

# **Annual Comprehensive Financial Report**

of the

**Atlantic County Vocational School District  
Board of Education  
Mays Landing, New Jersey**

For the Fiscal Year Ended June 30, 2023

Prepared by

Atlantic County Vocational School District  
Board of Education  
Finance Department



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## **Introductory Section**

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# ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

5080 Atlantic Avenue, Mays Landing, New Jersey 08330

Website: [www.acitech.org](http://www.acitech.org)

Philip J. Guenther, Ed. D.  
Superintendent  
609-625-2249, ext. 1401  
Fax: 609-625-2876

Nicholas Brown  
Business Administrator  
625-625-2249, ext. 1016  
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December 1, 2023

Honorable President and  
Members of the Board of Education  
Atlantic County Vocational School District  
Mays Landing, New Jersey

Dear Board Members and Constituents  
of the Atlantic County Vocational School District:

The annual comprehensive financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 operations 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 organization chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200 "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and New Jersey State Treasury Circular Letter 15-08 OMB, *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.

**REPORTING ENTITY AND ITS SERVICES:** The District is a component unit of the County of Atlantic within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Atlantic County Vocational School Board of Education, a component unit of the County of Atlantic, constitutes the District's reporting entity.

The District operates a comprehensive career and technical high school for students from twenty-three municipalities in Atlantic County. Additionally, post-secondary students are served in both day and evening classes, on a tuition basis.

**ECONOMIC CONDITION AND OUTLOOK:** State aid has increased in 2022-2023 and is expected to increase again in the final year of implementation of the School Funding Reform Act. The District also continues to receive consistent support from the Atlantic County Commissioners through the County Tax Levy.

Applications for new students continue to exceed available capacity at Atlantic County Institute of Technology (ACIT) with over 1300 applications submitted for the freshman class of approximately 500 available seats. ACIT's full time programs continue to grow with demand outpacing available space. The addition of the 2022-23 freshman class brings the existing campus facilities to maximum capacity.

The District's anticipated Career and Technical Education Building on our Mays Landing Campus received is under construction with an anticipated completion date of spring 2025. This new facility will enable ACIT to enroll another 450 students in new programs in Exercise Science, Welding and Advanced Fabrication, and Aviation Maintenance, while providing space to expand the existing Dental Assisting, Medical Assisting, Health Sciences, and Culinary Arts programs. The new facility also will allow for three new CTE programs in existing campus facilities not included in this grant application: Diesel/Mechanical and Commercial Vehicle Technology; Auto Body and Collision Repair; and Heating, Ventilation, Air Conditioning and Refrigeration.

The new three-story, approximately 133,000 square foot multi-purpose building will accommodate the programs noted above with 16 new CTE labs, a 50% increase, in addition to ancillary spaces to meet curricular needs. These include a cafeteria integrated into the expanded Culinary Arts program, administrative spaces, physical education spaces integrated into the Health Sciences and Exercise Science programs, and a parking lot to accommodate both students and faculty.

The facility and the programs described above directly support the Securing Our Children's Future Bond Act Grant objective to increase the district's capacity to offer CTE programs to prepare students for high skill, high wage, technically skilled careers aligned with the labor market demands and directly support the Atlantic County Economic Development Plan.

Several of the proposed new and expanded CTE programs support both current and projected labor market needs in the region. According to the New Jersey Department of Labor, the Health Services industry in New Jersey created nearly 231,000 jobs from 1990 to 2018, a trend that is expected to continue by adding an estimated 64,860 jobs through 2026. Currently, it is estimated that there is about one health care worker per 20 residents in the State. ACIT proposes to address this need with a new Exercise Science program and expanding the Dental Assisting, Medical Assisting, and Health Sciences programs.

**MAJOR INITIATIVES:** The Atlantic County Vocational School District provides the most comprehensive technical education programs and facilities in Atlantic County. ACIT offers nineteen career and technical programs in a state-of-the-art facility that is consistently upgraded to improve instructional spaces and equipment to meet industry standards. Through ACIT's programs, students have the opportunity to complete an array of academic and career and technical courses to earn both a high school diploma and a technical certification. ACIT continues to graduate approximately 99% of its students every year prepared for both college and careers. The success of the academic and career and technical programs at ACIT has been recognized with a federal National Blue Ribbon School designation, and by the New Jersey Department of Education.

As a comprehensive career technical high school, ACIT continues to provide each student with the opportunity to reach his or her potential to become a productive and successful member of the community. This is accomplished by offering students an innovative curriculum that combines academic instruction, career technical education, internships, and structured work experiences designed to bridge the gap between classroom learning and workplace skills. Honors, Advanced Placement and Dual Credit Courses in English, history, the sciences, and math also are offered along with specialized instruction focusing on project-based learning. The academic curriculum is contextual, challenging and enhanced by the extensive use of instructional technology by our faculty and students. All classrooms and technical lab areas are equipped with cutting-edge technology reflecting the current trends in each career area as well as advanced instructional technology including interactive whiteboards and wireless internet. Every student is provided a Chromebook as part of a 1:1 program to facilitate 21st century learning activities that can continue seamlessly from the classroom into the home. These curriculum components are coupled with enriching out-of-the-classroom experiences such as field trips, job shadowing, paid internships and co-ops.

Enrollment at ACIT continues to grow with applications for admission far exceeding the number of available positions in the freshman class. With the expanded enrollment, extensive renovations had to be completed to existing facilities over the past several years to create additional classrooms and technical labs to increase the school's functional capacity. With the focus on diversifying Atlantic County's economy

through the development of the National Aerospace Research and Technology Park in Egg Harbor Township, ACIT has located an Aviation Classroom/Lab and state-of-the-art flight simulator at the facility to house our Aviation Studies Program which is offered through a partnership with Embry-Riddle Aeronautical University.

In addition to the high school programs, ACIT provides post-secondary education for the adult learner with an Adult Evening School with approximately 150 adult students enrolled in both in part-time career and technical programs

With our state-of-the-art facility and abundant technology resources, we are able to provide students who attend ACIT with an exceptional academic and technical education as well as the opportunity to participate in athletics, music, and performing arts. These activities along with our existing co-curricular clubs and service organizations will continue to encourage student involvement, enhance school spirit, and provide an atmosphere for excellence.

At the Atlantic County Institute of Technology, our goal is to prepare students who are college and career ready as well as to provide the region's employers with skilled employees needed to make their businesses and organizations successful. We are proud of our success in meeting these goals.

**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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

As a recipient of the federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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 federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the General Fund and the Special Revenue Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled 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, 2023.

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

**DEBT ADMINISTRATION:** In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1(E) and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in

New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(E), Notes to the Financial Statements.

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

**OTHER INFORMATION:**

**Independent Audit –** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Ford Scott & Associates, LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)” and the New Jersey OMB Circular Letter 15-08. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,

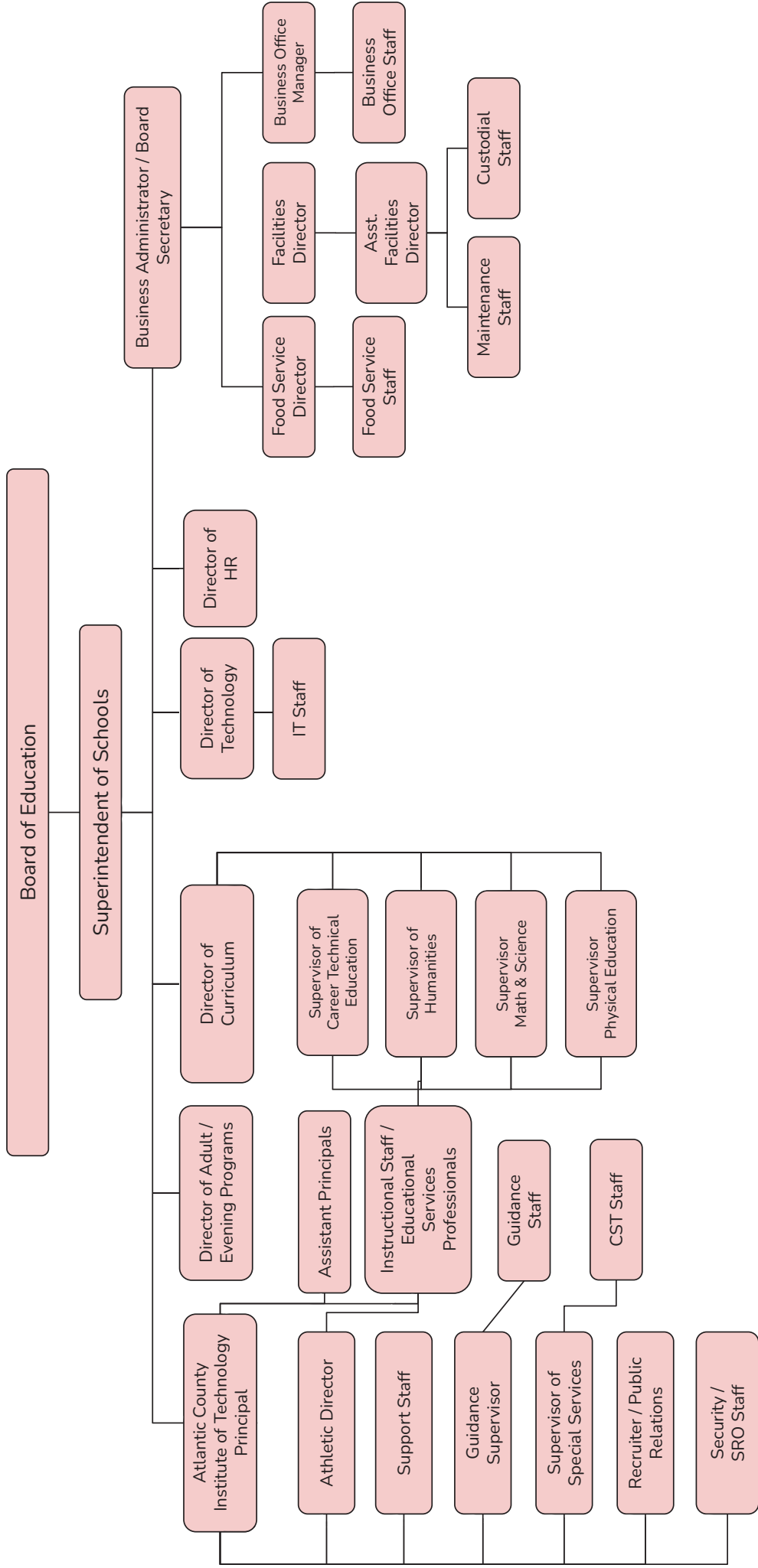
*Philip J. Guenther, Ed.D.*

Philip J. Guenther, Ed. D.  
Superintendent

*Nicholas Brown*

Nicholas Brown  
Board Secretary/Business Administrator

# Atlantic County Vocational School District Organizational Chart



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT**

**MAYS LANDING, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2023

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mark W. Ludwick, President	2023
Augustus C. Harmon, Vice President	2024
Roy Foster	2024
Ellen Hyatt	2024
Patricia Marshall	2023
Dr. Edwin Lopez-Bernard	2023
Kathleen Quish	Ex-officio
Leslie White-Coursey - Executive County Superintendent of Schools	Ex-officio

**Other Officials**

Philip J. Guenther, Ed. D., Superintendent

Nicholas Brown, Board Secretary/Business Administrator

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
Consultants and Advisors**

**Architect of Record**

Larry Merighi  
Manders Merighi Portadin Farrell Architects, LLC  
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Vineland, NJ 08360

**Attorneys**

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Nehmad, Perillo & Davis  
4030 Ocean Heights Avenue  
Egg Harbor Township, NJ 08234

John Hegarty  
Jasinski Firm  
8025 Black Horse Pike, Suite 470  
West Atlantic City, NJ 08232

**Audit Firm**

Ford Scott & Associates, LLC  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, NJ 08226

**Official Depository**

Ocean First Bank  
5401 Harding Highway  
Mays Landing, NJ 08330

## **Insurance Agents**

David Miller  
C.J. Adams Company  
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Northfield, NJ 08225

Jeffrey Dunn  
Glenn Insurance  
500 E. Absecon Blvd.  
Absecon, NJ 08201

Innovative Risk Solutions, Inc.  
3330 Bargaintown Road, Suite 2  
Egg Harbor Township, NJ 08234



## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

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

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Atlantic 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.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 an 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 judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Vocational School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the Atlantic County Vocational School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Atlantic County Vocational School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

December 1, 2023

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**Required Supplementary Information**  
**Part I**

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## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Atlantic County Vocational School District’s (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased \$53,493,947.97 after adjusting the governmental funds fund balance for depreciation expense, capital outlays, and compensated absences.
- The State of New Jersey reimbursed the District \$907,073.19 during the fiscal year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$5,014,995 for TPAF Pension Contributions and OPEB on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 6% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2023, the District had excess surplus in the amount of \$4,273,783.13, of which \$2,280,539.36 has been appropriated and included as anticipated revenue for the year ending June 30, 2024.
- During the fiscal year ended June 30, 2024, the District’s revenues were \$52,484,107.53 more than total expenditures. This is due to grant proceeds from the State of New Jersey Career and Technical Education Program Expansion Grant. During the prior fiscal year, revenues exceeded expenditures by \$387,174.15.
- In the District’s business-type activities, net position increased \$210,290.25 as a result of an increase in food service revenue. Effective for the 2022/2023 school year, the district was again permitted to charge students for their meals. This had been waived for the past two years due to the health emergency resulting from the COVID-19 pandemic. Also, eligible meals were reimbursed based on the applicable status (paid, reduced, or free) in accordance with the rates set by the National School Lunch Program.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of Atlantic County Vocational School District's  
Government-wide and Fund Financial Statements  
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and transportation enterprise	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balance	Statement of net position  Statement of Activities  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that will come due during the current year or sooner; no capital assets or debt are included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short- term and long-term.
Type of inflow/outflow information	All revenues and expenses during the current year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the current year, regardless of when cash is received or paid.	All revenues and expenses during the current year, regardless of when cash is received or paid.

## Government-wide Statements

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

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

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

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, vocational education, administration, and plant operations. County appropriations and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and personal aide funds are included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All

of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position increased between fiscal years 2023 and 2022 as a result of revenues exceeding expenditures. The enrollment of the district continues to increase which results in higher costs related to labor and supplies, however this is offset by the increase in tuition revenue. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent fiscal year which has an effect on the revenue realized by the District. The business-type activities net position increased due to an increase in food service program revenue.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Current and other assets	\$ 68,128,578.34	15,550,917.87	1,100,860.17	874,544.39
Capital assets, net	48,849,763.17	48,637,929.75	14,466.34	40,030.53
<b>Total assets</b>	<b><u>116,978,341.51</u></b>	<b><u>64,188,847.62</u></b>	<b><u>1,115,326.51</u></b>	<b><u>914,574.92</u></b>
Deferred outflows of resources	1,530,041.00	2,151,999.00		
Long-term liabilities	7,278,401.07	7,248,962.74		
Other liabilities	914,462.88	749,364.29	1,469.32	11,007.98
<b>Total liabilities</b>	<b><u>8,192,863.95</u></b>	<b><u>7,998,327.03</u></b>	<b><u>1,469.32</u></b>	<b><u>11,007.98</u></b>
Deferred infows of resources	2,772,083.00	4,293,032.00		
Net position				
Invested in capital assets, net	48,849,763.17	48,637,929.75	14,466.34	40,060.53
Restricted	16,007,573.49	13,333,349.31		
Unrestricted	42,686,098.90	(7,921,791.47)	1,099,390.85	863,536.41
<b>Total net position</b>	<b><u>\$ 107,543,435.56</u></b>	<b><u>54,049,487.59</u></b>	<b><u>1,113,857.19</u></b>	<b><u>903,596.94</u></b>

As required by New Jersey Statutes, the unrestricted net position, on the budgetary basis of accounting, of the District is not permitted to exceed 6% of total general fund expenditures, after reductions for On-behalf TPAF pension, post-retirement and social security, and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2023, the District had excess surplus in the amount of \$4,273,783.13, of which \$2,280,539.36 has been appropriated and included as anticipated revenue for the year ending June 30, 2024.

**Changes in net position.** The total revenue of the District increased \$50,019,886.65 due to the grant awarded by the State of New Jersey for the Career and Technical Education Program Expansion Grant..

Approximately 9.5% of the District's revenue comes from charges for services, such as tuition. The County of Atlantic levies taxes on properties located in the County. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax

levy is appropriated in the County's annual budget and remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

### Analysis of Major Revenue Categories on an Entity Wide Basis

	2023		2022	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 4,059,626.00	4.49%	4,059,626.00	10.40%
Unrestricted Federal and State aid	18,409,223.33	20.36%	15,322,107.20	39.25%
Charges for Services	8,575,896.86	9.48%	10,129,489.00	25.95%
Operating Grants and Contributions	7,357,051.43	8.14%	6,748,516.29	17.29%
Capital Grants/Contributions	50,922,388.76	56.32%	2,179,464.00	5.58%
Other	1,097,680.70	1.21%	597,336.18	1.53%
<b>Totals</b>	<b>\$ 90,421,867.08</b>	<b>100.00%</b>	<b>39,036,538.67</b>	<b>100.00%</b>

### Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2023 and 2022 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 7,936,430.00	10,129,489.00	639,466.86	443,454.99	8,575,896.86	10,572,943.99
Operating grants & contrib	6,631,076.53	6,748,516.29	725,974.90	1,189,163.42	7,357,051.43	7,937,679.71
Capital grants & contrib	50,922,388.76	2,179,464.00			50,922,388.76	2,179,464.00
General revenues						
County Appropriation	4,059,626.00	4,059,626.00			4,059,626.00	4,059,626.00
Federal and state aid not restricted to specific purposes	18,409,223.33	15,322,107.20			18,409,223.33	15,322,107.20
Miscellaneous income	1,097,680.70	597,336.18			1,097,680.70	597,336.18
<b>Total revenues</b>	<b>89,056,425.32</b>	<b>39,036,538.67</b>	<b>1,365,441.76</b>	<b>1,632,618.41</b>	<b>90,421,867.08</b>	<b>40,669,157.08</b>
<b>Expenses</b>						
Instructional services	17,371,859.18	17,907,434.02			17,371,859.18	17,907,434.02
Support services	18,190,618.17	16,047,646.62	1,155,151.51	1,059,849.60	19,345,769.68	17,107,496.22
<b>Total expenses</b>	<b>35,562,477.35</b>	<b>33,955,080.64</b>	<b>1,155,151.51</b>	<b>1,059,849.60</b>	<b>36,717,628.86</b>	<b>35,014,930.24</b>
Special Items					-	-
<b>Change in net position</b>	<b>\$ 53,493,947.97</b>	<b>5,081,458.03</b>	<b>210,290.25</b>	<b>572,768.81</b>	<b>53,704,238.22</b>	<b>5,654,226.84</b>

## **Business-type Activities**

Revenues of the District's business-type activities decreased approximately 16% when compared to the previous fiscal year while expenditures increased 9% over the past fiscal year due to significantly higher cost of goods sold.

- Effective with the 2022/2023 school year, the district began charging students for their meals. In the two prior years, students were not charged due to the public health emergency that was in effect. Also, eligible meals were reimbursed according to their status (paid, reduced, or free). In the prior two years, meals were reimbursed at the higher free rate.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of \$67,083,792.32 which is \$52,484,107.53 higher than the beginning of the year. The most significant change is the recognition of revenue for the Career and Technical Education Program Expansion Grant awarded through the State of New Jersey. Also, the State of New Jersey continues to defer the final state aid payment to the subsequent fiscal year which has an affect on the revenue recognized by the District.

### **General Fund Budgetary Highlights**

As further explained in the Footnotes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceed the budget by \$119,285.09. This is primarily a result of an increase in unanticipated interest revenue due to higher rates. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$3,125,681.36. The most significant variances occurred in the areas of salaries and wages, construction services, and health benefits. Audit exhibit C-1 does not include current year depreciation expense.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2023, the District had invested \$48,864,229.49 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net increase of \$186,269.21, or 0.38%, over last year. This is the result of costs incurred related to the building addition project.

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	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Land	\$ 78,120.00	78,120.00			78,120.00	78,120.00
Const in Progress	5,242,964.95	5,754,026.35			5,242,964.95	5,754,026.35
Land Improvements	214,011.08	227,817.24			214,011.08	227,817.24
Buildings and Impr	42,282,936.20	41,882,176.16			42,282,936.20	41,882,176.16
Machinery and Equip	1,031,730.94	695,790.00	14,466.32	40,030.53	1,046,197.26	735,820.53
<b>Total</b>	<b><u>\$ 48,849,763.17</u></b>	<b><u>48,637,929.75</u></b>	<b><u>14,466.32</u></b>	<b><u>40,030.53</u></b>	<b><u>48,864,229.49</u></b>	<b><u>48,677,960.28</u></b>

Additional information on the District's capital assets can be found in Note 4 of the Notes to Financial Statements.

### **Long-term Debt**

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. Additional information on the District's long-term debt can be found in Note 14 of the Notes to Financial Statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Applications for new students continue to exceed available capacity at Atlantic County Institute of Technology (ACIT) with over 1200 applications submitted for the freshman class of approximately 500 available seats. ACIT's full time programs continue to grow with demand outpacing available space. The addition of the 2023-2024 freshman class brings the existing campus facilities to maximum capacity. Applications for enrollment in the 2023-2024 school year have already exceeded the number of applications received at this time last year. The economic forecast for the Atlantic County Institute of Technology is improving following the end of the COVID pandemic. The district continues to make improvements to our facilities, including security and mechanical upgrades and which began construction on the \$53.5 million Career & Technical Education Expansion project in 2023. State Aid has increased every year since 2020 and the District anticipates increased State Aid through the complete implementation of the School Funding Reform Act.

In 2020, the Atlantic City Casino Industry continued to face challenges, including the lingering effects from the pandemic, a difficult economy and high inflation. However, the industry demonstrated resilience after the pandemic, with in-person winnings from players surpassing pre-pandemic levels of 2019. The \$22.4 million National Aerospace Research & Technology Park was constructed on a 58-acre park adjacent to the FAA William Hughes Technical Center and has been completed. This project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry. The District hopes to support that diverse growth with programs for Aviation Studies in partnership with Embry Riddle University. The District's Aviation Studies program includes instructional space in the technology park which boasts a state-of-the-art flight simulator.

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

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 5080 Atlantic Avenue, Mays Landing, New Jersey 08330.



**BASIC FINANCIAL STATEMENTS**

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,342,631.35	1,024,503.72	16,367,135.07
Internal Funds	149,631.63	(149,631.63)	-
Receivables, Net	52,505,992.22	207,326.17	52,713,318.39
Inventory		18,661.91	18,661.91
Right to Use Leased Assets	130,323.14		130,323.14
Capital Assets:			
Capital Assets not Being Depreciated			
Construction in Progress	5,242,964.95		5,242,964.95
Land	78,120.00		78,120.00
Capital Assets Being Depreciated, Net	43,528,678.22	14,466.34	43,543,144.56
<b>Total Assets</b>	<b>116,978,341.51</b>	<b>1,115,326.51</b>	<b>118,093,668.02</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,530,041.00	-	1,530,041.00
Total Deferred Outflows of Resources	1,530,041.00	-	1,530,041.00
<b>LIABILITIES</b>			
Accounts Payable	509,005.00	-	509,005.00
Other Payables	87,375.42		87,375.42
Unearned Revenue	318,082.46	1,469.32	319,551.78
Noncurrent Liabilities			
Due Within One Year	106,742.11		106,742.11
Due Beyond One Year	842,533.96		842,533.96
Net Pension Liability	6,329,125.00		6,329,125.00
<b>Total Liabilities</b>	<b>8,192,863.95</b>	<b>1,469.32</b>	<b>8,194,333.27</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	2,772,083.00	-	2,772,083.00
<b>NET POSITION</b>			
Net Investment in Capital Assets	48,849,763.17	14,466.34	48,864,229.51
Restricted for:			
Other Purposes	16,007,573.49	-	16,007,573.49
Unrestricted	42,686,098.90	1,099,390.85	43,785,489.75
<b>Total Net Position</b>	<b>\$ 107,543,435.56</b>	<b>1,113,857.19</b>	<b>108,657,292.75</b>

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

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Statement of Activities  
For the Fiscal Year Ended June 30, 2023**

Function/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense Revenue and Changes in Net Position)		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular Instruction	\$ 7,383,969.43	3,560,500.64	1,771,168.24	-	(9,173,301.82)	-	(9,173,301.82)	
Vocational Education	3,179,084.51	2,000,002.75	255,001.70	-	3,012,344.44	-	3,012,344.44	
Other Instruction	707,898.07	540,403.78	68,901.85	-	(1,179,400.00)	-	(1,179,400.00)	
<b>Support Services:</b>								
Student & Instruction Related Services	4,179,790.31	1,350,874.83	2,230,031.78	-	(3,300,633.36)	-	(3,300,633.36)	
School Administrative Services	791,686.20	445,035.59	215,960.57	-	(1,020,761.22)	-	(1,020,761.22)	
Other Administrative Services	1,655,256.16	1,030,980.99	500,299.85	-	(2,185,937.30)	-	(2,185,937.30)	
Plant Operation and Maintenance	4,486,575.84	2,513,678.41	1,219,802.26	-	(5,780,452.00)	-	(5,780,452.00)	
Pupil Transportation	743,972.21	444,470.40	215,686.30	-	(972,766.31)	-	(972,766.31)	
Unallocated Benefits	12,203,760.80	(12,203,760.80)	-	-	-	-	-	
Capital Outlay	-	-	-	50,922,388.76	50,922,388.76	-	50,922,388.76	
Special Schools	230,483.82	317,813.40	154,223.99	-	(394,073.24)	-	(394,073.24)	
<b>Total Governmental Activities</b>	<b>35,562,477.35</b>	<b>(0.00)</b>	<b>6,631,076.53</b>	<b>50,922,388.76</b>	<b>29,927,417.94</b>	<b>-</b>	<b>29,927,417.94</b>	
<b>Business-Type Activities:</b>								
Food Service	810,561.77	-	725,974.90	-	208,293.36	-	208,293.36	
Shared Services	261,586.64	-	261,586.63	-	(0.01)	-	(0.01)	
Personal Aide Program	83,003.10	-	85,000.00	-	1,996.90	-	1,996.90	
<b>Total Business-Type Activities</b>	<b>1,155,151.51</b>	<b>-</b>	<b>725,974.90</b>	<b>-</b>	<b>210,290.25</b>	<b>-</b>	<b>210,290.25</b>	
<b>Total Primary Government</b>	<b>\$ 36,717,628.86</b>	<b>(0.00)</b>	<b>7,357,051.43</b>	<b>50,922,388.76</b>	<b>29,927,417.94</b>	<b>210,290.25</b>	<b>30,137,708.19</b>	
<b>General Revenues:</b>								
County Appropriation, Levied for General Purposes					4,059,626.00		4,059,626.00	
Federal and State Aid not Restricted					18,409,223.33		18,409,223.33	
Investment Earnings					-		-	
Miscellaneous Income					1,097,680.70		1,097,680.70	
Special Items: None					-		-	
Transfers					-		-	
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>23,566,530.03</b>		<b>23,566,530.03</b>	
<b>Change in Net Position</b>					<b>53,493,947.97</b>	<b>210,290.25</b>	<b>53,704,238.22</b>	
<b>Net Position - July 1</b>					<b>54,049,487.59</b>	<b>903,566.94</b>	<b>54,953,054.53</b>	
<b>Net Position - Ending</b>					<b>\$ 107,543,435.56</b>	<b>1,113,857.19</b>	<b>108,657,292.75</b>	

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

**FUND FINANCIAL STATEMENTS**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 15,189,352.26	153,279.09		15,342,631.35
Receivables, Net	-			-
Due from Other Funds	745,088.75			745,088.75
Receivables from Other Governments	270,489.79	1,313,113.67	50,922,388.76	52,505,992.22
Restricted Cash & Cash Equivalents	-			-
Total Assets	<u>16,204,930.80</u>	<u>1,466,392.76</u>	<u>50,922,388.76</u>	<u>68,593,712.32</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	-	509,005.00		509,005.00
Due to Other Funds	-	486,026.21	109,430.91	595,457.12
Payroll Deductions and Withholdings	5,512.82			5,512.82
Unemployment Compensation				
Claims Payable	81,862.60			81,862.60
Unearned Revenue	-	318,082.46	-	318,082.46
Total Liabilities	<u>87,375.42</u>	<u>1,313,113.67</u>	<u>109,430.91</u>	<u>1,509,920.00</u>
Fund Balances:				
Restricted for:				
Excess surplus	1,993,243.77			1,993,243.77
Excess surplus - designated for subsequent year's expenditures	2,280,539.36			2,280,539.36
Unemployment Compensation	216,328.50			216,328.50
Scholarships		2,788.91		2,788.91
Student Activities		150,490.18		150,490.18
Committed to:				
Capital Reserve Account	9,812,881.55	-	-	9,812,881.55
Maintenance Reserve Account	1,551,301.22	-	-	1,551,301.22
Assigned to:				
Designated by the BOE for Subsequent Year's Expenditures				
Reserve for Encumbrances	263,260.98	-	50,812,957.85	51,076,218.83
Unassigned:				
General Fund	(0.00)	-	-	(0.00)
Total Fund Balances	<u>16,117,555.38</u>	<u>153,279.09</u>	<u>50,812,957.85</u>	<u>67,083,792.32</u>
Total Liabilities and Fund Balances	<u>\$ 16,204,930.80</u>	<u>1,466,392.76</u>	<u>50,922,388.76</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$78,782,529.63 and the accumulated depreciation is \$29,932,766.46	48,849,763.17
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(7,571,167.00)
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(818,952.93)

Net position of governmental activities \$ 107,543,435.56

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
County Appropriation	\$ 4,059,626.00			4,059,626.00
Tuition Charges	7,936,430.00			7,936,430.00
Miscellaneous	271,370.44	640,323.12	185,987.14	1,097,680.70
Total Local Sources	<u>12,267,426.44</u>	<u>640,323.12</u>	<u>185,987.14</u>	<u>13,093,736.70</u>
State Sources	24,503,698.19	183,789.14	50,922,388.76	75,609,876.09
Federal Sources	40,803.65	2,977,996.88		3,018,800.53
Total Revenues	<u><u>36,811,928.28</u></u>	<u><u>3,802,109.14</u></u>	<u><u>51,108,375.90</u></u>	<u><u>91,722,413.32</u></u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	6,839,992.54	1,317,202.01		8,157,194.55
Vocational Instruction	3,613,420.16			3,613,420.16
Other Instruction	825,256.22			825,256.22
Support Services:				
Student & Instruction Related Serv.	2,415,362.13	2,057,794.33		4,473,156.46
School Administrative Services	794,440.81			794,440.81
General Administration	670,059.12			670,059.12
Central Services	462,496.69			462,496.69
Administrative Information Technology	529,081.75			529,081.75
Plant Operation and Maintenance	4,520,770.43			4,520,770.43
Transportation Services	746,723.32			746,723.32
Employee Benefits	12,203,760.80			12,203,760.80
Capital Outlay	1,262,525.20	451,551.26	295,418.05	2,009,494.51
Special Schools	232,450.97			232,450.97
Total Expenditures	<u>35,116,340.14</u>	<u>3,826,547.60</u>	<u>295,418.05</u>	<u>39,238,305.79</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,695,588.14</u>	<u>(24,438.46)</u>	<u>50,812,957.85</u>	<u>52,484,107.53</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-			-
Transfers Out	-			-
Capital Leases (non-budgeted)	-			-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	1,695,588.14	(24,438.46)	50,812,957.85	52,484,107.53
Fund Balance - July 1	14,421,967.24	177,717.55	-	14,599,684.79
Fund Balance - June 30	<u><u>\$ 16,117,555.38</u></u>	<u><u>153,279.09</u></u>	<u><u>50,812,957.85</u></u>	<u><u>67,083,792.32</u></u>

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

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2023**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 52,484,107.53

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

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

This is the amount capital outlays exceeded depreciation for the period.

	Depreciation expense	\$ (1,816,296.92)	
	Capital assets charged to expense	18,635.83	
	Capital Outlays	<u>2,009,494.51</u>	211,833.42

Governmental funds report district pension contributions as expenditures.

However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.

	District pension contributions - PERS	528,867.00	
	Cost of benefits earned net of employee contributions	<u>168,663.00</u>	697,530.00

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

100,477.02

Change in Net Position of Governmental Activities \$ 53,493,947.97

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2023**

	<u>Non-Major Funds</u>	<u>Total 2023</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,024,503.72	1,024,503.72
Intergovernmental Accounts Receivable		
Federal	35,826.05	35,826.05
State	1,490.39	1,490.39
Other	170,009.73	170,009.73
Inventory	18,661.91	18,661.91
	<u>1,263,683.70</u>	<u>1,263,683.70</u>
Total Current Assets		
Noncurrent Assets:		
Furniture, Machinery & Equipment	320,914.51	320,914.51
Less Accumulated Depreciation	<u>(306,448.17)</u>	<u>(306,448.17)</u>
Total Noncurrent Assets	<u>14,466.34</u>	<u>14,466.34</u>
	<u>1,278,150.04</u>	<u>1,278,150.04</u>
Total Assets		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	-	-
Interfunds Payable	162,823.53	162,823.53
Unearned Revenue	1,469.32	1,469.32
	<u>164,292.85</u>	<u>164,292.85</u>
Total Current Liabilities		
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt	14,466.34	14,466.34
Unrestricted	1,099,390.85	1,099,390.85
	<u>\$ 1,113,857.19</u>	<u>1,113,857.19</u>
Total Net Position		

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2023**

	Non-Major Funds	Total 2023
Operating Revenue:		
Charges for Service:		
Daily Sales - Non-reimbursable Programs	\$ 170,599.19	170,599.19
Daily Sales - Reimbursable Programs	107,497.13	107,497.13
Special Functions	10,779.63	10,779.63
Fees for Services	346,586.63	346,586.63
Miscellaneous	4,004.28	4,004.28
Total Operating Revenue	639,466.86	639,466.86
Operating Expenses:		
Cost of Sales - reimbursable programs	320,052.08	320,052.08
Cost of Sales - non-reimbursable programs	65,509.85	65,509.85
Salaries	462,527.46	462,527.46
Fringe Benefits	145,148.75	145,148.75
Unused Sick Payments to Terminated/Retired Staff	-	-
Purchased Professional/Technical Services	17,963.03	17,963.03
Other Purchased Services	5,171.88	5,171.88
Cleaning, Repair and Maintenance	32,749.10	32,749.10
General Supplies	79,943.99	79,943.99
Other Objects	521.16	521.16
Depreciation	25,564.21	25,564.21
Total Operating Expenses	1,155,151.51	1,155,151.51
Operating Income (Loss)	(515,684.65)	(515,684.65)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Breakfast Program	8,015.90	8,015.90
State School Lunch Program	18,722.20	18,722.20
Federal Sources:		
School Breakfast Program	123,557.76	123,557.76
National School Lunch Program	467,591.53	467,591.53
P-EBT Administrative Cost	3,256.00	3,256.00
National School Lunch Program - Performance Based	10,479.28	10,479.28
Food Distribution Program	94,352.23	94,352.23
Interest and Investment Income	-	-
Total Nonoperating Revenues (Expenses)	725,974.90	725,974.90
Changes in Net Position	210,290.25	210,290.25
Total Net Position - Beginning	903,566.94	903,566.94
Total Net Position - Ending	\$ 1,113,857.19	1,113,857.19

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Comparative Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

	Non-Major Funds	Total 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 499,881.76	499,881.76
Payments to Employees	(331,008.93)	(331,008.93)
Payments for Employee Benefits	(145,148.75)	(145,148.75)
Payments for Supplies and Services	(416,581.74)	(416,581.74)
Net Cash Provided by (Used for) Operating Activities	(392,857.66)	(392,857.66)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	26,811.27	26,811.27
Federal Sources	658,768.68	658,768.68
Net Cash Provided by (Used for) Noncapital Financing Activities	685,579.95	685,579.95
Net Increase in Cash and Cash Equivalents	292,722.29	292,722.29
Balance - Beginning of Year	731,781.43	731,781.43
Balance - End of Year	1,024,503.72	1,024,503.72
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	(515,684.65)	(515,684.65)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	25,564.21	25,564.21
Federal Commodities - Non-Cash	94,352.23	94,352.23
(Increase) in Accounts Receivable	(126,861.88)	(126,861.88)
(Increase) in Inventories	10,977.12	10,977.12
Increase in Accounts Payable	-	-
Increase in Interfunds Payable	118,326.63	118,326.63
Increase in Deferred Revenue	468.68	468.68
Total Adjustments	122,826.99	122,826.99
Net Cash Provided by (Used for) Operating Activities	\$ (392,857.66)	(392,857.66)

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

## **Notes to the Financial Statements**

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Atlantic County Vocational School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Atlantic County Vocational School District is a Type I District located in the County of Atlantic, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to four-year terms, appointed by the Board of Chosen Freeholders, and the County Superintendent of Schools as an ex-officio member. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 9-12 for both regular and vocational programs and operate the adult and continuing education programs. The District had an enrollment at June 30, 2023 of 1,848 students.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, under which the financial statements include all the organizations, activities, functions, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units. But, as a Type I District, would be considered a component unit of the County of Atlantic. The County of Atlantic however reports on the regulatory basis of accounting which does not recognize component units. If the County followed Generally Accepted Accounting Principles (GAAP) reporting, the Board of Education would be a component unit of the County of Atlantic.

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

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

Based on the aforementioned criteria, the District has no component units.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program and personal aide program are classified as business-type activities.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

### **C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

#### **1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District's Unemployment Compensation Trust Fund, Payroll Agency, and Net Payroll accounts are also accounted for in the General Fund.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District. The District's Student Activities and Scholarship funds are also accounted for in the Special Revenue Fund.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**2. Proprietary Funds:**

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

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

The District's Enterprise Fund is comprised of the following;

**Food Service Fund**, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

**Shared Services Fund**, which accounts for revenue and expenses related to the shared services agreement the District has entered into with the Atlantic County Special Services School District. The agreement includes services provided by the Chief School Administrator, School Business Administrator, Facilities Manager, Custodial Services, Information Technology, and Food Service.

**Personal Aide Fund**, which accounts for all revenues and expenses pertaining to the District's personal aide operations.

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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.

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

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	14,741.05
Supplies		<u>3,920.86</u>
	\$	<u><u>18,661.91</u></u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2023 is \$363.00.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
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**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**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.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-Wide Financial Statements as a Governmental Activity.

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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**8. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the board of school estimates have an opportunity to approve or reject the budget at the regular election held in November. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs-Instruction		
Salaries of Teachers (Grades 9-12)	\$	(250,268.60)
Regular Vocational Programs-Instruction		
Salaries of Teachers		(411,354.77)
Undistributed Expenditures -		
Improvement of Instructional Services		
Salaries of Supervisor of Instruction		57,465.86
Support Services – General Administration		33,650.00
Other Purchased Professional Services		39,380.00
Support Services – School Administration		
Salaries of Secretarial and Clerical Assistants		(74,950.00)
Administrative Information Technology		
Salaries		(54,706.45)
Required Maintenance of School Facilities		85,616.84
Salaries		
Cleaning, Repair and Maintenance Service		102,062.41
Custodial Services		
Energy (Electricity)		116,790.00
Security		
Supplies and Materials		166,500.00
Unallocated Benefits – Employee Benefits		
Health Benefits		55,000.00
Capital Outlay		
Equipment		
Undistributed Expenditures – Security		34,919.84
Facilities Acquisition and Construction Services		
Construction Services		55,000.00

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and 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.

**10. Tuition Receivable:**

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

**11. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**12. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**13. Pensions:**

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

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.



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**NOTE 2. INVESTMENTS**

As of June 30, 2023, the District had no investments.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located, obligations of federal agencies not exceeding 397 days, government money market mutual funds, the State of New Jersey Cash Management Plan, local government investment pools, or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The District places no limit on the amount the District may invest in any one issuer.

**NOTE 3. CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$354,579.76 of the government's bank balance of \$18,063,004.02 was exposed to custodial credit risk.

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**NOTE 4. FIXED ASSETS**

Capital Asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 78,120.00			78,120.00
Construction in process	5,754,026.35	1,677,073.60	(2,188,135.00)	5,242,964.95
Total capital assets not being depreciated	<u>5,832,146.35</u>	<u>1,677,073.60</u>	<u>(2,188,135.00)</u>	<u>5,321,084.95</u>
Land Improvements	690,358.00			690,358.00
Bldg and bldg improve	61,542,615.68	1,731,000.00		63,273,615.68
Machinery & equipment	8,689,279.26	808,191.74		9,497,471.00
Total at historical cost	<u>70,922,252.94</u>	<u>2,539,191.74</u>	<u>-</u>	<u>73,461,444.68</u>
Less accum depr for:				
Land Improvements	(462,540.76)	(13,806.16)		(476,346.92)
Bldg and bldg improve	(19,660,439.52)	(1,330,239.96)		(20,990,679.48)
Equipment	(7,993,489.26)	(472,250.80)		(8,465,740.06)
Total accum deprec	<u>(28,116,469.54)</u>	<u>(1,816,296.92)</u>	<u>-</u>	<u>(29,932,766.46)</u>
Total capital assets being depr, net of accum depr	<u>42,805,783.40</u>	<u>722,894.82</u>	<u>-</u>	<u>43,528,678.22</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 48,637,929.75</u>	<u>2,399,968.42</u>	<u>(2,188,135.00)</u>	<u>48,849,763.17</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 320,914.51			320,914.51
Less accum depr for:				
Equipment	(280,883.98)	(25,564.21)		(306,448.19)
<b>Business-Type Activities Capital Assets, net</b>	<u>\$ 40,030.53</u>	<u>(25,564.21)</u>	<u>-</u>	<u>14,466.32</u>

Depreciation expense was charged to governmental functions as follows:

<b>Instruction:</b>	
Regular Instruction	\$ 529,912.58
Vocational Education	297,662.24
Other Instruction	80,428.79
<b>Support Services:</b>	
Student & Instruction Related Services	201,051.94
School Administrative Services	66,235.06
Other Administrative Services	153,441.85
Plant Operation & Maintenance	374,113.06
Pupil Transportation	66,150.94
<b>Special Schools</b>	<u>47,300.46</u>
Total Depreciation Expense	<u>\$ 1,816,296.92</u>

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**NOTE 5. PENSION PLANS**

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost sharing multiple employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 32.31% and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022, and 2021 were \$3,969,982.00, \$3,979,617.00, and \$2,697,727.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the

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required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2023, 2022, and 2021, were \$528,867.00, \$605,766.00, and \$589,847.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$1,042,905.00, \$929,799.00, and \$845,426.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$907,073.19, \$893,398.41, and \$786,102.58, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

For the DCRP, members contribute at a uniform rate of 6.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 2 employees enrolled in the DCRP for the year ended June 30, 2023.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place July of each subsequent fiscal year.

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- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also required the State to make its full pension contribution, defined at 1/7<sup>th</sup> of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 6: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2022:

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**Public Employees' Retirement System**

The District has a liability of \$6,329,125 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. 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 employers, actuarially determined. At June 30, 2022, the District's proportion is 0.04193868840%, which is a decrease of 18.92% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$168,663. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 45,681	\$ (40,284)
Changes of assumptions	19,610	(947,721)
Net difference between projected and actual earnings on pension plan investments	261,957	-
Changes in proportion	1,202,791	(1,784,078)
Total	\$ 1,530,039	\$ (2,772,083)

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2024	\$ (1,135,296)
2025	(418,123)
2026	(29,378)
2027	343,423
2028	(2,670)
Total	\$ (1,242,044)

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**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 weighing 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, 2022 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 7,589,919	\$ 6,329,125	\$ 5,257,331

*Pension plan fiduciary net position.*

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

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**NOTE 7 – PENSION LIABILITIES - TEACHERS’ PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, 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 non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, 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 non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		49,182,990.00
Total	\$	49,182,990.00

The net pension liability was measured as of June 30, 2022 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 and the State, actuarially determined. At June 30, 2022, the District’s proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$1,323,652 and revenue of \$1,323,652 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate		
Price		2.75%
Wage		3.25%
Salary increases		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

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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-Medan 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 weighing 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

***Discount rate.***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)		Current Discount Rate (7.0%)		1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -		\$ -		\$ -
State's proportionate share of the net position liability associated with the District	\$ 57,668,100.93		\$ 49,182,990.00		\$ 42,035,350.23

*Pension plan fiduciary net position.*

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

**Additional Information**

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	5,004,259,312
Deferred inflows of resources		19,682,774,794
Net pension liability		51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

**NOTE 8. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more

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conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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 and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

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*Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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-2020 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Changes in the Total OPEB Liability reported by the State of New Jersey*

Balance at 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 50,646,462,966.00</u>

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*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

*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 \$1,546,327.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,042,402,619.00	\$ (15,462,950,679.00)
Changes in assumptions	8,765,620,577.00	(17,237,289,230.00)
	\$ 17,808,023,196.00	\$ (32,700,239,909.00)

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

Year Ended June 30,		
2023	\$	(2,517,151,602.00)
2024		(2,517,151,602.00)
2025		(2,517,151,602.00)
2026		(2,175,449,761.00)
2027		(1,243,951,140.00)
Thereafter		<u>(3,921,361,006.00)</u>
	\$	<u><u>(14,892,216,713.00)</u></u>

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

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

**NOTE 9. LABOR CONTRACTS**

As of June 30, 2023, the District's employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Atlantic County Vocational School Education Association	All full-time and part-time employees working twenty-five or more hours per week, whether under contract or on leave, including all non-supervisory certificated staff members and non-certified employees including secretaries, clerks, custodians, maintenance personnel, and aides.	June 30, 2026

In addition to the above contract, the Board of Education has entered into individual employment agreements with the Superintendent and Business Administrator. The expiration of these contracts will vary depending on the position.

**NOTE 10. DEFERRED COMPENSATION**

The Board offers its employees a deferred compensation plan 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:

Frank J. Siracusa & Sons  
AXA Equitable  
Lincoln Investments  
The Travelers

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**NOTE 11. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. 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. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees are paid for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

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

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, 2023, no liability existed for compensated absences. In the proprietary fund types.

**NOTE 12. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Atlantic County Vocational School District on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 5,960,159.55
Interest earnings	400.00
Deposits:	
Budgeted 2022/23	3,138,022.00
Board Resolution 6/28/2023	750,000.00
	9,848,581.55
Withdrawals:	
Resolution 22/23-62(V) - 2/22/2023	35,700.00
	\$ 9,812,881.55



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**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Atlantic County Vocational School District on March 25, 2012, for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (NJSA 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (NJAC 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

Beginning balance, July 1, 2022		\$ 1,551,201.22
Interest earnings		100.00
Deposits:		
None		-
		1,551,301.22
Withdrawals:		
None		-
		-
Ending balance, June 30, 2023		\$ 1,551,301.22

**NOTE 14. GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Amounts Due Year
<b>Governmental Activities</b>					
Compensated Absences					
Payable	\$ 919,429.95	16,047.78	116,524.80	818,952.93	11,196.22
Lease Liability	201,868.79		71,545.65	130,323.14	95,545.89
Net Pension Liability	6,127,664.00	201,461.00		6,329,125.00	-
<b>Total</b>	\$ 7,248,962.74	217,508.78	188,070.45	7,278,401.07	106,742.11

During the fiscal year ended June 30, 2023 the business-type activities had no liabilities reported in the long-term obligations account group.

Compensated absences will be liquidated in the General Fund.

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**A. Lease Liability**

Commencing July 1, 2019, the District is leasing certain office equipment under operating leases that expire in fiscal year 2023. Total rent expense for the 2023 fiscal year was \$53,071.80.

In addition, the District is leasing 2,236 square feet of office space at the National Aviation Research & Technology Park of New Jersey, which is located at the FAA Technical Center located in Egg Harbor Township, NJ. This lease will expired on March 31, 2023 however the district exercised the options for the 2024 and 2025 fiscal years. Total rent expense for the 2023 fiscal year was \$50,690.12.

Future minimum lease payments are as follows:

Fiscal Year End		Payment
June 30,		
2024	\$	95,545.89
2025		34,777.25
	\$	<u>130,323.14</u>

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 745,088.75	
Special Revenue Fund		486,026.21
Capital Projects Fund		109,430.91
Enterprise Fund-Personal Aide	13,191.90	
Enterprise Fund-Shared Services		162,823.53
Total	\$ <u>758,280.65</u>	<u>758,280.65</u>

Interfunds were created throughout the year due to short-term borrowings to cover cash flow needs in the various funds and to cover cash overdrafts for pooled funds. The governmental fund interfunds were eliminated in the governmental-wide statements.

**NOTE 16. FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) – Of the \$16,117,555.38 General Fund fund balance, at June 30, 2023, \$263,260.98 is reserved for encumbrances, after moving \$147,004.68 to unassigned fund balance to eliminate the deficit balance) ; \$4,273,783.13 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$2,280,539.36 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$216,328.50 is reserved for unemployment compensation; \$9,812,881.55 has been reserved in the Capital Reserve Account; \$1,551,301.22 has been reserved in the Maintenance Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; and \$0.00 has been classified as Unassigned.

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**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$4,273,783.13, of which \$2,280,539.36 has been included in the 2024 fiscal year budget. The excess fund balance at June 30, 2022 was \$5,428,942.49.

**NOTE 18. 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.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2023, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance - The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 25,000.00	65,600.71	88.20	90,688.91	216,328.50
2021-2022	25,000.00	80,759.34	81.40	8,692.59	216,328.50
2020-2021	25,000.00	74,980.48	73.77	153,551.84	119,180.35

**NOTE 19. LITIGATION**

From time to time, the District is a defendant or plaintiff in legal proceedings relating to its operations as a school district. In the best judgment of the District’s management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

**NOTE 20. RIGHT TO USE ASSETS**

The school district has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The district has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

The district has recorded three right to use leased assets. The assets are right to use assets for leased copiers, postage machine, and office space.

	Beginning Balance	Increases	Decreases	Ending Balances
Copiers	\$ 53,071.80		14,975.52	38,096.28
Postage Machine	11,760.00		5,880.00	5,880.00
Office Space	137,036.99		50,690.13	86,346.86
Right to use assets, net	\$ 201,868.79	-	71,545.65	130,323.14

**NOTE 21. SUBSEQUENT EVENTS**

**Operating Lease**

At the June 28, 2023 meeting, the board authorized an agreement lease with Ricoh to lease 4 copy machines for a term of 48 months. Monthly lease payments in the amount of \$3,085.47 commenced July 2023.

Future minimum lease payments are as follows:

Fiscal Year End June 30,	Payment
2024	\$ 37,025.64
2025	37,025.64
2026	37,025.64
2027	37,025.64
2028	0.00
Total	\$ 148,102.56

**Other**

The District has evaluated subsequent events through December 1, 2023, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

**Required Supplementary Information**  
**Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
<b>REVENUES:</b>					
Local Sources:					
County Appropriation	\$ 4,059,626.00	-	4,059,626.00	4,059,626.00	-
Tuition from LEA's within State	7,810,080.00	-	7,810,080.00	7,810,080.00	-
Tuition - Other	210,000.00	-	210,000.00	126,350.00	(83,650.00)
Interest Earned on Maintenance Reserve Funds	100.00	-	100.00	-	(100.00)
Interest Earned on Capital Reserve Funds	400.00	-	400.00	-	(400.00)
Rental Fees	8,000.00	-	8,000.00	23,383.14	15,383.14
Other Restricted Miscellaneous Revenue	32,500.00	-	32,500.00	49,609.52	17,109.52
Unrestricted Miscellaneous Revenue	50,000.00	-	50,000.00	198,377.78	148,377.78
<b>Total Local Sources</b>	<b>12,170,706.00</b>	<b>-</b>	<b>12,170,706.00</b>	<b>12,267,426.44</b>	<b>96,720.44</b>
State Sources:					
Categorical Special Education Aid	1,417,691.00	-	1,417,691.00	1,417,691.00	-
Equalization Aid	16,967,403.00	-	16,967,403.00	16,967,403.00	-
Categorical Security Aid	601,522.00	-	601,522.00	601,522.00	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	3,969,982.00	3,969,982.00
TPAF-Non-contributory Insurance	-	-	-	1,042,905.00	1,042,905.00
TPAF - Post Retirement Medical	-	-	-	2,108.00	2,108.00
Teachers Pension and Annuity Fund	-	-	-	907,073.19	907,073.19
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)	-	-	-	907,073.19	907,073.19
<b>Total State Sources</b>	<b>18,986,616.00</b>	<b>-</b>	<b>18,986,616.00</b>	<b>24,908,684.19</b>	<b>5,922,068.19</b>
Federal Sources:					
Medical Assistance Program (SEMI)	18,239.00	-	18,239.00	38,739.91	20,500.91
FFCRA/SEMI Revenue	-	-	-	2,063.74	2,063.74
<b>Total Federal Sources</b>	<b>18,239.00</b>	<b>-</b>	<b>18,239.00</b>	<b>40,803.65</b>	<b>22,564.65</b>
<b>Total Revenues</b>	<b>31,175,561.00</b>	<b>-</b>	<b>31,175,561.00</b>	<b>37,216,914.28</b>	<b>6,041,353.28</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction					
Salaries of Teachers (Grades 9-12)	6,735,037.00	(250,268.60)	6,484,768.40	6,464,528.58	20,239.82
Regular Programs - Undistributed					
Purchased Professional Educational Services	2,500.00	-	2,500.00	190.00	2,310.00
Purchased Technical Services	44,111.00	-	44,111.00	30,120.90	13,990.10
Other Purchased Services (400-500 series)	800.00	424.00	1,224.00	1,188.00	36.00
General Supplies	183,736.88	-	183,736.88	67,246.92	116,489.96
Textbooks	99,469.00	-	99,469.00	98,123.84	1,345.16
Other Objects	7,985.00	(1,700.00)	6,285.00	1,538.00	4,747.00
Regular Programs - Home Instruction					
Salaries of Teachers	35,000.00	26,925.00	61,925.00	61,850.00	75.00
Purchased Professional - Educational Services	7,500.00	(3,000.00)	4,500.00	1,832.00	2,668.00
Purchased Technical Services	6,000.00	2,087.00	8,087.00	7,685.00	402.00
Other Purchased Services (400-500 series)	1,500.00	-	1,500.00	-	1,500.00
<b>Total Regular Programs - Instruction</b>	<b>7,123,638.88</b>	<b>(225,532.60)</b>	<b>6,898,106.28</b>	<b>6,734,303.24</b>	<b>163,803.04</b>
Resource Room - Instruction					
Salaries of Teachers	143,249.00	-	143,249.00	105,689.30	37,559.70
General Supplies	1,000.00	-	1,000.00	-	1,000.00
<b>Total Resource Room - Instruction</b>	<b>144,249.00</b>	<b>-</b>	<b>144,249.00</b>	<b>105,689.30</b>	<b>38,559.70</b>
Regular Vocational Programs - Instruction					
Salaries of Teachers	3,558,237.00	(411,354.77)	3,146,882.23	3,095,763.17	51,119.06
Other Salaries for Instruction	104,293.00	(30,196.39)	74,096.61	64,111.43	9,985.18
Purchased Professional & Educational Services	163,750.00	-	163,750.00	117,712.00	46,038.00
Purchased Technical Services	17,189.00	23,366.95	40,555.95	15,512.32	25,043.63
Other Purchased Services (400-500 series)	36,330.00	4,123.24	40,453.24	26,613.27	13,839.97
General Supplies	308,414.00	(6,936.00)	301,478.00	223,155.28	78,322.72

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Textbooks	75,219.00		75,219.00	59,733.28	15,485.72
Other Objects	32,366.00		32,366.00	10,819.41	21,546.59
Total Regular Vocational Programs - Instruction	<u>4,295,798.00</u>	<u>(420,996.97)</u>	<u>3,874,801.03</u>	<u>3,613,420.16</u>	<u>261,380.87</u>
<b>TOTAL VOCATIONAL PROGRAMS - INSTRUCTION</b>	<u>4,295,798.00</u>	<u>(420,996.97)</u>	<u>3,874,801.03</u>	<u>3,613,420.16</u>	<u>261,380.87</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	114,000.00	9,940.00	123,940.00	118,270.00	5,670.00
Purchased Services (300-500 series)	12,000.00	12,003.00	24,003.00	23,682.82	320.18
Supplies & Materials	7,115.12	(2,503.00)	4,612.12	115.12	4,497.00
Other Objects	17,850.00	(9,500.00)	8,350.00	4,245.00	4,105.00
Total School-Spon. Cocurricular Activities - Inst.	<u>150,965.12</u>	<u>9,940.00</u>	<u>160,905.12</u>	<u>146,312.94</u>	<u>14,592.18</u>
School-Sponsored Athletics - Instruction					
Salaries	364,686.00	12,990.20	377,676.20	361,751.24	15,924.96
Purchased Services (300-500 series)	120,921.00	(11,688.20)	109,232.80	75,437.65	33,795.15
Supplies & Materials	114,748.01	(1,302.00)	113,446.01	105,348.33	8,097.68
Other Objects	33,835.00		33,835.00	33,605.00	230.00
Total School-Sponsored Athletics - Inst.	<u>634,190.01</u>	<u>-</u>	<u>634,190.01</u>	<u>576,142.22</u>	<u>58,047.79</u>
Other Instructional Programs - Instruction					
Salaries	106,312.00		106,312.00	102,801.06	3,510.94
Supplies & Materials	1,321.00		1,321.00	-	1,321.00
Other Objects	-		-	-	-
Total Other Instructional Programs - Inst.	<u>107,633.00</u>	<u>-</u>	<u>107,633.00</u>	<u>102,801.06</u>	<u>4,831.94</u>
<b>TOTAL INSTRUCTION</b>	<u>12,456,474.01</u>	<u>(636,589.57)</u>	<u>11,819,884.44</u>	<u>11,278,668.92</u>	<u>541,215.52</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expend. - Health Services					
Salaries	253,220.00	11,568.00	264,788.00	264,188.00	600.00
Purchased Professional and Technical Services	4,250.00	1,500.00	5,750.00	5,440.60	309.40
Other Purchased Services (400-500 series)	1,200.00	(750.00)	450.00	-	450.00
Supplies & Materials	12,000.00	(2,262.19)	9,737.81	5,908.27	3,829.54
Other Objects	2,281.00	762.19	3,043.19	2,443.19	600.00
Total Undistributed Expend. - Health Services	<u>272,951.00</u>	<u>10,818.00</u>	<u>283,769.00</u>	<u>277,980.06</u>	<u>5,788.94</u>
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	660,267.00	14,232.00	674,499.00	670,468.49	4,030.51
Salaries of Secretarial and Clerical Assistants	102,246.00	1,150.00	103,396.00	97,277.91	6,118.09
Other Salaries	10,150.00	(5,382.00)	4,768.00	-	4,768.00
Purchased Professional-Educational Services	4,350.00		4,350.00	1,500.00	2,850.00
Purchased Professional & Technical Services	32,200.00	(5,000.00)	27,200.00	8,772.00	18,428.00
Other Purchased Services (400-500 series)	116,455.00	(65.70)	116,389.30	93,903.28	22,486.02
Supplies & Materials	30,500.00	(4,834.30)	25,665.70	20,445.55	5,220.15
Other Objects	1,675.00	313.00	1,988.00	1,858.00	130.00
Total Undistributed Expend. - Guidance	<u>957,843.00</u>	<u>413.00</u>	<u>958,256.00</u>	<u>894,225.23</u>	<u>64,030.77</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	300,609.00	(3,330.00)	297,279.00	271,134.35	26,144.65
Salaries of Secretarial & Clerical Assistants	50,873.00	-	50,873.00	50,604.96	268.04
Purchased Professional - Educational Services	10,000.00	3,330.00	13,330.00	13,330.00	-
Other Purchased Services (400-500 series)	7,500.00	-	7,500.00	5,415.75	2,084.25
Supplies & Materials	21,000.00	-	21,000.00	2,143.86	18,856.14
Other Objects	2,000.00	-	2,000.00	1,230.00	770.00
Total Undist. Expend. - Child Study Teams	<u>391,982.00</u>	<u>-</u>	<u>391,982.00</u>	<u>343,858.92</u>	<u>48,123.08</u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	553,290.00	57,465.86	610,755.86	610,755.70	0.16
Salaries of Other Professional Staff	12,600.00	(3,095.86)	9,504.14	6,600.00	2,904.14
Salaries of Secretarial and Clerical Assistants	108,165.00		108,165.00	96,663.70	11,501.30
Unused Vacation Payment to Terminated/Retired Staff	-		-	-	-
Purchased Professional-Educational Services	25,260.00		25,260.00	8,218.97	17,041.03
Other Purchased Services (400-500 series)	9,550.00	(793.00)	8,757.00	8,572.47	184.53
Supplies & Materials	19,800.00		19,800.00	14,602.14	5,197.86
Other Objects	6,375.00	793.00	7,168.00	7,168.00	-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>735,040.00</b>	<b>54,370.00</b>	<b>789,410.00</b>	<b>752,580.98</b>	<b>36,829.02</b>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	103,417.00		103,417.00	99,453.39	3,963.61
Purchased Professional & Technical Services	3,000.00	(700.00)	2,300.00	2,300.00	-
Other Purchased Services (400-500 series)	5,800.00	129.81	5,929.81	5,359.77	570.04
Supplies & Materials	52,256.00	581.19	52,837.19	21,826.59	31,010.60
Other Objects	350.00	(11.00)	339.00	339.00	-
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>164,823.00</b>	<b>-</b>	<b>164,823.00</b>	<b>129,278.75</b>	<b>35,544.25</b>
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Services (400-500 series)	28,942.00		28,942.00	17,438.19	11,503.81
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>28,942.00</b>	<b>-</b>	<b>28,942.00</b>	<b>17,438.19</b>	<b>11,503.81</b>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	329,251.00	11,585.32	340,836.32	340,282.55	553.77
Legal Services	62,100.00		62,100.00	35,105.45	26,994.55
Audit Fees	24,000.00		24,000.00	24,000.00	-
Architectural/Engineering Services	43,250.00		43,250.00	7,286.00	35,964.00
Other Purchased Professional Services	15,500.00	33,650.00	49,150.00	3,867.50	45,282.50
Purchased Technical Services	36,150.00		36,150.00	33,092.06	3,057.94
Communications/Telephone	70,220.00		70,220.00	52,781.75	17,438.25
Other Purchased Services (400-500 series)	129,500.00	14,797.58	144,297.58	121,724.93	22,572.65
General Supplies	14,928.35		14,928.35	12,727.46	2,200.89
BOE In-House Training/Meeting Supplies	1,500.00		1,500.00	1,265.00	235.00
BOE Membership Dues and Fees	31,500.00	872.14	32,372.14	32,372.14	-
Judgments Against the School District	-		-	-	-
Miscellaneous Expenditures	4,950.00	604.28	5,554.28	5,554.28	-
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>762,849.35</b>	<b>61,509.32</b>	<b>824,358.67</b>	<b>670,059.12</b>	<b>154,299.55</b>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	473,395.00	1,920.00	475,315.00	472,104.72	3,210.28
Salaries of Secretarial and Clerical Assistants	203,177.00	39,380.00	242,557.00	237,394.04	5,162.96
Unused Vacation Payment to Terminated/Retired Staff	-	4,115.00	4,115.00	4,115.00	-
Purchased Professional & Technical Services	30,000.00	(4,115.00)	25,885.00	-	25,885.00
Other Purchased Services (400-500 series)	59,875.00		59,875.00	49,620.46	10,254.54
Supplies & Materials	44,025.00		44,025.00	23,723.74	20,301.26
Other Objects	10,439.00		10,439.00	7,482.85	2,956.15
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>820,911.00</b>	<b>41,300.00</b>	<b>862,211.00</b>	<b>794,440.81</b>	<b>67,770.19</b>
Undist. Expend. - Central Services					
Salaries	428,164.00	(24,721.14)	403,442.86	372,537.96	30,904.90
Payment to Terminated/Retired Staff	-	8,192.82	8,192.82	8,192.82	-
Purchased Professional Services	-	3,000.00	3,000.00	1,942.50	1,057.50
Purchased Technical Services	24,550.00	(1,500.00)	23,050.00	19,993.00	3,057.00
Misc. Purchased Services (400-500 series)	8,890.00	1,125.00	10,015.00	8,490.02	1,524.98
Supplies & Materials	55,000.00	(5,200.00)	49,800.00	48,916.39	883.61
Miscellaneous Expenditures	2,400.00	24.00	2,424.00	2,424.00	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>519,004.00</b>	<b>(19,079.32)</b>	<b>499,924.68</b>	<b>462,496.69</b>	<b>37,427.99</b>

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
General Fund  
Budgetary Comparison Schedule  
For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Admin. Info. Tech					
Salaries	542,066.00	(74,950.00)	467,116.00	391,617.82	75,498.18
Unused Vacation Payment to Terminated/Retired Staff			-	-	-
Purchased Technical Services	136,980.00		136,980.00	106,031.47	30,948.53
Other Purchased Services (400-500 series)	15,900.00		15,900.00	15,300.30	599.70
Supplies & Materials	52,991.00		52,991.00	16,132.16	36,858.84
Other Objects	150.00		150.00	-	150.00
<b>Total Undistributed Expenditures - Admin Info Tech</b>	<b>748,087.00</b>	<b>(74,950.00)</b>	<b>673,137.00</b>	<b>529,081.75</b>	<b>144,055.25</b>
Undist. Expend. - Required Maint. School Facilities					
Salaries	418,851.00	(54,706.45)	364,144.55	356,519.91	7,624.64
Unused Vacation Payment to Terminated/Retired Staff	-	3,227.46	3,227.46	3,227.46	-
Cleaning, Repair and Maintenance Service	624,955.00	85,616.84	710,571.84	649,451.32	61,120.52
Lead Testing of Drinking Water			-	-	-
General Supplies	203,884.46	(15,607.85)	188,276.61	186,831.91	1,444.70
Other Objects	5,500.00	3,612.00	9,112.00	3,712.00	5,400.00
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>1,253,190.46</b>	<b>22,142.00</b>	<b>1,275,332.46</b>	<b>1,199,742.60</b>	<b>75,589.86</b>
Undist. Expend. - Custodial Services					
Salaries	871,129.00	(11,256.01)	859,872.99	784,883.20	74,989.79
Unused Vacation Payment to Terminated/Retired Staff		2,273.66	2,273.66	2,273.66	-
Purchased Professional and Technical Services	3,500.00		3,500.00	3,067.00	433.00
Cleaning, Repair and Maintenance Service	83,205.60	4,625.23	87,830.83	72,271.98	15,558.85
Rental of Land and Buildings, Other Than Lease Purchase	81,732.00	(2,000.00)	79,732.00	72,507.68	7,224.32
Other Purchased Property Services	35,000.00	267.04	35,267.04	35,267.04	-
Insurance	310,000.00	(16,274.00)	293,726.00	256,113.69	37,612.31
Miscellaneous Purchased Services	500.00	300.00	800.00	474.04	325.96
General Supplies	115,078.50	28,120.56	143,199.06	143,088.06	111.00
Energy (Natural Gas)	175,000.00	77,862.79	252,862.79	237,053.16	15,809.63
Energy (Electricity)	726,691.19	102,062.41	828,753.60	815,659.56	13,094.04
Energy (Oil)	2,250.00	3,700.00	5,950.00	3,480.33	2,469.67
Energy (Gasoline)	4,000.00	1,400.00	5,400.00	4,504.43	895.57
Other Objects	1,200.00		1,200.00	1,166.71	33.29
<b>Total Undistributed Expend. - Custodial Services</b>	<b>2,409,286.29</b>	<b>191,081.68</b>	<b>2,600,367.97</b>	<b>2,431,810.54</b>	<b>168,557.43</b>
<b>Total Undistributed Expenditures</b>					
Operations and Maintenance of Plant	3,662,476.75	213,223.68	3,875,700.43	3,631,553.14	244,147.29
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	77,073.00	914.00	77,987.00	77,986.80	0.20
Purchased Professional and Technical Services	5,000.00	(5,000.00)	-	-	-
Cleaning, Repair and Maintenance Service	55,000.00	(5,141.65)	49,858.35	49,858.35	-
Supplies and Materials	15,000.00	(914.00)	14,086.00	10,040.09	4,045.91
<b>Total Undistributed Expend.-Care &amp; Upkeep of Grounds</b>	<b>152,073.00</b>	<b>(10,141.65)</b>	<b>141,931.35</b>	<b>137,885.24</b>	<b>4,046.11</b>
Undistributed Expend. - Security					
Salaries	600,623.00	(12,302.50)	588,320.50	550,845.43	37,475.07
Purchased Professional and Technical Services	143,745.00	(18,342.13)	125,402.87	63,146.35	62,256.52
Cleaning, Repair and Maintenance Service	1,000.00	-	1,000.00	180.00	820.00
Supplies and Materials	20,850.00	116,790.00	137,640.00	137,160.27	479.73
<b>Total Undistributed Expend.-Security</b>	<b>766,218.00</b>	<b>86,145.37</b>	<b>852,363.37</b>	<b>751,332.05</b>	<b>101,031.32</b>
Undist. Expend. - Student Transportation Serv.					
Sal for Pupil Trans (Other than Bet. Home & School)	-	-	-	-	-
Management Fee - ESC Transportation Program	20,000.00	-	20,000.00	20,000.00	-
Other Purchased Professional & Technical Services	500.00	-	500.00	454.40	45.60
Cleaning, Repair and Maintenance Service	50,000.00		50,000.00	27,419.88	22,580.12
Contracted Services (Other Than Between Home & School)-Vendors	744,625.00	1,700.00	746,325.00	659,210.53	87,114.47
Contracted Services (Other Than Between Home & School)-Joint Agreements	5,000.00	-	5,000.00	900.00	4,100.00
Transportation Supplies	12,500.00	26,791.00	39,291.00	38,738.51	552.49
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>832,625.00</b>	<b>28,491.00</b>	<b>861,116.00</b>	<b>746,723.32</b>	<b>114,392.68</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
<b>Unallocated Benefits - Employee Benefits</b>					
Group Insurance	650.00	-	650.00	561.00	89.00
Social Security Contribution	395,000.00	12,127.74	407,127.74	407,127.74	-
TPAF Contributions - ERIP	25,000.00	(21,814.72)	3,185.28	3,185.28	-
Other Retirement Contributions - PERS	676,756.22		676,756.22	568,621.49	108,134.73
Other Retirement Contributions - DCRP	15,000.00	(3.23)	14,996.77	10,161.91	4,834.86
Unemployment Compensation	25,000.00		25,000.00	25,000.00	-
Workmen's Compensation	605,000.00		605,000.00	590,700.50	14,299.50
Health Benefits	4,755,000.00	166,500.00	4,921,500.00	4,275,719.33	645,780.67
Tuition Reimbursement	116,000.00	7,500.00	123,500.00	76,462.60	47,037.40
Other Employee Benefits	277,700.00		277,700.00	260,284.25	17,415.75
Unused Vacation Payment to Term/Retired Staff	52,500.00	11,368.51	63,868.51	63,868.51	-
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>6,943,606.22</b>	<b>175,678.30</b>	<b>7,119,284.52</b>	<b>6,281,692.61</b>	<b>837,591.91</b>
<b>On-Behalf Contributions</b>					
On-Behalf TPAF Pension (nonbudgeted)					
TPAF-Non-contributory Insurance				3,969,982.00	(3,969,982.00)
TPAF - Post Retirement Medical				1,042,905.00	(1,042,905.00)
Teachers Pension and Annuity Fund				2,108.00	(2,108.00)
Reimbursed TPAF Social Security Cont.(non-bud)				907,073.19	(907,073.19)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,922,068.19</b>	<b>(5,922,068.19)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>6,943,606.22</b>	<b>175,678.30</b>	<b>7,119,284.52</b>	<b>12,203,760.80</b>	<b>(5,084,476.28)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>17,759,431.32</b>	<b>567,777.70</b>	<b>18,327,209.02</b>	<b>22,342,695.05</b>	<b>(4,015,486.03)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>30,215,905.33</b>	<b>(68,811.87)</b>	<b>30,147,093.46</b>	<b>33,621,363.97</b>	<b>(3,474,270.51)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Grades 9-12	-		-	-	-
Vocational Programs - Regular Programs	-	17,617.90	17,617.90	10,684.69	6,933.21
School-Sponsored and Other Instruction Programs	22,786.80		22,786.80	12,100.80	10,686.00
Undistributed Expenditures:					
Guidance	-	2,214.96	2,214.96	2,214.96	-
Educational Media Services-School Library	-	2,214.98	2,214.98	2,214.98	-
General Administration	-	2,614.06	2,614.06	2,614.06	-
School Administration	-	4,429.92	4,429.92	4,429.92	-
Central Administration	-	2,494.00	2,494.00	2,494.00	-
Required Maintenance of School Facilities	81,405.80	2,306.21	83,712.01	83,712.01	-
Security	-	34,919.84	34,919.84	-	34,919.84
School Buses - Regular	-	-	-	-	-
<b>Total Equipment</b>	<b>104,192.60</b>	<b>68,811.87</b>	<b>173,004.47</b>	<b>120,465.42</b>	<b>52,539.05</b>
<b>Facilities Acquisition and Construction Services:</b>					
Architect/Engineering Services	78,678.08	(15,000.00)	63,678.08	39,908.18	23,769.90
Construction Services	1,265,446.30	55,000.00	1,320,446.30	1,102,151.60	218,294.70
Other Objects	-		-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,344,124.38</b>	<b>40,000.00</b>	<b>1,384,124.38</b>	<b>1,142,059.78</b>	<b>242,064.60</b>
Interest Deposit to Capital Reserve	-		-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,448,316.98</b>	<b>108,811.87</b>	<b>1,557,128.85</b>	<b>1,262,525.20</b>	<b>294,603.65</b>
<b>SPECIAL SCHOOLS</b>					
Post-Secondary - Instruction:					
Salaries of Teachers	272,568.00		272,568.00	24,698.87	247,869.13
Unused Vacation Payment to Terminated/Retired Staff	15,000.00		15,000.00	14,832.67	167.33
Purchased Professional & Technical Services	5,000.00		5,000.00	-	5,000.00
Other Purchased Services (400-500 series)	1,000.00		1,000.00	-	1,000.00
General Supplies	22,600.00		22,600.00	-	22,600.00
Textbooks	42,400.00		42,400.00	-	42,400.00
<b>Total Post-Secondary - Instruction</b>	<b>358,568.00</b>	<b>-</b>	<b>358,568.00</b>	<b>39,531.54</b>	<b>319,036.46</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Post-Secondary - Support Services:					
Other Purchased Services	16,800.00	-	16,800.00	16,800.00	-
Other Objects	6,750.00	-	6,750.00	-	6,750.00
Total Post-Secondary - Support Services	<u>23,550.00</u>	<u>-</u>	<u>23,550.00</u>	<u>16,800.00</u>	<u>6,750.00</u>
Total Post-Secondary Programs	<u>382,118.00</u>	<u>-</u>	<u>382,118.00</u>	<u>56,331.54</u>	<u>325,786.46</u>
Vocational Evening - Local - Instruction:					
Salaries of Teachers	74,000.00	(12,535.00)	61,465.00	50,717.50	10,747.50
General Supplies	13,000.00	8,000.00	21,000.00	19,043.72	1,956.28
Textbooks	2,000.00	-	2,000.00	-	2,000.00
Other Objects	500.00	4,535.00	5,035.00	4,935.00	100.00
					-
Total Vocational Evening - Local - Instruction	<u>89,500.00</u>	<u>-</u>	<u>89,500.00</u>	<u>74,696.22</u>	<u>14,803.78</u>
Vocational Evening - Local - Support Services:					
Salaries	127,513.00	-	127,513.00	94,519.73	32,993.27
Purchased Professional & Technical Services	3,200.00	-	3,200.00	3,000.00	200.00
Other Purchased Services (400-500 series)	13,400.00	-	13,400.00	3,903.48	9,496.52
Total Vocational Evening - Support	<u>144,113.00</u>	<u>-</u>	<u>144,113.00</u>	<u>101,423.21</u>	<u>42,689.79</u>
Total Vocational Evening	<u>233,613.00</u>	<u>-</u>	<u>233,613.00</u>	<u>176,119.43</u>	<u>57,493.57</u>
TOTAL SPECIAL SCHOOLS	<u>615,731.00</u>	<u>-</u>	<u>615,731.00</u>	<u>232,450.97</u>	<u>383,280.03</u>
TOTAL EXPENDITURES	<u>32,279,953.31</u>	<u>40,000.00</u>	<u>32,319,953.31</u>	<u>35,116,340.14</u>	<u>(2,796,386.83)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,104,392.31)</u>	<u>(40,000.00)</u>	<u>(1,144,392.31)</u>	<u>2,100,574.14</u>	<u>3,244,966.45</u>
Other Financing Sources/(Uses):					
Interest Earned on Maintenance Reserve	(100.00)	-	(100.00)	-	100.00
Interest Deposit to Capital Reserve	(400.00)	-	(400.00)	-	400.00
Operating Transfers Out:					
Increase in Capital Reserve	(3,138,022.00)	-	(3,138,022.00)	-	3,138,022.00
Increase in Maintenance Reserve	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	-	-
Total Other Financing Sources:	<u>(3,138,522.00)</u>	<u>-</u>	<u>(3,138,522.00)</u>	<u>-</u>	<u>3,138,522.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,242,914.31)</u>	<u>(40,000.00)</u>	<u>(4,282,914.31)</u>	<u>2,100,574.14</u>	<u>6,383,488.45</u>
Fund Balance July 1	<u>15,915,642.24</u>	<u>-</u>	<u>15,915,642.24</u>	<u>15,915,642.24</u>	<u>-</u>
Fund Balance June 30	<u>\$ 11,672,727.93</u>	<u>(40,000.00)</u>	<u>11,632,727.93</u>	<u>18,016,216.38</u>	<u>6,383,488.45</u>
<b>Recapitulation:</b>					
Nonspendable Fund Balance:					
Restricted Fund Balance:					
Excess Surplus-Designated for Subsequent Year's Expenditures				2,280,539.36	
Excess Surplus - Current Year				1,993,243.77	
Capital Reserve Account				9,812,881.55	
Maintenance Reserve				1,551,301.22	
Unemployment Compensation				216,328.50	
Committed Fund Balance:					
Year End Encumbrances				410,265.66	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				-	
Unassigned Fund Balance				<u>1,751,656.32</u>	
				<u>18,016,216.38</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(1,898,661.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 16,117,555.38</u>	

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 141,000.00	(63,718.46)	77,281.54	640,323.12	563,041.58
State Sources	77,941.00	105,848.14	183,789.14	183,789.14	-
Federal Sources	992,321.00	1,985,675.88	2,977,996.88	2,977,996.88	-
Total Revenues	<u>1,211,262.00</u>	<u>2,027,805.56</u>	<u>3,239,067.56</u>	<u>3,802,109.14</u>	<u>563,041.58</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries		65,057.44	65,057.44	65,057.44	-
Salaries of Teachers	392,869.00	379,824.90	772,693.90	772,693.90	-
Purchased Professional - Technical Services		4,380.00	4,380.00	4,380.00	-
Purchased Professional - Educational Services		36,260.61	36,260.61	36,260.61	-
General Supplies	281,700.00	157,110.06	438,810.06	438,810.06	-
Textbooks		-	-	-	-
Other Objects		-	-	-	-
Total Instruction	<u>674,569.00</u>	<u>642,633.01</u>	<u>1,317,202.01</u>	<u>1,317,202.01</u>	<u>-</u>
Support Services:					
Salaries	129,122.00	129,841.50	258,963.50	258,963.50	-
Salaries - Program Directors		170,243.00	170,243.00	170,243.00	-
Salaries - Secretarial and Clerical Assistants		16,053.00	16,053.00	16,053.00	-
Personal Services - Employee Benefits	266,571.00	329,901.44	596,472.44	596,472.44	-
Purchased Professional - Technical Services		211,489.22	211,489.22	211,489.22	-
Purchased Professional - Educational Services		87,137.21	87,137.21	87,137.21	-
Travel		-	-	-	-
Other Purchased Services (400-500 series)		-	-	-	-
Purchased Services - Contr Serv - Trans (Other Than Between Home and School)		-	-	-	-
Leases/Rentals		41,779.02	41,779.02	41,779.02	-
Supplies & Materials		88,176.90	88,176.90	88,176.90	-
Scholarships Awarded	1,000.00	(1,000.00)	-	-	-
Student Activities	140,000.00	(140,000.00)	-	587,480.04	(587,480.04)
Total Support Services	<u>536,693.00</u>	<u>933,621.29</u>	<u>1,470,314.29</u>	<u>2,057,794.33</u>	<u>(587,480.04)</u>
Facilities Acquisition and Constr. Services:					
Buildings		334,250.13	334,250.13	334,250.13	-
Non-Instructional Equipment		-	-	-	-
Instructional Equipment		117,301.13	117,301.13	117,301.13	-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>451,551.26</u>	<u>451,551.26</u>	<u>451,551.26</u>	<u>-</u>
Total Outflows	<u>1,211,262.00</u>	<u>2,027,805.56</u>	<u>3,239,067.56</u>	<u>3,826,547.60</u>	<u>(587,480.04)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(24,438.46)</u>	<u>(24,438.46)</u>
Fund Balance, July 1				<u>177,717.55</u>	
Fund Balance, June 30				<u>153,279.09</u>	
Recapitulation:					
Restricted:					
Scholarships				2,788.91	
Student Activities				<u>150,490.18</u>	
Total Fund Balance				<u>153,279.09</u>	

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**Notes to the  
Required Supplemental Information  
Part II**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Required Supplementary Information  
Budget to GAAP Reconciliation  
Note to RSI  
For the Year Ended June 30, 2023**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 37,216,914.28	[C-2]	3,802,109.14
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances at June 30, 2023				-
Encumbrances at June 30, 2022				-
Final State Aid payment was delayed until July 2022 is recorded as GAAP revenue but is not recognized as budgetary revenue.		1,493,675.00		-
Final State Aid payment was delayed until July 2023 is recorded as budgetary revenue but is not recognized under GAAP.		(1,898,661.00)		-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	36,811,928.28	[B-2]	3,802,109.14
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows"				
from the budgetary comparison schedule	[C-1]	35,116,340.14	[C-2]	3,826,547.60
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances at June 30, 2023				-
Encumbrances at June 30, 2022				-
	[B-2]	\$ 35,116,340.14	[B-2]	3,826,547.60

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**Required Supplementary Information**  
**Part III**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.04193868840%	0.05172552370%	0.05391903060%	0.04828142030%	0.03601048670%	0.0349827687%	0.0385617411%	0.03600000000%	0.03300000000%	0.02800000000%
District's proportionate of the net pension liability (asset)	\$ 6,329,125	6,127,664	8,792,784	8,699,579	7,090,285	8,143,430	11,420,882	8,168,371	6,168,549.00	5,406,888.00
District's covered payroll	3,021,166	2,928,146	3,203,574	3,740,139	3,651,009	3,135,386	2,402,216	2,457,572	2,855,066.00	2,521,515.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	209.49%	209.27%	274.47%	232.60%	194.20%	259.73%	475.43%	332.38%	216.09%	214.43%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 88 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Schedule of District Contributions  
 Public Employee Retirement System  
 Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 528,867	605,766	589,847	474,526	361,689	334,026	348,258	312,839	259,192	227,073
Contributions in relation to the contractually required contribution	528,867	605,766	589,847	474,526	361,689	334,026	348,258	312,839	259,192	227,073
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	3,021,166	2,928,146	3,203,574	3,740,139	3,651,009	3,135,386	2,402,216	2,457,572	2,855,066	2,521,515
Contributions as a percentage of covered-employee payroll	17.51%	20.69%	18.41%	12.69%	9.91%	10.65%	14.50%	12.73%	9.08%	9.01%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.



Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund  
 Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.05505%	0.05210%	0.04400%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	49,182,990	43,783,120	57,941,000	52,647,639	54,713,693	52,074,874	52,139,130	34,797,055	27,845,391	22,280,767
Total	49,182,990	43,783,120	57,941,000	52,647,639	54,713,693	52,074,874	52,139,130	34,797,055	27,845,391	22,280,767
District's covered payroll	12,285,790	12,211,900	11,096,924	10,620,280	9,929,814	9,339,354	9,024,983	8,555,743	8,353,845	7,377,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Seven Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	34,091,749.00	41,147,497.00	45,964,240.00	25,828,972.00	26,844,848.00	31,935,736.00	34,002,198.00
Total	\$ 34,091,749.00	41,147,497.00	45,964,240.00	25,828,972.00	26,844,848.00	31,935,736.00	34,002,198.00
District's covered payroll	12,277,285.00	12,211,800.00	14,300,498.00	14,360,419.00	13,580,823.00	12,474,740.00	11,427,199.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	2,834,043	3,230,808	1,669,625	1,502,750	1,628,650.00	1,954,845.00	
Interest Cost	903,469	1,067,409	948,989	1,082,306	1,189,309.00	1,014,694.00	
Change in Benefit Terms	-	(43,797)	-	-	-	-	
Differences between Expected & Actual	(781,636)	(8,298,226)	9,896,513	(3,216,675)	(4,135,253.00)	-	
Changes in Assumptions	(9,145,418)	40,595	8,396,087	385,112	(3,080,581.00)	(4,323,540.00)	
Member Contributions	28,709	27,288	24,254	23,503	24,809.00	27,238.00	
Benefit Payments	(894,913)	(840,820)	(800,200)	(792,872)	(717,822.00)	(739,699.00)	
Change in Total Opeb Liability	(7,055,748.00)	(4,816,743.00)	20,135,288.00	(1,015,876.00)	(5,090,888.00)	(2,066,462.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	41,147,497.00	45,964,240.00	25,828,972.00	26,844,848.00	31,935,736.00	34,002,198.00	
Ending Balance	\$ 34,091,749.00	41,147,497.00	45,964,240.00	25,828,972.00	26,844,848.00	31,935,736.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	277.68%	336.95%	321.42%	179.86%	197.67%	256.00%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for seven years. Additional years will be presented as they become available.

**SPECIAL REVENUE FUND**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2023**

	Every Student Succeeds Act				Carl D. Perkins Vocational				School Climate Change	School Safety Grant
	Title 1 Part A	Title II Part A	IDEA Part B	Secondary Reserve	Secondary	Secondary	Post Secondary			
<b>REVENUES:</b>										
Local Sources										
State Sources										
Federal Sources										
Total Revenues	\$ 783,280.00	62,554.00	333,102.00	62,009.00	253,835.00	86,703.00	6,660.00	42,442.14		
	783,280.00	62,554.00	333,102.00	62,009.00	253,835.00	86,703.00	6,660.00	42,442.14		
<b>EXPENDITURES:</b>										
Instruction:										
Salaries										
Salaries of Teachers	378,420.00		115,892.00	12,800.00						
Purchased Professional - Technical Services					36,260.61	4,380.00				
Purchased Professional - Educational Services	38,158.00			20,000.00	141,731.39	39,621.87	3,025.00			
General Supplies										
Total Instruction	416,578.00	-	115,892.00	32,800.00	177,992.00	44,001.87	3,025.00	-		
Support Services:										
Salaries										
Salaries - Program Directors	77,662.00	7,500.00	85,081.00	25,196.00		1,155.00				
Salaries - Secretarial and Clerical Assistants	16,053.00									
Personal Services - Employee Benefits	241,816.44	574.00	114,129.00	2,913.00		88.00				
Purchased Professional - Technical Services	1,750.00	50,730.00	18,000.00	1,100.00			3,635.00			
Purchased Professional - Educational Services										
Travel										
Other Purchased Services (400-500 series)										
Purchased Services-Contr Serv-Trans (Other Than Between Home & School)										
Leases/Rentals										
Supplies & Materials	29,420.56	3,750.00							41,779.02	
Scholarships Awarded									663.12	
Student Activities										
Total Support Services	366,702.00	62,554.00	217,210.00	29,209.00	-	1,243.00	3,635.00	42,442.14		
Facilities Acquisition and Constr. Services:										
Buildings										
Non-Instructional Equipment					75,843.00	41,458.13				
Instructional Equipment					75,843.00	41,458.13				
Total Facilities Acquisition and Constr. Services					151,686.00	82,916.26				
Contribution to Charter Schools										
Total Expenditures	783,280.00	62,554.00	333,102.00	62,009.00	253,835.00	86,703.00	6,660.00	42,442.14		
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-		
Fund Balance, July 1										
Fund Balance, June 30	\$ -	-	-	-	-	-	-	-		

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2023**

	CARES Emergency Relief Grant			American Rescue Plan			NJTSS Mental Health Support
	ESSER II	Learning Acceleration	Mental Health	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	ESSER III	
<b>REVENUES:</b>							
Local Sources	-	-	-	-	-	-	-
State Sources	135,805.14	6,728.00	9,473.00	23,562.50	39,561.00	981,854.42	87,137.21
Federal Sources	1,494,780.00	6,728.00	9,473.00	23,562.50	39,561.00	981,854.42	87,137.21
<b>Total Revenues</b>	<b>1,630,585.14</b>	<b>13,456.00</b>	<b>18,946.00</b>	<b>47,125.00</b>	<b>79,122.00</b>	<b>1,963,708.84</b>	<b>174,274.42</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	-	-	-	-	-	-	-
Salaries of Teachers	507,112.00	-	-	21,887.50	36,750.00	206,944.40	-
Purchased Professional - Technical Services	4,380.00	-	-	-	-	-	-
Purchased Professional - Educational Services	36,260.61	-	-	-	-	185,049.70	-
General Supplies	242,536.26	-	-	-	-	-	-
<b>Total Instruction</b>	<b>790,288.87</b>	<b>-</b>	<b>-</b>	<b>21,887.50</b>	<b>36,750.00</b>	<b>391,994.10</b>	<b>-</b>
Support Services:							
Salaries	26,351.00	6,250.00	8,800.00	-	-	-	-
Salaries - Program Directors	170,243.00	41,145.00	-	-	-	101,953.50	73,464.00
Salaries - Secretarial and Clerical Assistants	16,053.00	-	-	-	-	-	-
Personal Services - Employee Benefits	359,520.44	478.00	673.00	1,675.00	2,811.00	162,635.00	47,364.00
Purchased Professional - Technical Services	75,215.00	124,005.00	-	-	-	12,269.22	-
Purchased Professional - Educational Services	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	87,137.21
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
Purchased Services-Contr Serv-Trains (Other Than Between Home & School)	-	-	-	-	-	-	-
Leases/Rentals	41,779.02	-	-	-	-	-	-
Supplies & Materials	33,833.68	-	-	-	-	6,359.22	-
Scholarships Awarded	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>722,995.14</b>	<b>186,466.00</b>	<b>9,473.00</b>	<b>1,675.00</b>	<b>2,811.00</b>	<b>283,216.94</b>	<b>87,137.21</b>
Facilities Acquisition and Constr. Services:							
Buildings	-	27,606.75	-	-	-	306,643.38	-
Non-Instructional Equipmmt	-	-	-	-	-	-	-
Instructional Equipment	117,301.13	-	-	-	-	-	-
<b>Total Facilities Acquisition and Constr. Services</b>	<b>117,301.13</b>	<b>27,606.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,643.38</b>	<b>-</b>
Contribution to Charter Schools	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,630,585.14</b>	<b>13,456.00</b>	<b>18,946.00</b>	<b>47,125.00</b>	<b>79,122.00</b>	<b>1,963,708.84</b>	<b>174,274.42</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-	-

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2023**

	Total Brought Forward	SDA Emergent Needs	Atlantic City Electric ACES	AtlantiCare	PAC-SPAN Grant	Scholarship Fund	Student Activity Fund	Totals
<b>REVENUES:</b>								
Local Sources	-		75,000.00	2,281.54	-	554.00	562,487.58	640,323.12
State Sources	135,805.14	47,984.00						183,789.14
Federal Sources	2,977,996.88							2,977,996.88
<b>Total Revenues</b>	<b>3,113,802.02</b>	<b>47,984.00</b>	<b>75,000.00</b>	<b>2,281.54</b>	<b>-</b>	<b>554.00</b>	<b>562,487.58</b>	<b>3,802,109.14</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries			65,057.44					65,057.44
Salaries of Teachers	772,693.90							772,693.90
Purchased Professional - Technical Services	4,380.00							4,380.00
Purchased Professional - Educational Services	36,260.61							36,260.61
General Supplies	427,585.96		9,942.56	1,281.54				438,810.06
<b>Total Instruction</b>	<b>1,240,920.47</b>	<b>-</b>	<b>75,000.00</b>	<b>1,281.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,317,202.01</b>
Support Services:								
Salaries	257,963.50			1,000.00				258,963.50
Salaries - Program Directors	170,243.00							170,243.00
Salaries - Secretarial and Clerical Assistants	16,053.00							16,053.00
Personal Services - Employee Benefits	596,472.44							596,472.44
Purchased Professional - Technical Services	211,489.22							211,489.22
Purchased Professional - Educational Services	87,137.21							87,137.21
Travel	-							-
Other Purchased Services (400-500 series)	-							-
Purchased Services-Contr Serv-Trans (Other Than Between Home & School)	-							-
Leases/Rentals	41,779.02							41,779.02
Supplies & Materials	40,192.90	47,984.00						88,176.90
Scholarships Awarded	-							-
Student Activities	-						587,480.04	587,480.04
<b>Total Support Services</b>	<b>1,421,330.29</b>	<b>47,984.00</b>	<b>-</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>587,480.04</b>	<b>2,057,794.33</b>
Facilities Acquisition and Constr. Services:								
Buildings	334,250.13							334,250.13
Non-Instructional Equipment	-							-
Instructional Equipment	117,301.13							117,301.13
<b>Total Facilities Acquisition and Constr. Services</b>	<b>451,551.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451,551.26</b>
Contribution to Charter Schools	-							-
<b>Total Expenditures</b>	<b>3,113,802.02</b>	<b>47,984.00</b>	<b>75,000.00</b>	<b>2,281.54</b>	<b>-</b>	<b>-</b>	<b>587,480.04</b>	<b>3,826,547.60</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	554.00	(24,992.46)	(24,438.46)
Fund Balance, July 1	-	-	-	-	-	2,234.91	175,482.64	177,717.55
Fund Balance, June 30	-	-	-	-	-	2,788.91	150,490.18	153,279.09

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**CAPITAL PROJECTS FUND**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund  
Summary Statement of Project Expenditures  
For the Fiscal Year Ended June 30, 2023**

Number	Issue / Project Title	Original Date	Appropriations	Expenditures to Date	Unexpended Balance
			Prior Years	Current Year	
0120-010-21-1000	Construction of Multi-Story Career and Technical Education (CTE) Building	7/1/2021	51,108,375.90	295,418.05	48,633,493.85
			<u>2,179,464.00</u>	<u>295,418.05</u>	<u>48,633,493.85</u>
			<u>\$ 51,108,375.90</u>		

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2023**

**REVENUES AND OTHER FINANCING SOURCES:**

State Sources:

Career and Technical Education Program

Expansion Grant

\$ 50,922,388.76

County of Atlantic

185,987.14

Total Revenues

51,108,375.90**EXPENDITURES**

Architectural/Engineering Services

198,779.15

Purchased Professional and Technical Services

76,638.90

Construction Services

20,000.00

Other Objects

-

Total Expenditures

295,418.05

Excess (Deficiency) of Revenues Over (Under) Expenditures

50,812,957.85

Fund Balances, July 1

-

Fund Balances, June 30

\$ 50,812,957.85

**Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Construction of Multi-Story Career and Technical Education (CTE) Building  
 From Inception and for the Year Ended June 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources -				
Career and Technical Education				
Program Expansion Grant	2,179,464.00	50,922,388.76	53,101,852.76	50,896,215.80
County of Atlantic		185,987.14	185,987.14	212,160.10
<b>Total Revenues</b>	<b>2,179,464.00</b>	<b>51,108,375.90</b>	<b>53,287,839.90</b>	<b>51,108,375.90</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Architectural/Engineering Services	2,139,913.00	198,779.15	2,338,692.15	744,437.00
Purchased Professional/Technical Services	10,500.00	76,638.90	87,138.90	574,938.90
Construction Services		20,000.00	20,000.00	49,789,000.00
Other Objects	29,051.00		29,051.00	-
<b>Total Expenditures</b>	<b>2,179,464.00</b>	<b>295,418.05</b>	<b>2,474,882.05</b>	<b>51,108,375.90</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>\$ -</b>	<b>50,812,957.85</b>	<b>50,812,957.85</b>	<b>-</b>
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	0120-010-21-1000			
Grant Date	8/25/2022			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Cost Authorized	51,108,375.90			
Additional Authorized Cost	-			
Revised Authorized Cost	51,108,375.90			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	4.64%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**PROPRIETARY FUNDS**

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Schedule of Net Position**  
**June 30, 2023**

	Food Service	Shared Services	Personal Aide Fund	Total Non-Major Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,024,503.72			1,024,503.72
Intergovernmental Accounts Receivable				
Federal	35,826.05			35,826.05
State	1,490.39			1,490.39
Other	7,186.21	162,823.52		170,009.73
Interfund Accounts Receivable			13,191.90	13,191.90
Inventory	18,661.91			18,661.91
Total Current Assets	<u>1,087,668.28</u>	<u>162,823.52</u>	<u>13,191.90</u>	<u>1,263,683.70</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	320,914.51	-	-	320,914.51
Less Accumulated Depreciation	(306,448.17)	-	-	(306,448.17)
Total Noncurrent Assets	<u>14,466.34</u>	<u>-</u>	<u>-</u>	<u>14,466.34</u>
Total Assets	<u><u>1,102,134.62</u></u>	<u><u>162,823.52</u></u>	<u><u>13,191.90</u></u>	<u><u>1,278,150.04</u></u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable				-
Interfunds Payable		162,823.53		162,823.53
Unearned Revenue	1,469.32			1,469.32
Total Current Liabilities	<u>1,469.32</u>	<u>162,823.53</u>	<u>-</u>	<u>164,292.85</u>
Noncurrent Liabilities:				
Capital Lease Payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	14,466.34	-	-	14,466.34
Unrestricted	1,086,198.96	(0.01)	13,191.90	1,099,390.85
Total Net Position	<u><u>\$ 1,100,665.30</u></u>	<u><u>(0.01)</u></u>	<u><u>13,191.90</u></u>	<u><u>1,113,857.19</u></u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2023**

	Food Service	Shared Services	Personal Aide Fund	Total Non-Major Funds
<b>Operating Revenue:</b>				
<b>Charges for Service:</b>				
Daily Sales - Non-reimbursable Programs	\$ 170,599.19		-	170,599.19
Daily Sales - Reimbursable Programs	107,497.13		-	107,497.13
Special Functions	10,779.63		-	10,779.63
Fees for Services		261,586.63	85,000.00	346,586.63
Miscellaneous	4,004.28			4,004.28
<b>Total Operating Revenue</b>	<u>292,880.23</u>	<u>261,586.63</u>	<u>85,000.00</u>	<u>639,466.86</u>
<b>Operating Expenses:</b>				
Cost of Sales - reimbursable programs	320,052.08		-	320,052.08
Cost of Sales - non-reimbursable programs	65,509.85		-	65,509.85
Salaries	288,486.33	135,072.13	38,969.00	462,527.46
Fringe Benefits	67,126.33	33,988.32	44,034.10	145,148.75
Unused Sick Payments to Terminated/Retired Staff	-			-
Purchased Professional/Technical Services	5,146.50	12,816.53		17,963.03
Other Purchased Services	4,728.48	443.40		5,171.88
Cleaning, Repair and Maintenance	30,110.80	2,638.30		32,749.10
General Supplies	3,837.19	76,106.80		79,943.99
Other Objects	-	521.16		521.16
Depreciation	25,564.21		-	25,564.21
<b>Total Operating Expenses</b>	<u>810,561.77</u>	<u>261,586.64</u>	<u>83,003.10</u>	<u>1,155,151.51</u>
<b>Operating Income (Loss)</b>	<u>(517,681.54)</u>	<u>(0.01)</u>	<u>1,996.90</u>	<u>(515,684.65)</u>
<b>Nonoperating Revenues (Expenses):</b>				
<b>State Sources:</b>				
State School Breakfast Program	8,015.90			8,015.90
State School Lunch Program	18,722.20		-	18,722.20
<b>Federal Sources:</b>				
School Breakfast Program	123,557.76			123,557.76
National School Lunch Program	467,591.53		-	467,591.53
P-EBT Administrative Cost	3,256.00			3,256.00
National School Lunch Program - Performance Based	10,479.28		-	10,479.28
Food Distribution Program	94,352.23		-	94,352.23
Interest and Investment Income	-		-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>725,974.90</u>	<u>-</u>	<u>-</u>	<u>725,974.90</u>
<b>Income (loss) before Contributions &amp; Transfers</b>	<u>208,293.36</u>	<u>(0.01)</u>	<u>1,996.90</u>	<u>210,290.25</u>
<b>Capital Contributions (Uses)</b>				
Transfers In (Out)	-		-	-
<b>Changes in Net Position</b>	<u>208,293.36</u>	<u>(0.01)</u>	<u>1,996.90</u>	<u>210,290.25</u>
<b>Total Net Position - Beginning</b>	<u>892,371.94</u>	<u>-</u>	<u>11,195.00</u>	<u>903,566.94</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,100,665.30</u>	<u>(0.01)</u>	<u>13,191.90</u>	<u>1,113,857.19</u>



**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

	Food Service	Shared Services	Personal Aide Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 286,810.55	98,763.11	114,308.10	499,881.76
Payments to Employees	(288,486.33)	27,751.40	(70,274.00)	(331,008.93)
Payments for Employee Benefits	(67,126.33)	(33,988.32)	(44,034.10)	(145,148.75)
Payments for Supplies and Services	(324,055.55)	(92,526.19)	-	(416,581.74)
Net Cash (Used for) Operating Activities	<u>(392,857.66)</u>	<u>-</u>	<u>0.00</u>	<u>(392,857.66)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	26,811.27		-	26,811.27
Federal Sources	658,768.68		-	658,768.68
Operating Subsidies and Transfers to Other Funds	-		-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>685,579.95</u>	<u>-</u>	<u>-</u>	<u>685,579.95</u>
Net Increase (Decrease) in Cash and Cash Equivalents	292,722.29	-	0.00	292,722.29
Balance - Beginning of Year	731,781.43	(0.00)	-	731,781.43
Balance - End of Year	<u>1,024,503.72</u>	<u>(0.00)</u>	<u>0.00</u>	<u>1,024,503.72</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	(517,681.54)	(0.01)	1,996.90	(515,684.65)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	25,564.21		-	25,564.21
Federal Commodities - Non-Cash	94,352.23		-	94,352.23
(Increase) in Accounts Receivable	(6,538.36)	(162,823.52)	42,500.00	(126,861.88)
(Increase) in Inventories	10,977.12			10,977.12
Increase in Accounts Payable	-	-		-
Increase in Interfunds		162,823.53	(44,496.90)	118,326.63
Increase in Deferred Revenue	468.68		-	468.68
Total Adjustments	<u>124,823.88</u>	<u>0.01</u>	<u>(1,996.90)</u>	<u>122,826.99</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (392,857.66)</u>	<u>0.00</u>	<u>(0.00)</u>	<u>(392,857.66)</u>

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## **Statistical Section**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets	\$ 48,318,134.00	48,284,262.00	47,180,448.00	46,220,658.33	46,560,743.54	47,255,546.50	46,689,115.65	45,798,558.13	48,637,929.75	48,849,763.17
Restricted	4,202,792.00	4,093,343.00	3,893,865.00	4,143,828.62	3,175,340.38	5,266,583.58	9,023,296.63	12,580,368.28	13,333,349.31	16,007,573.49
Unrestricted	152,435.00	(5,410,313.00)	(5,169,927.00)	(7,238,106.61)	(6,009,139.61)	(7,444,624.50)	(8,256,263.52)	(9,410,896.85)	(7,921,791.47)	42,686,098.90
Total governmental activities net position	52,673,361.00	46,967,292.00	45,904,386.00	43,126,380.34	43,726,944.31	45,077,505.58	47,454,148.76	48,968,029.56	54,049,487.59	107,543,435.56
<b>Business-type activities</b>										
Invested in capital assets	269,626.00	77,561.00	104,440.00	81,489.00	58,806.04	69,403.56	46,943.09	69,261.24	40,030.53	14,466.34
Restricted	202,684.00	215,395.00	225,571.00	225,833.10	235,405.88	229,989.99	85,705.63	261,536.89	863,536.41	1,099,390.85
Unrestricted	472,310.00	292,956.00	330,011.00	307,322.10	294,211.92	299,393.55	132,648.72	330,798.13	903,566.94	1,113,857.19
Total business-type activities net position	744,620.00	586,912.00	660,022.00	614,644.20	537,423.84	598,787.10	365,297.50	661,596.26	1,247,633.88	2,227,704.38
<b>District-wide</b>										
Invested in capital assets	48,587,760.00	48,361,823.00	47,284,888.00	46,302,147.33	46,619,549.58	47,324,950.06	46,736,058.74	45,867,819.37	48,677,960.28	48,864,229.51
Restricted	4,202,792.00	4,093,343.00	3,893,865.00	4,143,828.62	3,175,340.38	5,266,583.58	9,023,296.63	12,580,368.28	13,333,349.31	16,007,573.49
Unrestricted	355,119.00	(5,194,918.00)	(4,944,356.00)	(7,012,273.51)	(5,773,733.73)	(7,214,634.51)	(8,172,557.89)	(9,149,359.96)	(7,068,255.06)	43,785,489.75
Total district net position	\$ 53,145,671.00	47,260,248.00	46,234,387.00	43,433,702.44	44,021,156.23	45,376,899.13	47,586,797.48	49,298,827.69	54,953,054.53	108,657,292.75

Source: ACFR Schedule A-1

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular instruction	3,303,691.00	3,743,935.00	4,242,790.00	7,896,964.62	10,208,209.06	10,216,338.62	10,297,671.87	13,146,098.96	11,427,864.94	10,944,470.07
Special education	651,248.00	1,096,963.00	478,575.00							
Vocational instruction	2,162,094.00	2,178,746.00	2,444,622.00	5,333,111.66	5,911,902.56	5,445,389.98	5,764,287.54	7,006,835.31	5,367,156.69	5,179,067.26
Other instruction	389,359.00	390,951.00	449,976.00	998,059.18	1,206,420.21	1,384,012.50	1,402,253.72	1,414,416.55	1,112,412.41	1,248,301.85
Support Services:										
Student & instruction related services	1,520,744.00	1,904,057.00	2,045,209.00	3,354,898.08	3,723,716.07	4,013,780.36	4,172,648.69	5,390,821.62	4,691,585.15	5,530,665.15
General administrative/Business services	350,863.00	391,674.00	378,325.00	2,452,193.67	2,179,084.58	2,152,863.65	2,285,915.98	2,657,357.61	2,295,407.04	2,686,237.15
School administrative services	1,031,846.00	979,367.00	1,125,358.00	921,273.22	925,881.93	1,007,905.60	1,176,342.89	1,263,498.24	1,124,035.52	1,236,721.79
Plant operations and maintenance	2,945,798.00	2,894,558.00	3,287,009.00	5,789,410.64	5,770,954.16	5,626,300.29	6,625,932.04	6,466,832.12	6,246,206.89	7,018,890.08
Pupil transportation	271,252.00	354,622.00	478,062.00	799,251.66	744,669.06	889,739.47	914,224.80	835,046.57	990,482.35	1,188,442.61
Special schools	1,297,355.00	1,335,515.00	1,400,071.00	2,357,771.96	2,228,941.36	2,113,790.74	2,128,904.77	849,603.39	741,467.15	548,297.22
Unallocated depreciation	1,381,962.00	1,447,657.00	1,537,599.00							
Capital outlay	4,227,611.00	6,471,048.00	7,895,006.00	712,000.00	5,939.62	(11,811.68)	(60,065.41)	-	(41,537.50)	(18,635.83)
Unallocated benefits	19,533,823.00	23,189,093.00	25,762,602.00	30,614,934.69	32,905,718.60	32,838,309.63	34,708,116.89	39,030,510.36	33,955,080.64	35,562,477.35
Total governmental activities expenses	704,575.00	786,837.00	876,617.00	964,395.90	994,557.17	999,099.85	876,687.17	476,288.08	786,999.32	810,561.77
Business-type activities:										
Food service										
L'Academie Café		3,128.00								
Shared Service	6,669.00	217,249.00	323,356.00	222,302.00	143,678.00	167,985.00	96,495.00	100,751.84	199,045.28	261,586.64
Personal Aides	711,244.00	1,007,214.00	1,199,973.00	1,186,697.90	1,138,235.17	1,167,084.85	973,182.17	78,620.00	73,805.00	83,003.10
Total business-type activities expenses	20,245,067.00	24,196,307.00	26,962,575.00	31,801,632.59	34,043,953.77	34,005,394.38	35,681,299.06	39,686,170.28	1,059,849.60	1,155,151.51
Total district expenses	8,986,914.00	10,680,468.00	12,361,763.00	13,252,667.30	15,996,881.18	14,267,363.70	15,935,279.20	12,229,543.50	10,129,489.00	7,936,430.00
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	1,993,333.00	3,553,246.00	4,300,759.00	6,674,249.40	8,463,466.35	7,215,136.65	6,708,672.87	12,600,484.81	6,748,516.29	6,631,076.53
Operating grants and contributions	8,986,914.00	10,680,468.00	12,361,763.00	13,252,667.30	15,996,881.18	14,267,363.70	15,935,279.20	12,229,543.50	10,129,489.00	7,936,430.00
Capital grants and contributions	10,980,247.00	14,433,714.00	16,662,522.00	19,926,916.70	24,460,347.53	21,482,500.35	22,643,952.07	24,830,028.31	19,057,469.29	50,922,388.76
Total governmental activities program revenues	272,214.00	266,763.00	309,919.00	316,047.86	335,634.50	351,648.58	248,749.94	38,637.04	159,409.71	292,880.23
Business-type activities:										
Charges for services:										
Food service										
Shared Services		2,497.00								
L'Academie Café		219,725.00	320,880.00	230,120.00	138,960.00	165,000.00	110,000.00	65,000.00	85,000.00	85,000.00
Personal Aides	434,771.00	517,173.00	606,229.00	617,605.68	690,630.86	655,617.90	446,693.40	649,420.45	1,189,163.42	725,974.90
Operating grants and contributions	707,200.00	1,006,158.00	1,237,028.00	1,163,773.54	1,125,125.36	1,172,266.48	805,443.34	853,809.33	1,632,618.41	1,365,441.76
Total business-type activities program revenue	11,687,447.00	15,439,872.00	17,899,550.00	21,090,690.24	25,585,472.89	22,654,766.83	23,449,395.41	25,683,837.64	20,690,087.70	66,855,357.05
Total district program revenue	272,214.00	266,763.00	309,919.00	316,047.86	335,634.50	351,648.58	248,749.94	38,637.04	159,409.71	292,880.23
								100,751.84	199,045.28	261,586.63

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30.									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	(8,553,576.00)	(8,756,379.00)	(9,100,080.00)	(10,688,017.99)	(8,445,371.07)	(11,355,809.48)	(12,064,164.82)	(14,200,482.05)	(14,897,611.35)	29,927,417.94
Business-type activities	(4,044.00)	(1,056.00)	37,055.00	(22,924.36)	(13,109.81)	5,181.63	(167,738.83)	198,149.41	572,768.81	210,290.25
Total district-wide net expense	(8,557,620.00)	(8,756,435.00)	(9,063,025.00)	(10,710,942.35)	(8,458,480.88)	(11,350,627.85)	(12,231,903.65)	(14,002,332.64)	(14,324,842.54)	30,137,708.19
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
County appropriation	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,059,626.00	4,059,626.00	4,059,626.00	4,059,626.00
Unrestricted grants and contributions	3,788,529.00	3,823,366.00	3,843,858.00	3,787,981.50	4,932,577.78	8,442,650.47	10,062,208.40	10,927,123.02	15,322,107.20	18,409,223.33
Miscellaneous income	138,128.00	194,943.00	140,338.00	102,487.11	98,551.28	244,288.98	319,967.63	409,683.13	597,336.18	1,097,660.70
Special items				112.72	(4,625.02)					
Bond proceeds	223,933.00	356,528.00	33,547.00							
Transfers		176,298.00					(994.03)			
Total governmental activities	8,170,021.00	8,572,566.00	8,037,174.00	7,910,012.33	9,045,935.04	12,706,370.45	14,440,808.00	15,396,432.15	19,979,069.38	23,566,530.03
Business-type activities:										
Investment earnings		(176,298.00)								
Transfers							994.00			
Special items										
Total business-type activities		(176,298.00)					994.00			
Total district-wide	8,170,021.00	8,394,268.00	8,037,174.00	7,910,012.33	9,045,935.04	12,706,370.45	14,441,802.00	15,396,432.15	19,979,069.38	23,566,530.03
Changes in Net Position	(383,555.00)	(182,813.00)	(1,062,906.00)	(2,778,005.66)	600,563.97	1,350,561.27	2,376,643.18	1,195,950.10	5,081,458.03	53,493,947.97
Governmental activities	(4,044.00)	(179,354.00)	37,055.00	(22,924.36)	(13,109.81)	5,181.63	(166,744.83)	198,149.41	572,768.81	210,290.25
Business-type activities	(387,599.00)	(362,167.00)	(1,025,851.00)	(2,800,930.02)	587,454.16	1,355,742.90	2,209,898.35	1,394,099.51	5,654,226.84	53,704,238.22

Source: ACFR Schedule A-2

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	3,911,897.00	4,082,398.00	3,835,924.00	2,968,522.78	2,548,709.61	3,231,722.81	5,787,935.86	7,250,507.51	5,821,988.54	4,643,390.72
Committed				1,175,305.84	626,630.77	2,034,860.77	3,235,360.77	5,329,860.77	7,511,360.77	11,364,182.77
Assigned	130,159.00	114,608.00	756,591.00	35,224.75	1,460,184.87	487,409.29	643,535.13	200,038.10	1,095,511.31	51,076,218.83
Unassigned	625,497.00	740,531.00	813,258.00	913,565.20	969,788.37	687,157.54	570,218.82	391,742.53	170,824.17	(0.00)
Reserved										
Unreserved										
<b>Total general fund</b>	<b>4,667,553.00</b>	<b>4,937,537.00</b>	<b>5,405,773.00</b>	<b>5,092,618.57</b>	<b>5,605,313.62</b>	<b>6,441,150.41</b>	<b>10,237,050.58</b>	<b>13,172,148.91</b>	<b>14,599,684.79</b>	<b>67,083,792.32</b>
<b>All Other Governmental Funds</b>										
Assigned, reported in:										
Capital projects fund	290,895.00	10,945.00	57,941.00	-	-	-	-	-	-	-
Total all other governmental funds	290,895.00	10,945.00	57,941.00	-	-	-	-	-	-	-

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.



**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
County appropriation	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00	4,059,626.00	4,059,626.00	4,059,626.00	4,059,626.00
Tuition charges	8,986,914.00	10,880,468.00	12,361,763.00	13,252,667.30	15,996,881.18	14,267,363.70	15,935,279.20	12,229,543.50	10,129,489.00	7,936,430.00
Interest earnings										
Miscellaneous	362,061.00	551,471.00	173,885.00	102,487.11	98,551.28	244,288.98	319,967.63	409,683.13	597,338.18	1,097,680.70
State sources	4,868,346.00	5,196,150.00	5,689,777.00	6,180,432.31	7,951,519.35	11,922,538.65	13,688,689.87	15,324,128.58	22,768,207.41	75,609,876.09
Federal sources	923,516.00	979,766.00	960,821.00	916,368.59	978,092.78	1,013,996.47	1,274,930.40	2,344,795.25	3,120,526.08	3,018,800.53
Total revenue	19,150,268.00	21,627,286.00	23,105,677.00	24,471,386.31	29,044,475.59	31,467,618.80	35,178,493.10	34,367,776.46	40,675,184.67	91,722,413.32
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular instruction	3,303,691.00	3,743,935.00	4,242,790.00	5,105,535.46	6,134,801.78	6,604,453.94	6,670,270.69	7,479,491.30	8,202,213.97	8,157,194.55
Special instruction	651,248.00	1,086,963.00	478,575.00							
Vocational instruction	2,162,094.00	2,178,746.00	2,444,622.00	3,100,967.28	3,175,792.75	3,145,313.43	3,471,069.33	3,436,232.67	3,587,079.26	3,613,420.16
Other instruction	389,359.00	390,951.00	449,976.00	475,946.25	523,804.49	606,536.24	618,654.82	543,854.44	684,659.15	825,256.22
<b>Support Services:</b>										
Student & instruction related services	1,520,744.00	1,904,057.00	2,045,209.00	2,149,630.67	2,284,885.78	2,564,005.83	2,731,488.09	3,279,937.14	3,590,576.94	4,473,156.46
General & business administrative services	350,863.00	391,674.00	378,325.00	672,662.09	586,915.86	608,237.01	655,609.48	652,996.86	673,687.17	670,059.12
School administrative services	443,993.00	438,341.00	456,423.00	535,222.88	567,088.14	649,819.05	733,015.14	718,016.49	752,475.00	794,440.81
Central services	354,424.00	346,599.00	355,816.00	339,633.41	337,247.42	354,202.73	362,923.99	332,706.15	395,549.79	462,496.69
Administrative information technology	233,429.00	194,427.00	313,119.00	364,049.56	382,161.89	381,162.37	347,573.45	443,067.91	453,997.48	529,081.75
Plant operations and maintenance	2,945,798.00	3,089,387.00	3,164,303.00	3,258,050.73	3,402,632.29	3,478,229.62	4,068,439.64	3,516,759.42	4,120,439.54	4,520,770.43
Pupil transportation	271,252.00	354,622.00	478,062.00	357,124.99	393,342.73	533,117.12	456,953.31	294,716.46	613,688.57	746,723.32
Unallocated employee benefits	4,261,864.00	5,015,019.00	5,826,663.00	6,346,190.04	7,452,814.02	8,073,443.72	8,854,535.93	9,776,618.98	11,199,340.43	12,203,760.80
Special schools	1,297,355.00	1,335,515.00	1,400,071.00	1,349,529.89	1,293,900.14	1,284,022.83	1,265,635.94	440,450.37	468,994.78	232,450.97
Capital outlay	389,963.00	1,040,658.00	556,491.00	1,500,051.22	1,991,968.23	2,349,238.12	1,145,429.09	835,760.64	4,504,946.71	2,009,494.51
Total Expenditures	18,576,077.00	21,520,894.00	22,590,445.00	25,554,594.47	28,527,155.52	30,631,782.01	31,381,598.90	31,750,608.83	39,247,648.79	39,238,305.79
Excess (Deficiency) of revenues over (under) expenditures	574,191.00	106,392.00	515,232.00	(1,083,208.16)	517,320.07	835,836.79	3,796,894.20	2,617,167.63	1,427,535.88	52,484,107.53
<b>Other Financing Sources (Uses)</b>										
Cancellation of prior year purchase orders				112.73	(4,625.02)	-	-	-	-	-
Capital leases (non-budgeted)				712,000.00	-	-	-	-	-	-
Transfers in						1,333,730.00	-	-	-	-
Transfers out						(1,333,730.00)	(994.03)	-	-	-
Total other financing sources (uses)				712,112.73	(4,625.02)	835,836.79	(994.03)	-	-	-
Net change in fund balances	574,191.00	106,392.00	515,232.00	(371,095.43)	512,695.05	835,836.79	3,795,900.17	2,617,167.63	1,427,535.88	52,484,107.53

Source: ACFR Schedule B-2

Exhibit J-5

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 General Fund Other Local Revenue by Source,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rent	Refund of Prior Year Revenue	Miscellaneous	Totals
2014	7,751.00	8,986,914.00	7,646.00		107,731.00	9,110,042.00
2015	7,751.00	10,880,468.00	7,646.00		138,131.00	11,033,996.00
2016	9,921.00	12,361,763.00	12,748.00		85,042.00	12,469,474.00
2017	7,246.75	13,252,669.00	12,495.43		82,743.23	13,355,154.41
2018	6,650.89	15,996,881.18	15,606.59		74,493.80	16,093,632.46
2019	38,923.18	14,267,363.70	7,414.35		118,151.45	14,431,852.68
2020	94,009.58	15,935,279.20	25,135.24		122,812.81	16,177,236.83
2021	78,787.27	12,229,543.50	-		153,790.31	12,462,121.08
2022	33,510.61	10,129,489.00	10,501.71		241,157.00	10,414,658.32
2023	111,048.46	7,936,430.00	23,383.14		136,938.84	8,207,800.44

Source: District Records

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2014	274,360	11,844,395,560	43,171	10.4%
2015	272,634	11,988,807,516	43,974	10.4%
2016	270,206	12,087,665,410	44,735	9.4%
2017	267,212	12,372,984,448	46,304	7.4%
2018	265,446	12,770,607,060	48,110	7.2%
2019	263,994	13,528,900,518	51,247	5.9%
2020	263,653	14,712,364,706	55,802	5.1%
2021	262,945	15,332,322,950	58,310	17.8%
2022	274,966	16,033,267,460	58,310	9.5%
2023	275,638	16,072,451,780	58,310	5.1%

Source:

- (a) U.S. Bureau of Census - Population Division - Atlantic County
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income computed using Census Bureau midyear population estimates. Estimates for 2011-2020 reflect county population estimates available as of March 2021.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular instruction	61.3	65.8	69.8	69.5	88.7	99.30	102.51	98.30	102.70	98.00
Resource room instruction				4.0	4.0	4.20	9.50	3.30	2.30	2.00
Special education instruction	8.7	22.3	19.0	13.3	-	-	-	-	1.00	-
Vocational education	33.5	33.8	34.2	35.2	41.9	45.50	45.49	49.80	47.50	50.00
Adult/continuing education programs	2.0	2.0	2.0	2.0	2.0	2.00	2.00	2.00	2.00	2.00
Support Services:										
Student & instruction related services	16.5	20.0	21.0	23.0	23.0	25.00	29.00	31.00	29.00	28.00
General administrative services	3.0	2.0	2.0	2.0	2.0	3.00	3.00	3.00	3.00	3.00
School administrative services	6.0	6.0	6.0	8.0	8.0	9.00	10.00	9.00	8.00	8.00
Business administrative services	7.0	7.0	8.0	8.0	9.0	10.00	9.00	9.00	11.00	14.00
Plant operations and maintenance	29.0	30.0	30.5	31.5	32.5	36.00	39.00	39.50	36.50	39.00
Pupil Transportation	-	-	-	-	-	-	-	-	1.00	-
Special schools	2.5	2.0	2.0	2.0	2.0	1.50	1.50	1.50	1.50	1.50
Food Service	8.5	9.5	10.5	13.0	12.8	13.00	14.00	13.50	12.50	9.70
Personal Aides				6.0	4.0	2.00	1.00	1.00	1.00	2.60
<b>Total</b>	<b>178.0</b>	<b>200.4</b>	<b>205.0</b>	<b>217.5</b>	<b>229.9</b>	<b>250.5</b>	<b>266.00</b>	<b>260.90</b>	<b>259.00</b>	<b>257.80</b>

Source: District Personnel Records (Position Control Roster, Payroll Breakdown Reports)

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Overall	District				
2014	1,267	18,186,114	14,353.68	4.67%	158	12.4:1	12.4:1	1,209	1,165	1.68%	96.36%
2015	1,445	20,480,236	14,173.17	-1.26%	124	12.4:1	12.4:1	1,398	1,320	15.63%	94.42%
2016	1,489	22,033,954	14,797.82	4.41%	125	11.9:1	11.9:1	1,489	1,401	6.51%	94.09%
2017	1,541	24,054,543	15,609.70	5.49%	124	12.4:1	12.4:1	1,548	1,457	3.96%	94.12%
2018	1,595	26,535,187	16,636.48	6.58%	137	11.6:1	11.6:1	1,602	1,505	3.49%	93.95%
2019	1,618	28,282,544	17,479.94	5.07%	151	10.7:1	10.7:1	1,636	1,535	2.12%	93.83%
2020	1,691	30,236,170	17,880.64	2.29%	160	10.6:1	10.6:1	1,697	1,632	3.73%	96.17%
2021	1,692	30,914,848	18,271.19	2.18%	154	11.0:1	11.0:1	1,702	1,609	0.29%	94.54%
2022	1,723	34,742,702	20,164.08	10.36%	156	11.0:1	11.0:1	1,730	1,622	1.65%	93.76%
2023	1,848	37,228,811	20,145.46	-0.09%	156	11.0:1	11.0:1	1,735	1,623	0.29%	93.54%

Source: District records, ASSA and Schedule J-14

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 School Building Information,  
 Last Ten Fiscal Years

Exhibit J-18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>District Buildings</b>										
<b>Technical School</b>										
Vocational School (1973, 2012)										
Square Feet	237,998	237,998	237,998	237,998	237,998	237,998	237,998	237,998	237,998	237,998
Capacity (students)	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314
Enrollment	1,192	1,387	1,416	1,033	1,094	1,199	1,237	1,229	1,232	1,322
Annex Building (2003)										
Square Feet	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	75	58	73	429	435	376	407	463	491	526
Wing at Atlantic County Special Services School										
Alternative High School - Enrollment Only				79	66	43	47	-	-	-

Number of Schools at June 30, 2023  
 High School - 1  
 Other - 1

Source: District Records (LRFP), ASSA, School Register Summaries

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Last Ten Fiscal Years**  
*(Unaudited)*

**Exhibit J-19**

**Undistributed Expenditures - Required Maintenance for School Facilities**  
**11-000-261-XXX**

<u>Fiscal Year</u>	<u>Atlantic County Vocational School (only building)</u>
2023	\$ 1,199,742.60
2022	1,292,380.02
2021	1,104,897.44
2020	1,357,185.20
2019	928,793.62
2018	978,449.62
2017	969,378.15
2016	892,834.00
2015	821,423.00
2014	775,506.00

Source: District Records

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)**

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>Commercial Package Policy</b>		
Property, Inland Marine & Automobile Physical Damage:		
Limits of Liability - Per Occurance	121,357,989	5,000
Extra Expense	50,000,000	
Loss of Rents	82,700	
Business Income/Tuition	44,521,315	
Earthquake	50,000,000	5,000
Flood (Zones A & V)	25,000,000	500,000
All Other Flood Zones		10,000
Valuable Papers	10,000,000	
Terrorism (Aggregate)	1,000,000	
Restart Demolition & Rebuild	5,000,000	
Public Official Bond:		
Public Agency Compliance Officer	75,000	500
Comprehensive General Liability Coverage:		
Each Occurrence	31,000,000	
Personal & Advertising Injury	31,000,000	
Products-Completed Operations	31,000,000	
Medical Expense:		
Any One Person	5,000	
Per Accident	10,000	
Employee Benefits Liability:		
Each Claim	31,000,000	1,000
Aggregate	31,000,000	
Child Molestation/Sexual Abuse	15,000,000	
Annual Aggregate	15,000,000	
Terrorism (Aggregate)	1,000,000	
Mold (Sublimit)	25,000	
Communicable Disease	1,000,000	
Electronic Data Processing		
Blanket EDP	500,000,000	5,000
Loss of Income	Included	
Transit	Included	
Virus	250,000	
Package Police Crime Coverage		
Faithful Performance	1,000,000	1,000
Forgery or Alteration	1,000,000	1,000
Theft, Disappearance, Destruction - Inside	25,000	500
Theft, Disappearance, Destruction - Outside	25,000	500
Computer Fraud	500,000	1,000
Money Orders & Counterfeit	25,000	
Currency		500



**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2023**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>Equipment Breakdown</b>		
Limit, including Property Damage and Business Interruption	100,000,000	
Extra Expense	10,000,000	
Perishable Goods	1,000,000	
Expediting Expense	1,000,000	
Newly Acquired Locations	1,000,000	
Deductibles:		
Direct, per accident		25,000
<b>Business Auto</b>		
Bodily Injury & Property Damage, Combined Single Limit	31,000,000	
Basic Personal Injury Protection	250,000	250
Auto Medical Paymnets		
Private Passenger Vehicles	10,000	
All Others	5,000	
Uninsured/Underinsured Motorists		
Private Passenger Vehicles	1,000,000	
All Others	\$15,000/\$30,000/\$5,000	
Comprehensive Coverage		1,000
Collision Coverage		1,000
Hired Car Physical Damage	110,000	1,000
Communicable Disease	1,000,000	
<b>Crisis Management</b>		
Assault Extension Endorsement, Death & Dismemberment		
Each Event & Annual Aggregate	1,000,000	
Each Insured Person	50,000	
Each Policy Period	250,000	
Threat - each insured event	150,000	
Hostage Crisis, Death & Dismemberment		
Each Event & Annual Aggregate	1,000,000	
Each Insured Person	100,000	
Each Policy Period	500,000	
Child Abduction Extension		
Each Insured Event & Annual Aggregate	1,000,000	
Legal Liability	1,000,000	
Rest & Rehabilitation	25,000	
Express Kidnapping Extension		
Each Insured Event	250,000	
Ransom Sublimit	50,000	
Death & Dismemberment		
Per Person	50,000	
Each Insured Event	500,000	
Disappearance		
Each Person	100,000	
Each Insured Event	200,000	

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)**

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
School Board Legal Liability:		
Coverage A	31,000,000	5,000
Coverage B    Each Occurance	100,000	5,000
Standard Worker's Compensation & Employer's Liability Policy:		
Workers Compensation - Coverage A	Statutory	
Employee Liability Agreement - Coverage B	3,000,000	
Pollution Liability:		
Third Party Claims for Bodily Injury, Property Damage & Remediation Expenses		
Each Occurance	1,000,000	50,000
Aggregate	2,000,000	
Annual Pool Aggregate Limit	11,000,000	75,000
First Party Remediation Expenses (excluding Mold)	1,000,000	50,000
Emergency Response Expenses	1,000,000	50,000
Mercury Flooring	1,000,000	250,000
Student Accident (Compulsory):		
Maximum Benefit, each School and Sports Coverage	1,000,000	
Volunteer Accident:		
Maximum Benefit	250,000	
Student Accident (Catastrophic):		
Maximum Benefit, Excess Medical	5,000,000	25,000
Catastrophic Cash Benefit:		
Maximum Benefit Amount	1,000,000	
Accidental Death & Dismemberment	10,000	
Board Member Accident:		
Limit of Liability	100,000	
Aggregate	500,000	
Cyber Risk Liability		
Privacy Liability (including Employee privacy)	2,000,000	
Privacy Regulatory Claims Coverage	2,000,000	
Security Breach Response Coverage	2,000,000	
Security Liability	2,000,000	
Multimedia Liability	2,000,000	
Cyber Extortion	2,000,000	
Business Income and Digital Asset Restoration		
Business Income Loss	2,000,000	
Restoration Costs	2,000,000	
Reputation Business Income Loss	2,000,000	
Systems Integrity Restoration Loss	250,000	
PCI DSS Assessment	2,000,000	

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2023**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
Electronic Fraud		
Phishing Fraud	50,000	
Services Fraud Loss	100,000	
Reward Fund Loss	50,000	
Personal Financial Loss	250,000	
Corporate Identity Theft Loss	250,000	
Telephone Hacking Loss	100,000	
Direct Financial Loss (Fund Transfer Fraud)	100,000	
Cyber Deception (Social Engineering)	250,000	
Deductible - Each Claim or Event		15,000
- Aggregate		15,000
Pollution Liability (Tokio Marine Specialty Ins Co.)		
Remediation - On-site Liability, per contamination incident	1,000,000	
Remediation - Off-site Liability, per contamination incident	1,000,000	
Bodily Injury & Property Damage, per contamination incident	1,000,000	
Total Aggregate Limit	2,000,000	10,000
Mold, Remediation & Third Party	1,000,000	100,000
Deadly Weapon Protection		
Overall Limit of Liability		
Any one occurrence	1,000,000	
In the aggregate	1,000,000	
Coverage Extension Sub-limits:		
Crisis Management Services, any one occurrence	250,000	
Property Damage, any one occurrence	250,000	
Counselling Services, any one occurrence	250,000	
Funeral Expenses, any one occurrence	250,000	
Deductible, each and every event		10,000

Source: District Records.

Footnote: The policy is a combined policy with ACSSSD

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## **Single Audit Section**

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# FORD - SCOTT

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K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Atlantic County Vocational School District's basic financial statements, and have issued our report thereon dated December 1, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Atlantic County Vocational School District's 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 Atlantic 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* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Atlantic County Vocational School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

December 1, 2023





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K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08**

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

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

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

We have audited the Atlantic County Vocational School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Vocational School District's major federal and state programs for the year ended June 30, 2023. The Atlantic County Vocational School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Atlantic County Vocational School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

### **Basis for Opinion on Each Major Federal & State Program**

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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and 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 NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 Atlantic 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 opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Atlantic County Vocational School District's compliance with the requirements referred to above.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its 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 Atlantic County Vocational School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Atlantic County Vocational School District's compliance with the requirements of each major federal or state program as a whole.

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

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

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

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ 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 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 paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*

Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

December 1, 2023

Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Awarding Agency Number	Federal Grant/Pass-Through Grant/Program Title	Federal Financial Assistance Listing Number	Federal Financial Assistance Number	Grant Period	Award Amount	Balance June 30, 2022	Carryover (Waiver) Amount	Cash Received	Budgetary Expenditures			MEMO From Through to Sub Disburse	Accounts Payable as of 06/30/2022	Deferred as of 06/30/2022	Due to Grantor as of June 30, 2023	
									Pass Through	Direct	Total					
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education</b>																
83.778	General Medical Assistance Program (SEMI)		2005NJRWAP	7/1/2022	\$			38,739.91	(38,739.91)				(38,739.91)			
83.778	FFCRASEMI		2005NJRWAP	1/1/2021	2,063.74	(162,847.00)		2,063.74	(2,063.74)				(2,063.74)			
								40,803.65	(40,803.65)				(40,803.65)			
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education</b>																
Special Revenue Fund:																
Title I, Part A Cluster:																
84.010A			S010A220030	7/1/2022	783,286.00			509,127.00	(783,286.00)				(783,286.00)			
84.010A			S010A221000	7/1/2021	550,937.00	(162,847.00)		671,874.00	(783,286.00)				(274,153.00)			
													(274,153.00)			
84.387A			S387A220029	7/1/2022	62,554.00			52,205.00	(62,554.00)				(10,349.00)			
84.387A			S387A221029	7/1/2021	61,279.00			52,205.00	(62,554.00)				(10,349.00)			
													(10,349.00)			
								724,179.00	(845,834.00)				(284,502.00)			
Total Title I, Part A																
Total Every Student Succeeds Act																
Vocational Education:																
84.048A			V048A220030	7/1/2022	253,835.00			253,835.00	(253,835.00)				-			
84.048A			V048A221000	7/1/2021	179,950.00			62,009.00	(62,009.00)				-			
84.048A			V048A220030	7/1/2022	62,009.00			62,009.00	(62,009.00)				-			
84.048A			V048A221000	7/1/2021	59,766.00			315,844.00	(315,844.00)				-			
													(315,844.00)			
													(315,844.00)			
Total Vocational Education																
84.027A			H027A220100	7/1/2022	333,102.00			211,586.00	(333,102.00)				(21,546.00)			
84.027A			H027A221000	7/1/2021	315,505.00	(115,059.00)		115,059.00	(333,102.00)				(121,546.00)			
								326,645.00	(333,102.00)				(121,546.00)			
													(121,546.00)			
Total Special Education Cluster (IDEA)																
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Elementary and Secondary School Emergency Relief (ESSER)																
84.425D			S425D210027	3/13/2020	1,816,193.00	(284,545.00)		327,441.00	(214,072.75)				(151,176.75)			
84.425D			S425D210027	3/13/2020	116,554.00	(10,650.00)		17,278.00	(6,728.00)				-			
84.425D			S425D210027	3/13/2020	46,000.00	(12,639.00)		22,112.00	(9,473.00)				-			
								366,631.00	(230,273.75)				(151,176.75)			
Total CARES-ESSER																
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)																
84.425U			S425U210027	3/13/2020	4,061,373.00	(326,416.00)		616,959.00	(681,654.42)				(655,014.42)			
84.425U			S425U210027	3/13/2020	203,962.00	(74,049.00)		141,392.00	(120,856.00)				(55,446.00)			
84.425U			S425U210027	3/13/2020	40,000.00			18,850.00	(23,562.90)				(4,712.50)			
84.425U			S425U210027	3/13/2020	40,000.00			39,561.00	(39,561.00)				(6,679.00)			
84.425U			S425U210027	3/13/2020	88,501.00	(1,363.79)		82,822.00	(87,137.21)				(755,868.92)			
								898,884.00	(1,252,943.13)				(1,313,113.67)			
								2,632,453.00	(2,977,956.89)				(2,977,956.89)			
Total Special Revenue Fund																
<b>U.S. Department of Agriculture</b>																
<b>Passed-Through State</b>																
10.555			231N304N199	7/1/2022	94,352.23			84,352.23	(84,352.23)				-			
								84,352.23	(84,352.23)				-			
Enterprise Funds:																
Subtotal Food Distribution Program																
10.649			231N30459009	7/1/2022	3,296.00			-	-				-			
P-EBT Administrative Cost																
Child Nutrition Cluster:																
10.553			221N304N199	7/1/2021	244,897.97	(21,789.99)		21,789.99	(23,557.70)				(6,847.2)			
10.553			231N304N199	7/1/2022	123,597.76	(21,789.99)		134,677.83	(123,557.70)				(6,847.2)			
								467,591.53	(467,591.53)				(25,165.21)			
10.555			221N304N199	7/1/2021	851,834.88	(67,940.19)		442,626.32	(487,581.53)				(52,955.21)			
10.555			231N304N199	7/1/2022	467,591.53	(67,940.19)		310,866.91	(467,581.33)				(25,165.21)			
								1,042,115.54	(1,042,115.54)				(78,120.42)			
National School Lunch Program - Summer Option																
10.555			231N304N199	7/1/2022	10,479.28			9,914.66	(10,479.28)				(64.72)			
								658,768.70	(658,768.70)				(32,570.00)			
								658,768.70	(658,768.70)				(32,570.00)			
Total Child Nutrition Cluster																
Total Enterprise Funds																
<b>Total Federal Financial Awards</b>																
													(3,718,037.33)		(1,349,938.72)	

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

**Metric County Vocational School District  
(A Component Unit of Metric County)  
Schedule of State Financial Assistance  
For the Year Ended June 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2023			MEMO
				Deferred Revenue/(Accounts Receivable)	Due to Grantor	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	
<b>State Department of Education</b>														
General Fund:														
Equalization Aid	23-495-034-5120-078	7/1/2022	\$ 16,967,403.00				16,270,683.24	(16,967,403.00)					1,696,739.76	16,967,403.00
Special Education Category Aid	23-495-034-5120-089	6/30/2023	1,417,691.00				1,275,921.94	(1,417,691.00)					141,769.06	1,417,691.00
Security Aid	23-495-034-5120-084	7/1/2022	601,522.00				541,389.82	(601,522.00)					60,152.18	601,522.00
Total State Aid Public Cluster							17,087,995.00	(18,986,616.00)					1,898,661.00	18,986,616.00
School Security Grant	N/A	6/30/2022	105,956.00	(105,956.00)			105,956.00							105,956.00
On-behalf TPAF Pension Contribution (Non-Budgeted)	23-495-034-5094-002	7/1/2021	2,108.00				2,108.00	(2,108.00)						2,108.00
On-behalf TPAF Post Retirement Medical (Non-Budgeted)	23-495-034-5094-001	6/30/2023	1,042,505.00				1,042,505.00	(1,042,505.00)						1,042,505.00
On-behalf TPAF Non-contributory Insurance (Non-Budgeted)	23-495-034-5094-004	7/1/2022	3,969,982.00				3,969,982.00	(3,969,982.00)						3,969,982.00
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	23-495-034-5094-003	7/1/2022	907,073.19				817,189.60	(907,073.19)			(89,883.59)		897,073.19	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	22-495-034-5094-003	7/1/2021	893,398.41	(42,263.40)			43,263.40							893,398.41
Total General Fund				(14,921.90)			23,089,359.00	(24,293,684.19)			(89,883.59)		1,898,661.00	25,902,688.60
Special Revenue Fund:														
Vocational Education:														
Carl Perkins Post Secondary	23-100-034-5062-032	7/1/2022	86,703.00				86,703.00	(86,703.00)						86,703.00
Department of Treasury:														
SDA Encouragement Needs and Capital Maintenance in School Districts	N/A	7/1/2022	47,984.00				47,984.00	(47,984.00)						47,984.00
State of New Jersey Department of Education														
School Climate Change Pilot Discretionary Grant	23E00053	4/1/2023	6,660.00				6,660.00	(6,660.00)						6,660.00
New Jersey Schools Development Authority														
School Safety Grant	N/A	7/1/2022	42,984.00				42,442.14	(42,442.14)						42,442.14
Total Special Revenue Fund							133,789.14	(133,789.14)						133,789.14
Capital Projects Fund														
Career and Technical Education Program Expansion Grant	SOCF-CVSD-CTE	6/15/2021	50,896,215.80	(2,179,464.00)			50,922,388.76	(295,418.05)			48,447,506.71			(48,447,506.71)
Total Capital Projects Fund				(2,179,464.00)			50,922,388.76	(295,418.05)			48,447,506.71			(48,447,506.71)
<b>State Department of Agriculture</b>														
Enterprise Fund:														
School Lunch Program - State Share	23-100-010-3350-023	7/1/2022	18,722.20				17,698.91	(18,722.20)			(1,023.29)			18,722.20
School Breakfast Program - State Share	23-100-010-3350-023	7/1/2022	8,015.90				7,548.80	(8,015.90)			(467.10)			8,015.90
National School Lunch Program - Seamless Summer Option (State Share)	22-100-010-3350-023	7/1/2021	20,045.79				1,563.56							2,590.86
Total Enterprise Fund							26,811.27	(26,738.10)			(1,490.39)			29,318.96
Total State Financial Assistance				(2,330,246.90)			74,202,948.17	(25,414,629.48)			48,356,132.73		1,898,661.00	(22,326,360.01)
Less: On-behalf TPAF Pension System Contribution														
On-behalf TPAF Pension Contribution (Non-Budgeted)														
On-behalf TPAF Non-contributory Insurance (Non-Budgeted)														
On-behalf TPAF Long-Term Disability Insurance (Non-Budgeted)														
Total for State Financial Assistance Major Program Determination														
\$ (20,397,634.48)														

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2023**

**Note 1: General**

The accompanying schedules of expenditures of awards and financial assistance include federal and state award activity of the Board of Education for Atlantic County Vocational School District. 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 schedule of expenditures of federal awards and state financial assistance.

**Note 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 basis 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 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The District has elected not to use the 10% de minimis indirect cost rate.

**Note 3: Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(404,986.00) for the General Fund and \$0.00 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis on the following page:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2023  
(CONTINUED)**

**Note 3: Relationship to Basic Financial Statements - Continued**

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Capital Projejcts Fund</u>	<u>Food service fund</u>	<u>Total</u>
<b>State Assistance:</b>					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 24,908,684.19	183,789.14	295,418.05	26,738.10	25,414,629.48
Difference – budget to "GAAP"					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,493,675.00				1,493,675.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,898,661.00)				(1,898,661.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-	50,626,970.71	-	50,626,970.71
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 24,503,698.19</u>	<u>183,789.14</u>	<u>50,922,388.76</u>	<u>26,738.10</u>	<u>75,636,614.19</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2023  
(CONTINUED)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 40,803.65	2,977,996.88	699,236.80	3,718,037.33
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-	-	-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 40,803.65</u>	<u>2,977,996.88</u>	<u>699,236.80</u>	<u>3,718,037.33</u>

**Note 4: Relationship to Federal and State Financial Reports**

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

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. 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, 2023.



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Financial Statement Section**

A) Type of auditor's report issued:	_____ <u>Unmodified</u> _____		
B) Internal control over financial reporting:			
1) Material weakness(es) identified?	_____ yes _____	_____ <u>X</u> _____	_____ no _____
2) Were significant deficiencies identified?	_____ yes _____	_____ <u>X</u> _____	_____ none reported _____
C) Noncompliance material to general-purpose financial statements noted?	_____ yes _____	_____ <u>X</u> _____	_____ no _____

**Federal Awards Section**

D) Internal Control over compliance:			
1) Material weakness(es) identified?	_____ yes _____	_____ <u>X</u> _____	_____ no _____
2) Were significant deficiencies identified?	_____ yes _____	_____ <u>X</u> _____	_____ none reported _____
E) Type of auditor's report on compliance for major programs	_____ <u>Unmodified</u> _____		
F) Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200 Section .516(a) of the Uniform Guidance?	_____ yes _____	_____ <u>X</u> _____	_____ no _____

G) Identification of major programs:

CFDA/FEIN Number(s)	Name of Federal Program or Cluster
84.010A / S010A220030	Every Student Succeeds Act - Title I A Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Elementary and Secondary School Emergency Relief (ESSER)
84.425D / S425D210027	ESSER II; Learning Acceleration; Mental Health American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ESSER)
84.425U / S425U210027	ESSER III; Accelerated Learning Coach and Educator Support; Evidence Based Summer Learning and Enrichment; Evidence Based Comprehensive Beyond the School Day; NJTSS Mental Health Support Staffing

H) Dollar threshold used to determine Type A programs: \_\_\_\_\_ \$ 750,000.00 \_\_\_\_\_

I) Auditee qualified as low-risk auditee? \_\_\_\_\_ X \_\_\_\_\_ yes \_\_\_\_\_ no \_\_\_\_\_ n/a

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I -- Summary of Auditor's Results (cont'd)*

**State Awards Section**

- J) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  no
- K) Type of auditor's report on compliance for major programs \_\_\_\_\_  Unmodified
- L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? \_\_\_\_\_ yes  X  no

M) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<b>State Aid - Public Cluster:</b>
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Categorical Aid

- N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$ 750,000.00
- O) Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no \_\_\_\_\_ n/a

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Exhibit K-6**

***Part 2 – Schedule of Financial Statement Findings***

**NONE**

***Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs***

**FEDERAL AWARDS**

**NONE**

**STATE AWARDS**

**NONE**

**Exhibit K-7**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

***STATUS OF PRIOR YEAR FINDINGS***

**NONE**