
Special Schools:							
Vocational Evening - Local - Support Services:							
Salaries	139,103.45		139,103.45	1,091.51	140,194.96	138,748.07	1,446.89
Personal Services - Employee Benefits	20,257.14		20,257.14		20,257.14	19,332.00	925.14
Other Purchased Services	40,000.00		40,000.00	(12,887.18)	27,112.82	22,550.00	4,562.82
<b>Total Vocational Evening - Local - Support Services</b>	<b>199,360.59</b>		<b>199,360.59</b>	<b>(11,795.67)</b>	<b>187,564.92</b>	<b>180,630.07</b>	<b>6,934.85</b>
<b>Total Vocational Evening - Local</b>	<b>442,560.59</b>		<b>442,560.59</b>	<b>3,300.00</b>	<b>445,860.59</b>	<b>433,120.37</b>	<b>12,740.22</b>
<b>Total Special Schools</b>	<b>2,122,030.26</b>		<b>2,122,030.26</b>	<b>(355,889.37)</b>	<b>1,766,140.89</b>	<b>1,483,233.52</b>	<b>282,907.37</b>
<b>Total Expenditures</b>	<b>\$ 45,440,999.50</b>	<b>\$ 24,638.04</b>	<b>\$ 45,465,637.54</b>	<b>\$ 170,571.00</b>	<b>\$ 45,636,208.54</b>	<b>\$ 51,969,698.24</b>	<b>\$ (6,333,489.70)</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ (2,661,906.50)</b>	<b>\$ (24,638.04)</b>	<b>\$ (2,686,544.54)</b>	<b>\$ 174,442.00</b>	<b>\$ (2,512,102.54)</b>	<b>\$ 215,597.63</b>	<b>\$ 2,727,700.17</b>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers In/(Out)	Final Budget	Actual	Final Budget to Actual
Other Financing Sources (Uses):							
Transfer to Food Service	\$ 55,000.00	_____	\$ 55,000.00	_____	\$ 55,000.00	\$ 20,000.00	\$ 35,000.00
Total Other Financing Sources (Uses)	55,000.00	_____	55,000.00	_____	55,000.00	20,000.00	35,000.00
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,716,906.50)	\$ (24,638.04)	(2,741,544.54)	\$ 174,442.00	(2,567,102.54)	195,597.63	2,692,700.17
Fund Balances, July 1	3,224,857.26	_____	3,224,857.26	_____	3,224,857.26	3,224,857.26	_____
Fund Balances, June 30	\$ 507,950.76	\$ (24,638.04)	\$ 483,312.72	\$ 174,442.00	\$ 657,754.72	\$ 3,420,454.89	\$ 2,762,700.17
Recapitulation of Excess/(Deficiency) of Revenues under Expenditures:							
Budgeted Fund Balance	\$ 2,716,906.00						
Transfer:							
Additional Revenue (Alyssa's Law & HEERF)				\$ 345,013.00			
Less: Appropriations				(170,571.00)			
Net Transfer In				\$ 174,442.00			
Recapitulation of Fund Balance:							
Committed for Yearend Encumbrances						\$ 589,278.27	
Assigned - Designated for subsequent year's expenditures						2,000,000.00	
Unassigned						831,176.62	
Fund Balance per Governmental Funds (Budget Basis)						\$ 3,420,454.89	
Less: State Aid Payments Not Recognized on GAAP Basic Current Year						803,997.00	
Fund Balance - Governmental Fund (GAAP)						\$ 2,616,457.89	



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Final</u>		<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>			<u>Final to Actual</u>
<u>Revenues</u>				
State Sources:				
Perkins Post Secondary	\$ 120,053.00	\$	120,037.50	\$ 15.50
SDA Emergency Grant	73,030.00		73,030.00	-
	<u>193,083.00</u>		<u>193,067.50</u>	<u>15.50</u>
Total State Sources				
Federal Sources:				
Title I	176,382.00		176,382.00	-
Title II, Part A	36,449.00		36,449.00	-
Title IV	14,261.00		13,504.55	756.45
I.D.E.A. Part B, Basic	246,613.00		246,611.00	2.00
ARP I.D.E.A. Pre-school Expansion	72,260.00		69,896.05	2,363.95
Adult Basic Education	37,000.00		34,466.44	2,533.56
ARP ESSER	1,439,165.00		48,116.08	1,391,048.92
Perkins Secondary - Federal	403,727.00		402,203.87	1,523.13
Perkins Secondary Reserve	95,713.00		95,488.05	224.95
CRRSA Learning Acceleration	41,095.00		35,122.97	5,972.03
CRRAS Mental Health	45,000.00		26,532.93	18,467.07
CRRSA ESSER II	491,743.61		418,652.97	73,090.64
CARES Act Education Stabilization	51,000.00		43,117.21	7,882.79
ARP ESSER Accelerated Learning	199,104.00		-	199,104.00
ARP ESSER Evidence-Based: Summer Learning	40,000.00		-	40,000.00
ARP ESSER Evidence-Based: Comprehensive	40,000.00		-	40,000.00
ARP ESSER - NJ TSS Mental Health	45,000.00		-	45,000.00
	<u>3,474,512.61</u>		<u>1,646,543.12</u>	<u>1,827,969.49</u>
Total Federal Sources				
Local Sources:				
Student Activities	300,000.00		510,897.95	(210,897.95)
Scholarships	9,000.00		3,500.00	5,500.00
NJSIG Safety Grant	20,329.00		20,136.89	192.11
	<u>329,329.00</u>		<u>534,534.84</u>	<u>(205,205.84)</u>
Total Local Sources				
Total Revenues	\$ 3,996,924.61	\$	2,374,145.46	\$ 1,622,779.15

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Final</u>		<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>				<u>Final to Actual</u>
<u>Expenditures</u>					
Instruction:					
Salaries of Teachers	\$ 456,910.00	\$	209,074.52	\$	247,835.48
Purchased Professional and Educational Services	58,890.97		33,540.91		25,350.06
General Supplies	<u>381,909.56</u>		<u>367,472.79</u>		<u>14,436.77</u>
Total Instruction	<u>897,710.53</u>		<u>610,088.22</u>		<u>287,622.31</u>
Support Services:					
Salaries of Supervisor for Instruction (Directors)	275,287.00		66,404.00		208,883.00
Salaries of Other Professional Staff	170,077.00		170,077.00		-
Employee Benefits	154,778.00		152,799.26		1,978.74
Purchased Professional and Technical Services	22,727.00		4,260.00		18,467.00
Cleaning, Repairs, & Maintenance	129,219.61		60,243.50		68,976.11
Miscellaneous Purchased Services	13,755.00		1,755.00		12,000.00
Purchased Professional/Educational Services	465,045.00		240,460.08		224,584.92
Other Purchased Services	12,919.00		9,000.00		3,919.00
Supplies and Materials	41,319.00		29,817.92		11,501.08
Other Objects	<u>300,000.00</u>		<u>462,909.91</u>		<u>(162,909.91)</u>
Total Support Services	<u>1,585,126.61</u>		<u>1,197,726.67</u>		<u>387,399.94</u>
Total Expenditures	<u>2,482,837.14</u>		<u>1,807,814.89</u>		<u>675,022.25</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	<u>1,514,087.47</u>		<u>514,842.53</u>		<u>999,244.94</u>
Total Outflows	\$ <u>3,996,924.61</u>	\$	<u>2,322,657.42</u>	\$	<u>1,674,267.19</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	\$	<u>51,488.04</u>	\$	<u>(51,488.04)</u>
Fund Balance July 1		\$	<u>325,721.70</u>		
Fund Balance June 30			<u><u>377,209.74</u></u>		
Recapitulation:					
Restricted:					
Scholarships		\$	13,126.14		
Student Activities			<u>364,083.60</u>		
Total Fund Balance		\$	<u><u>377,209.74</u></u>		

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**BUDGET-TO-GAAP RECONCILIATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,185,295.87	\$ 2,374,145.46
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
June 30, 2022	None	(13,278.64)
The Last State Aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognized the related expense (GASB 33)		
June 30, 2021	803,997.00	
June 30, 2022	<u>(803,997.00)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 52,185,295.87</u>	<u>\$ 2,360,866.82</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 51,969,698.24	\$ 2,322,657.42
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received and reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2021	None	None
June 30, 2022	<u>None</u>	<u>(13,278.64)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 51,969,698.24</u>	<u>\$ 2,309,378.78</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST NINE (9) FISCAL YEARS \***

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of Net Pension Liability (asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2022	0.0470729538 %	\$ 5,576,497	\$ 3,469,397	160.73 %	70.33 %
2021	0.0477447922	7,785,728	3,519,303	221.23	58.32
2020	0.0486829807	8,771,935	3,484,336	251.75	56.27
2019	0.0498532700	9,815,861	3,450,634	284.47	46.40
2018	0.0499401334	11,625,265	3,501,791	331.98	48.09
2017	0.0521781239	15,453,664	3,477,858	444.34	40.14
2016	0.0521389342	11,407,217	3,526,526	323.47	47.92
2015	0.0506691300	9,486,647	3,568,381	265.85	48.72
2014	0.0506353473	9,677,421	3,551,552	272.48	52.08

\* The amounts presented for each

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

**Notes to Required Supplementary Information:**

Benefit Changes - There were none.

Changes of Assumptions - The discount rate of 7.00% remained the same as of June 30, 2020 and June 30, 2021.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST NINE (9) FISCAL YEARS \***

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered-Employee Payroll</u>	<u>Contributions as Percentage of Covered-Employee Payroll</u>
2022	\$ 551,279	\$ 551,279	None	\$ 3,469,397	15.89 %
2021	522,304	522,304	None	3,519,303	14.84
2020	473,549	473,549	None	3,484,336	13.59
2019	495,818	495,818	None	3,450,634	14.37
2018	462,242	462,242	None	3,501,791	13.20
2017	463,543	463,543	None	3,477,858	13.33
2016	448,255	448,255	None	3,526,526	12.71
2015	417,709	417,709	None	3,568,381	11.71
2014	381,527	381,527	None	3,551,552	10.74

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF CONTRIBUTIONS**  
**TEACHERS PENSION AND ANNUITY FUND (TPAF)**  
**LAST NINE (9) FISCAL YEARS \***

Year	District's Proportion of Net Pension Liability (asset)	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2022	0.18450996070 %	\$ None	\$ 88,703,512	\$ 88,703,512	\$ 20,366,712	None	35.52 %
2021	0.18588408790	None	122,402,435	122,402,435	20,795,822	None	24.59
2020	0.19097046910	None	117,200,379	117,200,379	20,752,777	None	26.95
2019	0.19115072300	None	121,583,324	121,583,324	20,529,260	None	26.49
2018	0.19058834080	None	128,971,529	128,971,529	21,062,354	None	25.41
2017	0.18907937040	None	148,741,872	148,741,872	19,964,804	None	22.33
2016	0.19704707500	None	124,559,331	124,559,331	19,956,032	None	28.71
2015	0.19587693300	None	104,689,846	104,689,846	19,410,420	None	33.64
2014	0.19956904510	None	100,860,626	100,860,626	100,860,626	None	33.76

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**Notes to Required Supplementary Information:**

Benefit Changes - There were none.

Changes of Assumptions - The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.



**SCHEDULE RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75)**

**MONMOUTH COUNTY VOCATIONAL SCHOOLS  
COUNTY OF MONMOUTH  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE (5) YEARS \***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 4,744,057	\$ 2,693,762	\$ 2,527,280	\$ 2,871,236	\$ 3,427,959
Interest	2,549,737	2,467,110	2,938,697	3,163,255	2,713,248
Differences between expected and actual experience	(17,081,400)	17,910,561	(10,149,619)	(7,591,260)	(10,503,943)
Changes of assumptions or other inputs	96,970	20,098,367	1,024,559	(8,540,268)	(2,002,134)
Benefit payments	(2,008,478)	(1,915,500)	(2,109,371)	(1,990,011)	-
Change in Benefit Terms	(104,617)				
Contributions from members	<u>65,184</u>	<u>58,059</u>	<u>62,528</u>	<u>68,778</u>	<u>73,724</u>
Net changes in total OPEB liability	(11,738,547)	41,312,359	(5,705,926)	(12,018,270)	(6,291,146)
Total OPEB liability - beginning	<u>110,028,179</u>	<u>68,715,820</u>	<u>74,421,746</u>	<u>86,440,016</u>	<u>92,731,162</u>
Total OPEB liability - ending	<u>\$ 98,289,632</u>	<u>\$ 110,028,179</u>	<u>\$ 68,715,820</u>	<u>\$ 74,421,746</u>	<u>\$ 86,440,016</u>
Covered-employee payroll (PERS and TPAF)	<u>\$ 23,836,079</u>	<u>\$ 24,315,125</u>	<u>\$ 24,237,113</u>	<u>\$ 23,979,894</u>	<u>\$ 24,564,145</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

Note: Only last five (5) years of information is presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

**Notes to Required Supplementary Information:**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to 4.5% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Changes of Assumptions - The discount rate utilized was 2.21% for June 30, 2020 and 2.16% for June 30, 2021.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Exhibit E-1**

	Total Brought Forward (Exh. E-1a)	Title I	Title II Part A	Title IV Part A	IDEA Part B Regular	ARP IDEA Regular Expansion	Perkins Secondary Federal	Perkins Post Secondary (State)	Totals
<b>REVENUES:</b>									
State sources	\$ 73,030.00							\$ 120,037.50	\$ 193,067.50
Federal sources	701,496.65	\$ 176,382.00	\$ 36,449.00	\$ 13,504.55	\$ 246,611.00	\$ 69,896.05	\$ 402,203.87		1,646,543.12
Local sources	534,534.84								534,534.84
<b>Total revenues</b>	<b>\$ 1,309,061.49</b>	<b>\$ 176,382.00</b>	<b>\$ 36,449.00</b>	<b>\$ 13,504.55</b>	<b>\$ 246,611.00</b>	<b>\$ 69,896.05</b>	<b>\$ 402,203.87</b>	<b>\$ 120,037.50</b>	<b>\$ 2,374,145.46</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of teachers	\$ 61,799.52	\$ 121,643.00	\$ 25,137.00					\$ 495.00	\$ 209,074.52
Purchased professional and technical services	10,729.94						\$ 20,527.97	2,283.00	33,540.91
Supplies and materials	153,403.45			\$ 11,479.55		\$ 60,735.35	110,476.04	31,378.40	367,472.79
<b>Total instruction</b>	<b>225,932.91</b>	<b>121,643.00</b>	<b>25,137.00</b>	<b>11,479.55</b>		<b>60,735.35</b>	<b>131,004.01</b>	<b>\$ 34,156.40</b>	<b>610,088.22</b>
<b>Support services:</b>									
Personal services - salaries	66,404.00								66,404.00
Salaries of other professional staff					\$ 170,077.00				170,077.00
Personal services-employee benefits	10,176.39	54,739.00	11,312.00		76,534.00			37.87	152,799.26
Purchased professional Technical Services	4,260.00								4,260.00
Educational Services	240,460.08								240,460.08
Cleaning, Repairs, & Maintenance	60,243.50								60,243.50
Miscellaneous Purchase Service							1,475.00	280.00	1,755.00
Other Purchased Property Services	9,000.00								9,000.00
Supplies and materials	27,173.92					2,644.00			29,817.92
Other objects-890	462,909.91								462,909.91
<b>Total support services</b>	<b>880,627.80</b>	<b>54,739.00</b>	<b>11,312.00</b>		<b>246,611.00</b>	<b>2,644.00</b>	<b>1,475.00</b>	<b>317.87</b>	<b>1,197,726.67</b>
<b>Facilities acquisition and construction services:</b>									
Instructional equipment	151,012.74			2,025.00		6,516.70	269,724.86	85,563.23	514,842.53
<b>Total facilities acquisition and construction services</b>	<b>151,012.74</b>			<b>2,025.00</b>		<b>6,516.70</b>	<b>269,724.86</b>	<b>\$ 85,563.23</b>	<b>514,842.53</b>
<b>Total expenditures</b>	<b>\$ 1,257,573.45</b>	<b>\$ 176,382.00</b>	<b>\$ 36,449.00</b>	<b>\$ 13,504.55</b>	<b>\$ 246,611.00</b>	<b>\$ 69,896.05</b>	<b>\$ 402,203.87</b>	<b>\$ 120,037.50</b>	<b>\$ 2,322,657.42</b>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	51,488.04								51,488.04
Fund Balance, July 1	325,721.70								325,721.70
Transfer (to)/from Student Activity Fund									
<b>Fund Balance, June 30</b>	<b>\$ 377,209.74</b>								<b>\$ 377,209.74</b>

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Exhibit E-1a**

	Total Brought Forward (Exh. E-1b)	Perkins Secondary Reserve	Adult Basic Education	SDA Emergency	CARES Act Education Stabilization Fund	ARP ESSER Grant	Totals Carried Forward (Exh. E-1)
<b>REVENUES:</b>							
State sources				\$ 73,030.00			\$ 73,030.00
Federal sources	480,308.87	\$ 95,488.05	\$ 34,466.44		\$ 43,117.21	\$ 48,116.08	701,496.65
Local sources	<u>\$ 534,534.84</u>						<u>534,534.84</u>
Total revenues	<u>\$ 1,014,843.71</u>	<u>\$ 95,488.05</u>	<u>\$ 34,466.44</u>	<u>\$ 73,030.00</u>	<u>\$ 43,117.21</u>	<u>\$ 48,116.08</u>	<u>\$ 1,309,061.49</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of teachers	30,125.00		\$ 31,674.52				\$ 61,799.52
Purchased professional and technical services	9,980.00				\$ 749.94		10,729.94
Supplies and materials	<u>73,393.98</u>	<u>\$ 75,644.05</u>			<u>4,365.42</u>		<u>153,403.45</u>
Total instruction	<u>113,498.98</u>	<u>75,644.05</u>	<u>31,674.52</u>		<u>\$ 5,115.36</u>		<u>225,932.91</u>
<b>Support services:</b>							
Personal services - salaries	66,404.00						\$ 66,404.00
Salaries of other professional staff							
Personal services-employee benefits	7,384.47		2,791.92				10,176.39
Purchased professional Technical Services	4,260.00						4,260.00
Educational Services	192,344.00					\$ 48,116.08	240,460.08
Cleaning, Repairs, & Maintenance	60,243.50						60,243.50
Miscellaneous Purchase Service							
Other Purchased Property Services	9,000.00						9,000.00
Supplies and materials	27,173.92						27,173.92
Other objects-890	<u>462,909.91</u>						<u>462,909.91</u>
Total support services	<u>829,719.80</u>		<u>2,791.92</u>			<u>48,116.08</u>	<u>880,627.80</u>
<b>Facilities acquisition and construction services:</b>							
Instructional equipment	<u>20,136.89</u>	<u>19,844.00</u>		<u>\$ 73,030.00</u>	<u>\$ 38,001.85</u>		<u>151,012.74</u>
Total facilities acquisition and construction services	<u>20,136.89</u>	<u>19,844.00</u>		<u>73,030.00</u>	<u>38,001.85</u>		<u>151,012.74</u>
Total expenditures	<u>\$ 963,355.67</u>	<u>\$ 95,488.05</u>	<u>\$ 34,466.44</u>	<u>\$ 73,030.00</u>	<u>\$ 43,117.21</u>	<u>\$ 48,116.08</u>	<u>\$ 1,257,573.45</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	51,488.04						51,488.04
Fund Balance, July 1	<u>325,721.70</u>						<u>325,721.70</u>
<b>Transfer (to)/from Student Activity Fund</b>							
Fund Balance, June 30	<u>\$ 377,209.74</u>						<u>\$ 377,209.74</u>

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1b

	Total Brought Forward (Exh. E-1c)	CRRSA			Scholarship Funds	NJSIG Safety	Totals Carried Forward (Exh. E-1a)
		ESSER II Grant Program	Act-Learning Acceleration Grant	Act-Mental Health Grant			
<b>REVENUES:</b>							
State sources							
Federal sources		\$ 418,652.97	\$ 35,122.97	\$ 26,532.93			\$ 480,308.87
Local sources	510,897.95				\$ 3,500.00	\$ 20,136.89	534,534.84
<b>Total revenues</b>	<b>\$ 510,897.95</b>	<b>\$ 418,652.97</b>	<b>\$ 35,122.97</b>	<b>\$ 26,532.93</b>	<b>\$ 3,500.00</b>	<b>\$ 20,136.89</b>	<b>1,014,843.71</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of teachers			\$ 29,285.00	\$ 840.00			\$ 30,125.00
Purchased professional and technical services		\$ 9,980.00					9,980.00
Supplies and materials		59,900.98		13,493.00			73,393.98
<b>Total instruction</b>		<b>\$ 69,880.98</b>	<b>29,285.00</b>	<b>14,333.00</b>			<b>113,498.98</b>
<b>Support services:</b>							
Personal services - salaries		55,746.00	3,342.00	7,316.00			66,404.00
Salaries of other professional staff							7,384.47
Personal services-employee benefits		4,264.57	2,495.97	623.93			4,260.00
Purchased professional Technical Services				4,260.00			192,344.00
Educational Services		192,344.00					60,243.50
Cleaning, Repairs, & Maintenance		60,243.50					9,000.00
Miscellaneous Purchase Service							27,173.92
Other Purchased Property Services		9,000.00					462,909.91
Supplies and materials		27,173.92					
Other objects-890	457,909.91				5,000.00		
<b>Total support services</b>	<b>457,909.91</b>	<b>348,771.99</b>	<b>5,837.97</b>	<b>12,199.93</b>	<b>5,000.00</b>		<b>829,719.80</b>
<b>Facilities acquisition and construction services:</b>							
Instructional equipment						\$ 20,136.89	20,136.89
<b>Total facilities acquisition and construction services</b>						<b>20,136.89</b>	<b>20,136.89</b>
<b>Total expenditures</b>	<b>\$ 457,909.91</b>	<b>\$ 418,652.97</b>	<b>\$ 35,122.97</b>	<b>\$ 26,532.93</b>	<b>\$ 5,000.00</b>	<b>\$ 20,136.89</b>	<b>\$ 963,355.67</b>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	52,988.04				(1,500.00)		51,488.04
Fund Balance, July 1	311,095.56				14,626.14		325,721.70
Transfer (to)/from Student Activity Fund							
Fund Balance, June 30	\$ 364,083.60				\$ 13,126.14		\$ 377,209.74

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1c

	Total Brought Forward (Exh. E-1d)	Student Activity Funds					Totals Carried Forward (Exh. E-1b)	
		Adult High School	Academy of Allied Health & Science	Career Center	BioTech High School	Communications High School		Shared Time Tinton Falls
<b>REVENUES:</b>								
State sources								
Federal sources								
Local sources	\$ 237,153.31	\$ 754.00	\$ 55,537.99	\$ 95,670.44	\$ 60,874.66	\$ 59,304.50	\$ 1,603.05	\$ 510,897.95
Total revenues	\$ 237,153.31	\$ 754.00	\$ 55,537.99	\$ 95,670.44	\$ 60,874.66	\$ 59,304.50	\$ 1,603.05	\$ 510,897.95
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers								
Purchased professional and technical services								
Supplies and materials								
Total instruction								
Support services:								
Personal services - salaries								
Salaries of other professional staff								
Personal services-employee benefits								
Purchased professional Technical Services								
Educational Services								
Cleaning, Repairs, & Maintenance								
Miscellaneous Purchase Service								
Other Purchased Property Services								
Supplies and materials								
Other objects-890	\$ 220,697.52	\$ 1,039.14	\$ 50,012.73	\$ 78,118.82	\$ 54,806.72	\$ 52,177.16	\$ 1,057.82	\$ 457,909.91
Total support services	220,697.52	1,039.14	50,012.73	78,118.82	54,806.72	52,177.16	1,057.82	457,909.91
Facilities acquisition and construction services:								
Instructional equipment								
Total facilities acquisition and construction services								
Total expenditures	\$ 220,697.52	\$ 1,039.14	\$ 50,012.73	\$ 78,118.82	\$ 54,806.72	\$ 52,177.16	\$ 1,057.82	\$ 457,909.91
Excess/(Deficit) of Revenues Over/(Under) Expenditures	16,455.79	(285.14)	5,525.26	17,551.62	6,067.94	7,127.34	545.23	52,988.04
Fund Balance, July 1	179,005.69	463.54	19,727.03	44,195.97	30,317.94	36,782.22	603.17	311,095.56
Transfer (to)/from Student Activity Fund								
Fund Balance, June 30	\$ 195,461.48	\$ 178.40	\$ 25,252.29	\$ 61,747.59	\$ 36,385.88	\$ 43,909.56	\$ 1,148.40	\$ 364,083.60



**BOARD OF EDUCATION  
 MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
 SPECIAL REVENUE FUND - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Exhibit E-1d**

	Student Activity Funds						Totals Carried Forward Exhibit E-1c
	Culinary Educaion	Freehold	High Tech High School	Marine Academy of Science and Technology	Share Time North (KVA)	Shared Time South Schools	
<b>REVENUES:</b>							
State sources							
Federal sources							
Local sources	\$ 2,355.00		\$ 88,439.01	\$ 125,864.30	\$ 4,397.00	\$ 16,098.00	\$ 237,153.31
<b>Total revenues</b>	<b>\$ 2,355.00</b>		<b>\$ 88,439.01</b>	<b>\$ 125,864.30</b>	<b>\$ 4,397.00</b>	<b>\$ 16,098.00</b>	<b>\$ 237,153.31</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of teachers							
Purchased professional and technical services							
Supplies and materials							
<b>Total instruction</b>							
<b>Support services:</b>							
Personal services - salaries							
Salaries of other professional staff							
Personal services-employee benefits				\$			
Purchased professional Technical Services							
Educational Services							
Cleaning, Repairs, & Maintenance							
Miscellaneous Purchase Service							
Other Purchased Property Services							
Supplies and materials							
Other objects-890	\$ 3,753.39		\$ 85,677.06	\$ 109,487.45	\$ 3,505.70	\$ 18,273.92	\$ 220,697.52
<b>Total support services</b>	<b>3,753.39</b>		<b>85,677.06</b>	<b>\$ 109,487.45</b>	<b>3,505.70</b>	<b>18,273.92</b>	<b>\$ 220,697.52</b>
<b>Facilities acquisition and construction services:</b>							
Instructional equipment							
<b>Total facilities acquisition and construction services</b>							
<b>Total expenditures</b>	<b>\$ 3,753.39</b>		<b>\$ 85,677.06</b>	<b>\$ 109,487.45</b>	<b>3,505.70</b>	<b>18,273.92</b>	<b>\$ 220,697.52</b>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,398.39)		2,761.95	16,376.85	891.30	(2,175.92)	16,455.79
Fund Balance, July 1	41,765.47	1,489.54	68,340.78	49,408.70	2,603.14	15,398.06	179,005.69
Transfer (to)/from Student Activity Fund							
Fund Balance, June 30	\$ 40,367.08	\$ 1,489.54	\$ 71,102.73	\$ 65,785.55	\$ 3,494.44	\$ 13,222.14	\$ 195,461.48

**STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 &amp; J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

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

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
 Net Position by Component,  
 Last Ten (10) Fiscal Years  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>											
Invested in capital assets, net of related debt	\$ 76,794,893	\$ 76,745,441	\$ 79,281,437	\$ 80,675,435	\$ 87,279,739	\$ 84,832,094	\$ 84,739,288	\$ 87,746,076	\$ 91,908,312	\$ 95,009,073	\$ 95,569,025
Restricted	3,331,421	6,609,869	908,071	160,220	160,220	160,220	-	-	-	325,722	377,210
Unrestricted (Deficit)	(315,912)	(1,140,657)	3,703,376	(4,874,064)	(4,400,435)	(5,999,484)	(8,106,747)	(10,485,929)	(11,797,648)	(12,390,520)	(10,654,965)
<b>Total governmental activities net position</b>	<b>\$ 79,810,402</b>	<b>\$ 82,214,653</b>	<b>\$ 83,892,884</b>	<b>\$ 75,961,591</b>	<b>\$ 83,039,524</b>	<b>\$ 78,992,831</b>	<b>\$ 76,632,541</b>	<b>\$ 77,260,147</b>	<b>\$ 80,110,664</b>	<b>\$ 82,944,275</b>	<b>\$ 85,291,270</b>
<b>Business-type activities</b>											
Invested in capital assets, net of related debt	\$ 419,818	\$ 376,799	\$ 329,467	\$ 282,135							
Unrestricted	59,894	59,189	59,189	55,250	\$ 27,013	\$ 24,431	\$ 24,415	\$ 19,171	\$ 12,668	\$ 6,930	\$ 7,953
<b>Total business-type activities net position</b>	<b>\$ 479,712</b>	<b>\$ 435,988</b>	<b>\$ 388,656</b>	<b>\$ 337,385</b>	<b>\$ 27,013</b>	<b>\$ 24,431</b>	<b>\$ 24,415</b>	<b>\$ 19,171</b>	<b>\$ 12,668</b>	<b>\$ 6,930</b>	<b>\$ 7,953</b>
<b>District-wide</b>											
Invested in capital assets, net of related debt	\$ 77,214,711	\$ 77,122,241	\$ 79,610,904	\$ 80,957,570	\$ 87,279,739	\$ 84,832,094	\$ 84,739,288	\$ 87,746,076	\$ 91,908,312	\$ 95,009,073	\$ 95,569,025
Restricted	3,331,421	6,609,869	908,071	160,220	160,220	160,220	-	-	-	325,722	377,210
Unrestricted (Deficit)	(256,018)	(1,081,468)	(256,018)	(4,818,814)	(4,373,422)	(5,975,053)	(8,082,332)	(10,466,758)	(11,784,981)	(12,383,589)	(10,647,012)
<b>Total district net position</b>	<b>\$ 80,290,114</b>	<b>\$ 82,650,642</b>	<b>\$ 80,262,957</b>	<b>\$ 76,298,976</b>	<b>\$ 83,066,537</b>	<b>\$ 79,017,262</b>	<b>\$ 76,656,956</b>	<b>\$ 77,279,318</b>	<b>\$ 80,123,332</b>	<b>\$ 82,951,205</b>	<b>\$ 85,299,223</b>

Source: ACFR Exhibit A-1

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related date for PERS & TPAF data for periods prior to 2015 is not available..

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

2021 The District implemented GASB Statement No. 84

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
Changes in Net Position, Last Ten (10) Fiscal Years  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>											
<b>Governmental activities</b>											
Instruction											
Regular	\$ 247,172	\$ 506,296	\$ 631,097	\$ 625,773	\$ 583,174	\$ 473,059	\$ 534,748	\$ 472,597	\$ 462,195	\$ 968,144	\$ 638,319
Vocational	16,347,871	17,707,523	17,505,268	17,321,469	17,991,924	18,163,497	18,569,893	18,763,728	18,863,742	18,356,749	18,865,597
Support Services:											
Student & instruction related services	2,671,865	2,657,040	2,724,169	2,842,868	2,920,083	3,113,337	3,180,173	3,200,142	3,198,181	3,982,417	4,092,338
General administrative services	1,157,041	661,759	1,095,096	714,467	809,972	1,121,327	1,327,732	1,138,526	695,852	666,995	602,880
School administrative services	1,707,042	2,240,324	1,861,793	2,180,194	2,239,396	1,869,315	1,802,376	1,806,211	2,362,362	2,356,460	2,547,974
Central services	691,072	676,598	715,740	688,573	716,324	716,596	725,385	735,554	756,707	745,417	688,748
Administrative information technology	364,368	438,906	460,434	448,879	425,790	472,825	518,813	528,150	469,992	629,891	460,982
Plant operations and maintenance	4,709,288	4,915,434	5,704,097	5,524,995	5,212,639	5,690,326	5,445,902	5,324,504	5,036,618	4,741,506	4,627,128
Pupil transportation	84,869	92,063	87,127	77,552	91,652	107,476	146,692	163,115	73,488	-	-
Unallocated benefits	9,805,990	10,391,451	10,384,234	15,717,188	18,557,649	23,174,448	22,786,197	20,867,906	18,474,184	22,589,910	15,896,098
Special Schools	1,972,777	2,011,512	2,089,069	2,206,281	2,146,266	2,220,595	2,160,728	2,325,854	2,170,519	2,010,490	1,483,234
Unallocated Amortization	-	-	-	-	-	-	-	-	-	-	109,139
Interest Expense	-	-	-	-	-	-	-	-	-	-	12,940
Unallocated depreciation	3,577,112	3,716,869	3,944,965	3,666,293	3,076,949	3,226,721	3,155,465	3,340,629	3,664,370	4,315,144	4,218,930
Total governmental activities expenses	43,336,466	46,015,775	47,203,089	52,014,532	54,771,818	60,349,522	60,353,903	58,666,914	56,228,209	61,363,123	54,244,307
<b>Business-type activities:</b>											
Food service	126,118	139,047	140,960	145,169	92,318	83,138	73,876	63,902	52,183	23,100	51,495
NJ Dept of Corr. & County Youth Detention Ctr.	-	-	-	-	-	-	-	-	-	-	-
County Division of Aging, Disab, Vet Affairs	-	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	126,118	139,047	140,960	145,169	92,318	83,138	73,876	63,902	52,183	23,100	51,495
Total district expenses	\$ 43,462,584	\$ 46,154,822	\$ 47,344,049	\$ 52,159,701	\$ 54,864,136	\$ 60,432,660	\$ 60,427,778	\$ 58,730,816	\$ 56,280,392	\$ 61,386,223	\$ 54,295,802
<b>Program Revenues</b>											
<b>Governmental activities:</b>											
<b>Charges for services:</b>											
Special Schools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	324,410	691,981	770,812	785,504	761,257	959,218	1,010,444	820,356	670,858	2,100,798	1,807,815
Total governmental activities program revenues	324,410	691,981	770,812	785,504	761,257	959,218	1,010,444	820,356	670,858	2,100,798	1,807,815

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten (10) Fiscal Years**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30.										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>											
Charges for services											
Food service	\$ 12,474	\$ 10,261	\$ 12,344	\$ 10,822	\$ 9,001	\$ 8,799	\$ 9,515	\$ 6,002	\$ 4,164	\$ 5,818	\$ 32,518
NJ Dept of Corrections and County Youth Detention County Department of Human Services											
Operating grants and contributions	18,576	17,471	22,081	11,413	13,457	12,043	10,702	9,501	7,122		
Total business type activities program revenues	31,050	27,732	34,425	22,235	22,458	20,842	20,217	15,503	11,285	5,818	32,518
Total district program revenues	\$ 355,460	\$ 719,713	\$ 805,237	\$ 807,739	\$ 783,715	\$ 980,060	\$ 1,030,661	\$ 835,859	\$ 682,143	\$ 2,106,616	\$ 1,840,333
<b>Net (Expense)/Revenue</b>											
Governmental activities	\$ (43,012,056)	\$ (45,323,794)	\$ (46,432,277)	\$ (51,229,028)	\$ (54,010,561)	\$ (59,390,304)	\$ (59,343,459)	\$ (57,846,558)	\$ (55,557,351)	\$ (59,262,324)	\$ (52,436,492)
Business-type activities	(95,067)	(111,315)	(106,535)	(122,934)	(69,860)	(62,296)	(53,658)	(48,399)	(40,898)	(17,282)	(18,977)
Total district-wide net expense	\$ (43,107,123)	\$ (45,435,109)	\$ (46,538,812)	\$ (51,351,962)	\$ (54,080,421)	\$ (59,452,599)	\$ (59,397,117)	\$ (57,894,957)	\$ (55,598,249)	\$ (59,279,607)	\$ (52,455,469)
<b>General Revenues and Other Changes in Net Assets</b>											
Governmental activities:											
Property taxes levied for general purposes, net	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 17,962,178
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-	-
State Aid - Unrestricted	11,325,397	12,624,597	11,665,604	16,866,971	19,497,183	22,884,244	23,956,332	20,341,993	18,633,116	23,333,526	17,978,122
Federal & State Aid - Restricted	-	-	199,084	290,354	-	-	-	-	-	-	-
Grants and Contributions											
Tuition received	11,856,348	12,812,550	12,888,560	13,036,265	13,355,769	13,307,178	13,470,034	13,595,786	13,982,012	13,829,585	13,514,000
Investment earnings											
Miscellaneous income	2,741,383	2,418,477	2,343,759	2,104,027	2,145,013	2,470,993	2,120,927	2,048,230	1,769,039	1,506,884	1,348,788
County Contributed Capital	1,530,866	2,384,346	2,962,428	3,630,652	3,621,310	2,537,762	299,735	5,872,131	7,395,918	4,767,582	3,840,887
Fixed Assets Restatement	11,953,611		226,895	(183,872)	5,426,091					1,664,100	159,512
Insurance Proceeds		1,252,934	1,221,202	640,243							
Special and Extraordinary Items, Net					422,573						
Transfers	(75,203)	(59,055)	(59,202)	(71,663)	(41,623)	(59,714)	(50,642)	(46,154)	(34,395)	(11,545)	(20,000)
Total governmental activities	55,994,580	48,096,027	48,110,508	52,975,155	61,088,494	57,802,640	56,458,564	58,474,164	58,407,868	61,752,310	54,783,487
Business-type activities:											
Fixed Assets Restatement	160,430				(282,135)						
Transfers	75,203	59,055	59,202	71,663	41,623	59,714	50,642	46,154	34,395	11,545	20,000
Total business-type activities	235,633	59,055	59,202	71,663	(240,512)	59,714	50,642	46,154	34,395	11,545	20,000
Total district-wide	\$ 56,230,212	\$ 48,155,082	\$ 48,169,710	\$ 53,046,818	\$ 60,847,982	\$ 57,862,354	\$ 56,509,206	\$ 58,520,318	\$ 58,442,263	\$ 61,763,855	\$ 54,803,487
<b>Change in Net Position</b>											
Governmental activities	\$ 12,982,524	\$ 2,772,233	\$ 1,678,231	\$ 1,746,127	\$ 7,077,933	\$ (1,587,663)	\$ (2,884,894)	\$ 627,606	\$ 2,850,517	\$ 2,489,986	\$ 2,346,995
Business-type activities	140,565	(52,260)	(47,333)	(51,271)	(310,372)	(2,582)	(3,016)	(2,245)	(6,503)	(5,737)	1,023
Total district	\$ 13,123,089	\$ 2,719,973	\$ 1,630,898	\$ 1,694,856	\$ 6,767,561	\$ (1,590,244)	\$ (2,887,910)	\$ 625,361	\$ 2,844,015	\$ 2,484,249	\$ 2,348,018

Source: ACFR ExhibitA-2

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available.

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

In 2021 the District implemented GASB No. 84 related to fiduciary accounting.

In 2022 the District implemented GASB No. 87 related to Lease accounting.

**Monmouth County Vocational School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten (10) Fiscal Years**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund											
Reserved											
Unreserved											
Restricted	\$ 4,828,647	\$ 5,073,509	\$ 5,766,367	\$ 6,668,919	\$ 6,949,829	\$ 6,108,936	\$ 3,305,317	\$ 500,000	\$ 200,000		
Assigned	1,762,319	3,567,085	1,730,541	1,809,146	2,303,852	500,965	3,704,786	4,499,055	3,605,635	\$ 2,420,860	\$ 2,589,278
Unassigned	2,171,835	2,315,584	2,522,967	1,694,711	1,673,328	960,746	1,398,748	534,640			27,180
Total general fund	<u>\$ 8,762,801</u>	<u>\$ 10,956,178</u>	<u>\$ 10,019,875</u>	<u>\$ 10,252,776</u>	<u>\$ 10,927,009</u>	<u>\$ 7,570,647</u>	<u>\$ 8,408,851</u>	<u>\$ 5,533,695</u>	<u>\$ 3,805,635</u>	<u>\$ 2,420,860</u>	<u>\$ 2,616,458</u>
All Other Governmental Funds											
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Unreserved, reported in:											
Special revenue fund	-	-	-	-	-	-	-	-	-	\$ 325,722	\$ 377,210
Capital projects fund	-	-	-	-	-	160,220	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,722</u>	<u>\$ 377,210</u>

Note: The numbers in this report have been rounded.  
 Source: ACFR Exhibit B-1

**Monmouth County Vocational School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten (10) Fiscal Years  
(Unaudited)  
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>											
Tax levy	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 16,662,178	\$ 17,962,178
Tuition charges	11,699,373	12,667,300	12,748,035	12,938,090	13,244,994	13,307,178	13,470,034	13,478,886	13,856,012	13,729,285	13,429,412
Non-Resident Fees	156,975	145,250	140,525	98,175	110,775	130,876	121,450	116,900	126,000	100,300	84,589
Interest earnings	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,130,848	2,527,789	2,353,079	2,164,060	2,151,613	2,340,117	1,999,477	2,048,230	1,769,039	1,720,676	1,811,597
State sources	11,040,102	12,248,185	11,759,480	12,343,115	13,121,869	13,764,599	14,757,728	15,465,374	15,443,226	16,887,947	19,437,402
Federal sources	1,220,239	959,082	866,702	971,843	1,038,326	1,046,725	1,039,298	1,019,050	1,020,805	2,580,107	1,820,985
<b>Total revenue</b>	<b>42,909,716</b>	<b>45,209,784</b>	<b>44,529,999</b>	<b>45,177,461</b>	<b>46,329,755</b>	<b>47,251,673</b>	<b>48,050,165</b>	<b>48,790,618</b>	<b>48,877,260</b>	<b>51,680,493</b>	<b>54,546,163</b>
<b>Expenditures</b>											
Instruction											
Regular Instruction	\$ 247,219	\$ 508,110	\$ 631,137	\$ 625,812	\$ 584,521	\$ 1,843	\$ 533,610	\$ 472,622	\$ 462,195	\$ 973,536	\$ 638,548
Vocational education	16,351,006	17,770,956	17,506,362	17,322,563	18,047,360	18,628,602	18,517,078	19,015,996	18,863,742	18,493,317	18,986,218
Support Services:											
Student & instruction related services	2,672,378	2,666,558	2,724,340	2,843,038	2,926,826	3,112,414	3,173,410	3,238,218	3,198,181	4,004,596	4,694,337
General administration	651,930	668,125	688,735	714,584	815,986	679,264	811,054	638,780	702,463	666,995	602,880
School administrative services	2,212,905	2,248,350	2,271,412	2,180,336	2,246,296	2,309,970	2,314,612	2,367,250	2,384,806	2,378,954	2,573,249
Central services	691,072	676,598	712,740	688,573	716,324	716,596	725,385	735,554	763,896	750,831	688,748
Admin. Information technology	364,368	438,906	460,434	448,879	425,790	472,825	518,813	528,150	474,457	634,709	460,982
Plant operations and maintenance	4,710,191	4,933,043	5,704,454	5,525,352	5,228,700	5,688,412	5,430,472	5,399,522	5,084,469	4,776,781	4,629,342
Pupil transportation	84,885	92,392	87,133	77,558	91,934	107,440	146,276	165,413	74,186	-	41,160
Employee Benefits	9,805,990	10,467,066	10,459,849	11,266,654	12,172,618	13,155,164	14,829,758	16,168,947	15,869,251	17,397,194	19,203,460
Special Schools	1,972,777	2,011,512	2,089,069	2,206,281	2,146,266	2,220,595	2,160,728	2,325,854	2,170,519	2,010,490	1,483,234
Capital outlay	745,690	1,728,670	3,292,636	1,613,511	633,851	700,343	762,924	565,326	522,750	984,223	276,919
<b>Total expenditures</b>	<b>40,510,410</b>	<b>44,210,287</b>	<b>46,628,301</b>	<b>45,513,141</b>	<b>46,036,472</b>	<b>47,793,470</b>	<b>49,924,120</b>	<b>51,619,631</b>	<b>50,570,915</b>	<b>53,071,627</b>	<b>54,279,077</b>
Excess (Deficiency) of revenues over (under) expenditures	2,399,306	999,497	(2,098,302)	(335,680)	293,283	(541,798)	(1,873,955)	(2,829,013)	(1,693,655)	(1,391,134)	267,086
<b>Other Financing sources (uses)</b>											
County of Monmouth Local Match Insurance Proceeds		1,252,934.00	1,221,202.00	640,243.00	422,573.00						
Transfers out	(75,203)	(59,055)	(59,202)	(71,662)	(41,623)	(59,714)	(50,643)	(46,154)	(34,395)	(11,545)	(20,000)
<b>Total other financing sources (uses)</b>	<b>(75,203)</b>	<b>1,193,879</b>	<b>1,162,000</b>	<b>568,581</b>	<b>380,950</b>	<b>(59,714)</b>	<b>(50,643)</b>	<b>(46,154)</b>	<b>(34,395)</b>	<b>(11,545)</b>	<b>(20,000)</b>
<b>Net change in fund balances</b>	<b>\$ 2,324,104</b>	<b>\$ 2,193,375</b>	<b>\$ (936,302)</b>	<b>\$ 232,901</b>	<b>\$ 674,233</b>	<b>\$ (601,511)</b>	<b>\$ (1,924,597)</b>	<b>\$ (2,875,167)</b>	<b>\$ (1,728,050)</b>	<b>\$ (1,402,679)</b>	<b>\$ 247,086</b>
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Noncapital expenditures are total expenditures less capital outlay.

Note: The numbers in this report have been rounded  
Source: District records

In 2021 the District implemented GASB No.84 related to fiduciary accounts.



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten (10) Fiscal Years**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

Fiscal Year Ended June 30,	Adult Tuition and fees	Interest	Prior Year Refunds	Textbook and Course Tool Sale	Miscellaneous	Total
2012	1,574,579	430	173,067	9,283	201,874	1,959,233
2013	1,782,670	183	154,299	8,426	472,893	2,418,471
2014	1,892,141	-	379,878	22,230	49,510	2,343,759
2015	1,671,011	-	179,197	11,662	242,156	2,104,027
2016	1,698,492	-	192,868	9,841	243,812	2,145,013
2017	1,759,229	-	360,199	-	212,197	2,331,625
2018	1,640,930	-	288,959	-	23,817	1,953,706
2019	1,511,009	-	323,229	-	197,728	2,031,966
2020	1,292,698		294,267		158,729	1,745,694
2021	1,112,554		9,046		367,380	1,488,980
2022	1,000,394		-		278,822	1,279,216

**Note:** The numbers in this report have been rounded  
Source: District Records

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<u>As of July 1,</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>County Wide Per Capita Personal Income <sup>c</sup></u>	<u>Average County Unemployment Rate <sup>d</sup></u>
2013	626,980	39,891,602,500	63,625	7.50%
2014	625,647	41,761,311,603	66,749	5.50%
2015	624,320	43,846,617,920	70,231	4.90%
2016	623,286	45,544,131,306	73,071	5.00%
2017	622,327	47,244,576,532	75,916	4.20%
2018	621,354	49,379,623,734	79,471	4.10%
2019	618,795	51,082,146,045	82,551	3.12%
2020	618,381 ***	51,047,969,931	82,551 ***	6.80%
2021	643,615 ***	53,131,061,865	82,551 ***	5.90%
2022	645,354 ***	59,449,365,126	92,119	2.60%

**Source:**

- <sup>a</sup> Population information provided by the US Bureau of Economic Analysis
- <sup>b</sup> Personal income has been estimated based upon the county population and per capita personal income presented
- <sup>c</sup> Per capita data provided by the NJ Dept of Labor and Workforce Development
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- \*\*\* Latest available data

**Note:** The numbers in this report have been rounded

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<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>
Instruction										
Regular	-	-	-	-	-	-	-	-	-	-
Special education	-	-	-	-	-	-	-	-	-	-
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	227	219	219	220	221	221	221	219	217	215
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	26	26	26	26	26	26	26	26	27	33
General administration	3	3	3	3	3	3	3	3	3	4.5
School administrative services	18	40	38	39	40	40	40	40	38	35
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	10	10	12	10	10	10	10	10	10	9
Administrative Information Technology	4	4	4	4	4	5	5	5	5	4
Plant operations and maintenance	35	35	35	34	34	34	34	34	34	40
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	23	1	1	1	1	1	1	1	1	9
Food Service										
<b>Total</b>	<u>346</u>	<u>338</u>	<u>338</u>	<u>337</u>	<u>339</u>	<u>340</u>	<u>340</u>	<u>338</u>	<u>335</u>	<u>349.5</u>

**Source:** District Personnel Records

**Note:** The numbers in this report have been rounded

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2013	2,527	42,481,616	23,960	11.96%	226.00	2138.6	2,022	0.26%	94.55%
2014	2,125	43,335,664	24,716	3.16%	252.00	2174.6	2,067	1.68%	95.04%
2015	2,189	43,335,664	19,110	-22.68%	245.00	2777.0	2,629	27.70%	94.67%
2016	2,215	45,402,621	18,093	-5.32%	246.00	2775.0	2,618	-0.07%	94.34%
2017	2,181	47,093,127	22,779	25.90%	246.00	2720.0	2,562	-1.98%	94.19%
2018	2,168	49,153,245	24,912	9.36%	247.00	2587.0	2,303	-4.89%	89.01%
2019	2,115	51,054,305	27,048	8.57%	247.00	2667.0	2,384	3.09%	89.40%
2020	2,123	50,048,165	27,048 *	0.00%	246.00	2678.0	2,388	0.41%	89.17%
2021	2,117	51,837,803	24,486 *	-9.47%	244.00	2620.0	2,328	-2.17%	88.84%
2022	2,174	53,042,684	24,398 *	-0.36%	248.00	1984.1	1,881	-24.27%	94.81%

**Sources:** District records

**Note:** Enrollment based on annual October district count. Includes secondary and post-secondary students (130). Excludes Adult High School.

- a Operating expenditures equal total expenditures (B-2) less capital outlay, student activities and scholarship.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). Numbers adjusted from 2015 forward. 2018, first time Shared-time counted as half days (revised)
- d Meaningful comparisons are only valid when two years of consistent data are published.
- e Total spending per pupil per Taxpayers Guide to Educational Spending (revised)
- f Some numbers in this report have been rounded (\* = estimated)

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022
Academy of Allied Health & Science (Built in 1997, District totally renovated existing 16,000 sq. ft. shared time building and added 25,000 sq. ft.)										
Square Feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	40,790	40,790	40,790
Enrollment	285	282	287	287	300	299	297	306	306	301
AAHS Neptune Annex (Built in 1989; purchased in 2000. Currently used for 2 ST programs, Tech Group, LPN and evening school. CLASS moved out 9/2014.)										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	18,770	18,770	18,770
Enrollment	73	62	0	0	0	0	0	0	0	0
Biotechnology High School (Built in 2006)										
Square Feet	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238
Enrollment	311	314	320	320	330	323	317	315	315	315
Career Center (Built in 1981. Renovated and added classroom wing in September 2009)										
Square Feet	61,742	61,742	61,742	61,742	61,742	61,742	61,742	61,742	61,742	61,742
Enrollment	494	484	483	476	477	479	465	415	415	369
Communications High School (Built in 2000, District totally renovated existing 20,667 sq. ft. shared time building and added 44,833 sq. ft.)										
Square Feet	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500
Enrollment	336	326	321	320	311	319	312	312	312	310
High Technology High School (Built in 1991. Additions in 1994, 2000, and 2011.)										
Square Feet	60,300	60,300	60,300	60,300	60,300	60,300	60,300	60,300	60,300	60,300
Enrollment	279	286	291	295	290	286	285	295	295	287
KIVA High School Built in 1994, District totally renovated existing 17,000 sq. ft. shared time building and added a new wing. Discontinued in 9/2014.)										
Square Feet	27,873	27,873	-	-	-	-	-	-	-	-
Enrollment	35	27	-	-	-	-	-	-	-	-
CLASS Academy (Moved into the KIVA location 9/2014; previously in the Nep. Annex Program closed 6/30/2021; Location now houses Shared Time Tinton Falls.)										
Square Feet	-	-	27,873	27,873	27,873	27,873	27,873	27,873	27,873	27,873
Enrollment	-	-	63	69	54	44	47	16	16	0
Long Branch-Academy of Law & Public Safety (Built in 1964. Completely renovated and space added in 2009)										
Square Feet	28,676	28,676	28,676	28,676	28,676	28,676	28,676	28,676	28,676	28,676
Enrollment	24	58	78	85	78	67	74	76	76	56
Marine Academy of Science & Technology (In 1991 through 2000, District renovated 12 historical buildings in the Ft. Hancock section of Sandy Hook.)										
Square Feet	31,572	31,572	31,572	31,572	31,572	31,572	31,572	31,572	31,572	31,572
Enrollment	297	303	292	295	288	279	278	282	282	267

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022
<b>SHARED TIME VOCATIONAL SITES</b>										
Aberdeen Vocational Building (1977)										
Square Feet	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325
Culinary Education Center (1967)										
Square Feet	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802
Freehold Building (1971; Renovation and addition completed 2010)										
Square Feet	19,913	19,913	19,913	19,913	19,913	19,913	19,913	19,913	19,913	19,913
Hazlet Vocational Building (1967)										
Square Feet	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650
Keyport Vocational Building (1969)										
Square Feet	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756
Middletown Vocational Building (1965)										
Square Feet	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053
Shared Time Enrollment (Full Time Equivalent)										
Enrollment	400	381	313	308	297	310	205	446	446	324
Post Secondary Enrollment (PS-full-time, Brookdale Adult Culinary)										
Enrollment	338	313	215	221	253	248	168	168	168	130
Adult High School (Enrolled throughout the District)										
Enrollment	0	0	0	0	0	0	0	0	0	0
Number of Buildings/Campuses at June 30, 2022										
Secondary Vocational = 16										
Adult Evening and Post Secondary classes held at 10 locations in District										

**Source:** District records, ASSA

**Note:** Year of original construction is shown in parentheses. Changes in square footage and capacity are the result of a recent insurance appraisal compared to district records.  
 2022 column: enrollment is estimated based on prior year

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**  
**(Unaudited)**

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

School Facilities	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Academy of Allied Health & Science	\$ 79,579	\$ 130,400	\$ 109,901	\$ 57,202	\$ 66,161	\$ 59,145	\$ 49,339	\$ 44,141	\$ 30,371	\$ 33,649
Neptune Annex	25,258	32,505	39,201	35,556	53,081	35,353	50,312	37,648	19,163	17,849
Biotechnology High School	58,573	75,349	71,123	80,604	76,204	71,506	69,959	63,620	47,403	40,010
Career Center	48,227	63,476	72,361	80,546	107,272	65,342	86,191	71,236	44,588	79,385
Communications High School	54,932	74,632	61,298	63,092	70,367	60,883	98,965	68,856	40,887	58,635
High Technology High School	50,830	75,924	235,413	49,672	109,190	57,353	55,720	64,931	31,384	34,020
KIVA High School- Discontinued 9/2014	50,894	65,300	-							
Long Branch - Academy of Law & Public Safety	18,072	29,339	41,852	42,222	76,297	39,992	47,999	36,184	23,486	28,406
Marine Academy of Science & Technology	139,880	174,471	53,395	76,062	109,845	91,505	88,510	68,490	55,665	40,026
CLASS Academy (moved out of Nep Annex 9/2014)			61,653	61,865	65,900	50,978	58,004	49,840	32,290	40,085
<b>SHARED TIME</b>										
Aberdeen Vocational Building	37,628	23,507	17,790	51,803	57,361	38,400	39,260	30,698	16,970	19,798
Culinary Education Center	81,555	125,848	79,921	78,137	120,059	82,956	76,286	69,337	61,759	52,714
Freehold Vocational Building	13,985	36,066	26,098	37,668	60,404	43,882	36,961	32,027	17,522	10,984
Hazlet Vocational Building	25,318	27,846	22,453	33,333	49,201	38,871	49,011	31,410	21,352	11,253
Keyport Vocational Building	26,423	259,082	23,066	32,097	73,393	35,157	38,487	31,777	14,850	21,807
Middletown Vocational Building	15,363	20,867	26,348	34,640	57,884	43,806	49,387	31,804	17,964	8,593
Totals	726,517	1,214,612	941,873	814,499	1,152,619	815,129	894,391	731,999	475,654	497,214

\* 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

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Insurance Schedule - June 30, 2022 (Unaudited)**  
**New Jersey School Boards Association Insurance Group - Commercial Package Policy Property**

PROPERTY

BLANKET REAL & PERSONAL PROPERTY	\$ 500,000,000	per occurrence NJSIG limit
BLANKET EXTRA EXPENSE	50,000,000	per occurrence NJSIG limit
BLANKET VALUABLE PAPERS AND RECORDS	10,000,000	per occurrence NJSIG limit
DEMOLITION COST/INCREASED COST CONSTR.	25,000,000	per occurrence NJSIG limit
LOSS OF RENTS	Not Covered	per occurrence
LOSS OF BUSINESS INCOME/TUITION	\$500,000	per occurrence
LIMITED BUILDERS RISK	10,000,000	per occurrence NJSIG limit
FIRE DEPT 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
VALUABLE PAPERS	5,000	per occurrence
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
DATA PROCESSING EQUIPMENY INCLUDING DATA AND MEDIA, EXTRA EXPENSE, BUSINESS INCOME, DUPLICATES, TRANSIT AND DEBRIS REMOVAL	500,000,000 Included	per occurrence NJSIG Limit
COMPUTER VIRUS	250,000	per occurrence (NJSIG \$10MIL annual aggregate)
TERRORISM	Included in Property	
DEDUCTIBLE	1,000	per occurrence
SPECIAL FLOOD HAZARD AREA FLOOD DEDUCTIBLES:	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	per member/per occurrence
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 DAY'S NOTICE)	1,000,000	
TERRORISM	Included	
DEDUCTIBLES: PER ACCIDENT PROPERTY DAMAGE	\$25,000	
12 HOURS FOR INDIRECT COVERAGES		
SERVICE INTERRUPTION WAITING PERIOD 24 HOURS		



**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Insurance Schedule - June 30, 2022 (Unaudited)**  
**New Jersey School Boards Association Insurance Group - Commercial Package Policy Property**

CRIME		
PUBLIC EMPLOYEE DISHONESTY W/FAITHFUL PERFORMANCE	\$ 100,000	\$1,000 deductible
THEFT, DISAPPEARANCE AND DESTRUCTION-LOSS OF MONEY & SECURITIES ON & OFF PREMISES	100,000	\$1,000 deductible
THEFT, DISAPPEARANCE AND DESTRUCTION- MONEY ORDERS & COUNTERFEIT PAPER CURRENCY	100,000	\$1,000 deductible
FORGERY OR ALTERATION	100,000	\$1,000 deductible
COMPUTER FRAUD	100,000	\$1,000 deductible
PUBLIC OFFICIALS BOND-BOARD SECRETARY	100,000	\$ 500 deductible
COMPREHENSIVE GENERAL LIABILITY		
BODILY INJURY AND PROPERTY DAMAGE	31,000,000	per occurrence
BODILY INJURY FROM PRODUCTS & COMPLETED OPERATIONS	31,000,000	annual aggregate
SEXUAL ABUSE	15,000,000	per occurrence
	15,000,000	per member annual aggregate
	27,000,000	annual NJSIG aggregate
COMMUNICABLE DISEASE OUTBREAK	1,000,000	per occurrence/
	9,000,000	annual NJSIG aggregate
PERSONAL INJURY & ADVERTISING INJURY	31,000,000	annual occurrence/annual aggregate
EMPLOYEE BENEFIT LIABILITY	31,000,000	annual occurrence/annual aggregate
EMPLOYEE BENEFIT LIABILITY DEDUCTIBLE	1,000	per claim deductible
PREMISES MEDICAL PAYMENTS	10,000	per accident
	5,000	limit per person
TERRORISM	1,000,000	per occurrence/annual NJSIG aggregate
TERRORISM DEDUCTIBLE	Not Applicable	
AUTOMOBILE		
LIABILITY - ALL OWNED AUTOS-BODILY INJURY AND PROPERTY DAMAGE	31,000,000	per accident
UNINSURED/UNDERINSURED MOTORISTS-PRIVATE PASSENGER AUTO	1,000,000	per accident
UNINSURED/UNDERINSURED MOTORISTS-ALL OTHER VEHICLES	15,000	Bodily Injury per person
PROPERTY DAMAGE	30,000	Bodily injury per accident
	5,000	Property Damage per accident
PERSONAL INJURY PROTECTION	250,000	including pedestrians
MEDICAL PAYMENTS	10,000	for private passengers cars
	5,000	for all other vehicles
TERRORISM	1,000,000	per occurrence/annual NJSIG aggregate
COMMUNICABLE DISEASE OUTBREAK	1,000,000	per occurrence/
	9,000,000	annual NJSIG aggregate
DEDUCTIBLE	Not Applicable	
PHYSICAL DAMAGE (SCHEDULED VEHICLES ONLY)		
COMPREHENSIVE	1,000	deductible
COLLISION	1,000	deductible
HIRED CAR PHYSICAL DAMAGE \$110,000 LIMIT	1,000	deductible
REPLACEMENT COST	Not Covered	
GARAGE KEEPERS	Included	
FEDERAL INSURANCE CO. (CHUBB) - TEMPORARY TOTAL DISABILITY EXCESS WORKERS COMP.		
MAXIMUM BENEFIT	2,500	per week
MAXIMUM PERIOD	52	weeks
NJ SCHOOL BOARDS ASSOC. INSURANCE GROUP-WORKERS COMPENSATION		
LEGAL REQUIREMENTS	3,000,000	each accident
	3,000,000	each employee
	3,000,000	aggregate limit
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK - HULL POLICY		
HULL	179,000	\$5,000 deductible
HULL P & I	1,000,000	\$1,000 deductible for BI, \$5,000 for PD

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Insurance Schedule - June 30, 2022 (Unaudited)**  
**New Jersey School Boards Association Insurance Group - Commercial Package Policy Property**

PROSIGHT SPECIALTY INSURANCE - EXCESS INDEMNITY FOR VESSEL			
EXCESS PROTECTION & INDEMNITY/EXCESS COLLUSION LIABILITY	\$	20,000,000	
NJ SCHOOL BOARDS ASSOCIATION INSURANCE GROUP- SCHOOL LEADERS			
ERRORS AND OMISSIONS			
COVERAGE A			
LIMIT OF LIABILITY		31,000,000	each policy period
DEDUCTIBLE		5,000	each claim
COVERAGE B		100,000	each claim
LIMIT OF LIABILITY		300,000	each policy period
		5,000	each claim retro to 7/1/86
PUBLIC OFFICIAL BOND - SUPERINTENDENT - CHARLES FORD			
LIMIT		\$300,000	
ENVIRONMENTAL LIABILITY - BEAZLEY SYNDICATE 2623/623 AT LLOYD'S			
LIMIT OF LIABILITY			
EACH POLLUTION CONDITION		\$1,000,000	
AGGREGATE FOR THE POLICY PERIOD		\$1,000,000	
CRISIS AND REPUTATION MANAGEMENT EXPENSES COVERAGE		\$250,000	
PERIOD OF RESTORATION		365 Days	
DEDUCTIBLES EACH POLLUTION CONDITION		\$10,000	
MICROBIAL MATTER DEDUCTIBLE - BUILDING LESS THAN 20 YEARS OLD		\$50,000	
MICROBIAL MATTER DEDUCTIBLE - BUILDINGS BETWEEN 20 AND 50 YEARS OLD		\$100,000	
MICROBIAL MATTER DEDUCTIBLE - BUILDINGS OVER 50 YEARS OLD		\$250,000	
MICROBIAL MATTER DEDUCTIBLE - BUILDINGS WITH NO A/C		250,000	
PERSONAL PROPERTY DAMAGE - EACH POLLUTION CONDITION		\$100,000	
PERSONAL PROPERTY DAMAGE - AGGREGATE		100,000	
FLOOD - ARCH SPECIALTY INSURANCE COMPANY			
PER BUILDING FLOOD LIMIT		\$3,950,000	per occurrence and aggregate
FLOOD OCCURRENCE LIMIT - CONTENTS		\$2,800,000	per occurrence and aggregate
FLOOD OCCURRENCE LIMIT - EXTRA EXPENSE		\$600,000	per occurrence and aggregate
FLOOD DEDUCTIBLE		\$5,000	

**SINGLE AUDIT SECTION**

# SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1  
Sheet 1 of 2

**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**

Honorable President and Members  
of the Board of Education  
Monmouth County Vocational School District  
County of Monmouth, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, 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 Monmouth County Vocational School Board of Education, (a component unit of the County of Monmouth), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Monmouth County Vocational Board of Education's basic financial statements, and have issued our report thereon dated March 3, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Monmouth County Vocational School District's internal control over financial reporting (internal control) to determine the 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 Monmouth County Vocational School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 in internal control over compliance* 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**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 (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Monmouth County Vocational School District's (a component unit of the County of Monmouth) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
March 3, 2023

# SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2  
Sheet 1 of 3

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

### **Report on Compliance for Each Major Federal and State Program**

#### ***Opinion on Each Major Federal and State Program***

We have audited the Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey 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 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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey 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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey's compliance with the compliance requirements referred to above.

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

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 Uniform Guidance and New Jersey OMB 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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 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 best basis, evidence regarding the Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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 Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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, but not for the purpose of expressing an opinion on the effectiveness of the Monmouth County Vocational (a component unit of the County of Monmouth) School Board of Education, State of New Jersey'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.

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

**Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB 15-08.

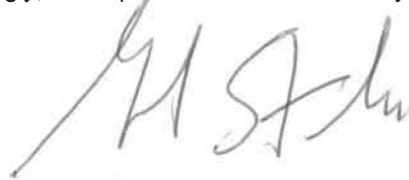
**Report on Internal Control over Compliance**

*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 15-08. Accordingly, this report is not suitable for any other purpose.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
March 3, 2023



**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		June 30, 2021	Cash Received	Budgetary Expenditures	Balance		
				From	To	(Accounts Receivable) /Deferred Revenue			June 30, 2022		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:											
General Fund:											
Higher Education Emergency											
Relief Fund CARES Grant	84.425D	P425E203632	\$ 174,442.00	7/1/2021	6/30/2022		\$ 174,442.00	\$ (174,442.00)			
Total General Fund							174,442.00	(174,442.00)			
U.S. Department of Education											
Passed - Through State Department of Education:											
Special Revenue Fund:											
Title I Part A	84.010	S010A190030	\$ 206,086.00	7/1/2020	9/30/2021	\$ (66,577.00)	\$ 66,577.00				
Title I Part A	84.010	S010A200030	176,382.00	7/1/2021	6/30/2022		97,314.00	\$ (176,382.00)	\$ (79,068.00)		
Title II Part A	84.367	S367A190029	47,235.00	7/1/2020	9/30/2021	(15,183.00)	15,183.00				
Title II Part A	84.367	S367A200029	36,449.00	7/1/2021	6/30/2022		20,110.00	(36,449.00)	(16,339.00)		
Title IV Part A	84.424	S424A190031	13,943.00	7/1/2020	9/30/2021	(13,943.00)	13,943.00				
Title IV Part A	84.424	S424A200031	14,261.00	7/1/2021	6/30/2022		10,202.00	(13,504.55)	(3,302.55)		
IDEA	84.027	H027A190100	236,838.00	7/1/2020	9/30/2021	(76,126.00)	76,126.00				
IDEA	84.027	H027A200100	246,613.00	7/1/2021	6/30/2022		136,062.00	(246,611.00)	(110,549.00)		
ARP IDEA Expansion	84.027X	S425U210027	72,260.00	7/1/2021	6/30/2022		69,896.05	(69,896.05)			
Carl D. Perkins Secondary	84.048A	V048A190030	355,593.00	7/1/2020	6/30/2021	(410.15)	410.15				
Carl D. Perkins Secondary	84.048A	V048A200030	403,727.00	7/1/2021	6/30/2022		403,727.00	(402,203.87)		\$ 1,523.13	
Carl D. Perkins Secondary Reserve	84.048	V048A200030	120,053.00	7/1/2021	6/30/2022		95,549.00	(95,488.05)			60.95
CARES Emergency Relief Act	84.425D	S425D200027	159,416.00	3/13/2020	9/30/2023	(159,416.00)	159,416.00				
CARES Education Stabilization	84.425D	S425D200027	51,000.00	3/13/2020	9/30/2023		51,000.00	(43,117.21)		\$ 7,882.79	
CRRSA Act-Learning	84.425D	S425D210027	41,095.00	3/13/2020	9/30/2023		32,627.00	(35,122.97)	(2,495.97)		
CRRSA Mental Health	84.425D	S425D210027	45,000.00	3/13/2020	9/30/2023		21,849.00	(26,532.93)	(4,683.93)		
ESSER II	84.425D	S425D210027	640,359.00	3/13/2020	9/30/2023	(148,615.39)	541,128.00	(418,652.97)	(26,140.36)		
ARP ESSER II	84.425U	S425U210027	1,439,165.00	3/13/2020	9/30/2024			(48,116.08)	(48,116.08)		

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

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		June 30, 2021	Cash Received	Budgetary Expenditures	Balance June 30, 2022		
				From	To	(Accounts Receivable) /Deferred Revenue			(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education (Continued)											
Passed - Through State Department of Education: (Continued)											
Special Revenue Fund: (Continued)											
Passed-Through Brookdale (Monmouth)											
Community College											
Adult Basic Education	84.002A	V002A190031	\$ 40,000.00	7/1/2020	6/30/2021	\$ (4,351.14)	\$ 4,351.14				
Adult Basic Education	84.002A	V002A200031	37,000.00	7/1/2021	6/30/2022		26,685.00	\$ (34,466.44)	\$ (7,781.44)		
Total Special Revenue Fund						\$ (484,621.68)	\$ 1,842,155.34	\$ (1,646,543.12)	\$ (298,476.33)	\$ 7,882.79	\$ 1,584.08
Trust and Agency fund:											
Title IV Student Financial Aid:											
Pell Grant Program	84.063	P063P192673	\$ 147,249.44	9/1/2020	8/31/2021	\$ 0.03		\$ (0.03)			
Pell Grant Program	84.063	P063P202673	159,979.00	9/1/2021	8/31/2022		\$ 159,979.00	(159,979.00)			
Federal Family Education Loan Program	84.268	P268K192673	80,252.00	9/1/2020	8/31/2021						
Federal Family Education Loan Program	84.268	P268K202673	76,091.00	9/1/2021	8/31/2022		76,091.00	(76,091.00)			
Cares Act	84.425D	5425D200027	128,717.00	3/13/2020	9/30/2023	64,359.32		(64,359.32)			
Total Trust and Agency Fund						\$ 64,359.35	\$ 236,070.00	\$ (300,429.35)			
Total Federal Financial Assistance						\$ (420,262.33)	\$ 2,252,667.34	\$ (2,121,414.47)	\$ (298,476.33)	\$ 7,882.79	\$ 1,584.08

**BOARD OF EDUCATION  
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		June 30, 2021		Cash Received	Budgetary (Expenditures)	Balance, June 30, 2022		MEMO	
					(Accounts Receivable)/				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total
					Deferred Revenue	Grantor						
State Department of Education:												
General Fund:												
Categorical Special Education Aid	22-495-034-5120-089	\$ 1,572,980.00	7/1/2021	6/30/2022			\$ 1,572,980.00	\$ (1,572,980.00)			\$ 155,737.00	\$ (1,572,980.00)
Equalization Aid	22-495-034-5120-078	2,949,050.00	7/1/2021	6/30/2022			2,949,050.00	(2,949,050.00)			291,979.00	(2,949,050.00)
Categorical Security Aid	22-495-034-5120-084	208,928.00	7/1/2021	6/30/2022			208,928.00	(208,928.00)			20,685.00	(208,928.00)
Vocational Expansion Aid	22-495-034-5120-095	3,389,597.00	7/1/2021	6/30/2022			3,389,597.00	(3,389,597.00)			335,596.00	(3,389,597.00)
Law Compliance & School Security Grant (Alyssa's Law)	Not Available	170,571.00	7/1/2021	6/30/2022				(170,571.00)	\$ (170,571.00)			
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	1,466,284.14	7/1/2021	6/30/2022			1,394,326.67	(1,466,284.14)	(71,957.47)			(1,466,284.14)
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	1,490,000.03	7/1/2020	6/30/2021	\$ (72,474.98)		72,474.98					(7,697,037.00)
On-behalf TPAF - Pension	22-495-034-5094-002	7,697,037.00	7/1/2021	6/30/2022			7,697,037.00	(7,697,037.00)				(7,697,037.00)
On-behalf TPAF - Post Retirement Medical	22-495-034-5094-001	1,798,339.00	7/1/2021	6/30/2022			1,798,339.00	(1,798,339.00)				(1,798,339.00)
On-behalf TPAF - Non Contributory Insurance	22-495-034-5094-004	2,673.00	7/1/2021	6/30/2022			2,673.00	(2,673.00)				(2,673.00)
<b>Total General Fund</b>					\$ (72,474.98)		\$ 19,085,405.65	\$ (19,255,459.14)	\$ (242,528.47)		\$ 803,997.00	\$ (19,084,888.14)
Special Revenue Fund:												
Carl D. Perkins Post Secondary State	22-100-034-5062-032	120,053.00	7/1/2021	6/30/2022			119,993.00	(120,037.50)	(44.50)			(120,037.50)
SDA Emergent Needs	22-100-034-5120-519	73,030.00	7/1/2021	6/30/2022			73,030.00	(73,030.00)				(73,030.00)
<b>Total Special Revenue Fund</b>							\$ 193,023.00	(193,067.50)	(44.50)			\$ (193,067.50)
<b>Total State Financial Assistance</b>					\$ (72,474.98)		\$ 19,278,428.65	\$ (19,448,526.64)	\$ (242,572.97)		\$ 803,997.00	\$ (19,277,955.64)
Less on-behalf TPAF:												
Pension	22-495-034-5094-002							\$ 7,697,037.00				
Post-Retirement Medical	22-495-034-5094-001							1,798,339.00				
Non-Contributory Insurance	22-495-034-5094-004							2,673.00				
<b>Total for State Assistance Major Program</b>								\$ (9,950,477.64)				

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED 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, Monmouth County Vocational School District, a component unit of the County of Monmouth. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) 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 expenditures 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 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the 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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) 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 last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

There was no change in the General Fund revenue from the budgetary basis to the GAAP. See *Note 1* (the Notes to Required Supplementary Schedule Exhibit C-3) 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 presented are as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 174,442.00	\$ 19,255,459.14	\$ 19,429,901.14
Special Revenue	1,646,543.12	181,942.50	1,828,485.62
Trust and Agency	300,429.35	_____	300,429.35
	<u>\$ 2,121,414.47</u>	<u>\$ 19,437,401.64</u>	<u>\$ 21,558,816.11</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no federal or state loans outstanding.

**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 Pension Contribution and Post-Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal 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.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

**7. INDIRECT COSTS**

The district did not use the 10% di minimus indirect cost rate.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified, dated  
March 3, 2023

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ yes      X   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes      X   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
March 3, 2023

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Uniform Guidance? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.048, 84.048A</u>	<u>Perkins</u>
<u>84.027, 84.027X</u>	<u>IDEA, ARP IDEA</u>
	Cluster: Education Stabilization Fund
<u>84.425D</u>	<u>CARES/ESSER, Accelerated Learning, Mental Health,</u>
	<u>CARES ESSER-II</u>
<u>84.063</u>	<u>Pell Grant</u>

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**State Financial Assistance**

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

1. Auditee qualified as low-risk auditee?  X  yes   no

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
March 3, 2023

Internal Control over major programs:

1. Material weakness(es) identified?   Yes  X  no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es):   yes  X  none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?   yes  X  no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>22-495-034-5120-089</u>	State Aid Cluster: <u>Categorical Special Education Aid</u>
<u>22-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-095</u>	<u>Vocational Education Aid</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>

**Section II - Schedule of Financial Statement Findings**

None

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs**

- o Federal Award – None
- o State Financial Assistance – None

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**FOR THE YEAR ENDED JUNE 30, 2021:**

There were no findings for the year ended June 30, 2021.