HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2024

Responsibility of the Management of
Hunterdon County Vocational School District
Hunterdon County, New Jersey

BKC
Certified Public Accountants, PC

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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HUNTERDON COUNTY
VOCATIONAL SCHOOL DISTRICT
www.HCVSD.org

Dr. Todd G. Bonsall, Ed.D., Superintendent
Ashley Sanguiliano, Business Administrator
District Board Office
10 Junction Road
Flemington, NJ 08822
908-284-1444
908-806-4839 Fax

November 27, 2024

Honorable President and
Members of the Board of Education
Hunterdon County Vocational School District
Flemington, NJ 09822

Dear Board Members:

The Annual Comprehensive Financial Report of the Hunterdon County Vocational Board School District (HCVSD) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education. 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: Introduction, Financial, Statistical and Single Audit. The Introduction section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the general purpose financial schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Hunterdon County Vocational School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Hunterdon County Vocational Board of Education and all its schools constitute the District's entire reporting entity. The District provides a full range of educational services appropriate to grade levels nine through twelve.

2. ECONOMIC CONDITION AND OUTLOOK

The Hunterdon County Vocational Board of Education recognizes the continuously changing financial environment of providing education in the State of New Jersey. In 2008, the School Funding Reform Act provided the formula for determining the necessary state aid and local funding to educate all New Jersey public school children. Over the past several years, this formula has changed, and the Hunterdon County Vocational School District has not received an increase in state aid since the 2018-2019 school year. Additional funding for the Hunterdon County Vocational School District comes from tuition paid by the sending districts. The District has worked to ensure fair tuition rates and annual increases for the sending districts, recognizing the financial environment throughout the State of New Jersey for all school districts. Lastly, due to the financial constraints mentioned above, the District consistently works to obtain grants to continue to develop and implement vocational programs and services. These grants include Perkins Secondary, Perkins Secondary Reserve, Perkins Post-Secondary, Individuals with Disabilities Education Act (IDEA), Elementary and Secondary Education Act (ESEA), Youth Transitions to Work (YTTW) and Workforce Innovative Opportunity Act (WIOA). The District consistently applies for local grants to offset operating expenditures.

3. MAJOR INITIATIVES

The Hunterdon County Vocational School District plans to continue initiating new programs to meet the needs of the changing economy. However, the District recognizes the need for additional space to expand the program offering. Through the award of the Securing our Children's Future Bond Act grant, the District is working towards building a new campus on the North Hunterdon High School site. The new campus would allow the District to vacate the Bartles Corner rental property and renovate the Central Campus to accommodate the relocation of programs.

3. 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 Management.

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

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

4. 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 voters of the Municipality. 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. Budgetary controls are meant to be complex enough to maintain fiscal integrity and ensure compliance but permit the District to be flexible enough to meet the demands of a dynamic marketplace and changing District and community needs.

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-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30.

5. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect that 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.

6. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 1. 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. The law requires Governmental Units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

7. RISK MANAGEMENT

The Board carried 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. Refer to the insurance schedule for more information.

8. INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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 State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the general-purpose financial statements and schedules is included in the Financial Section of this report. The auditors' reports related specifically to the single audit are included in the Single Audit Section of this report.

9. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Hunterdon County Vocational District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of the District's 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,

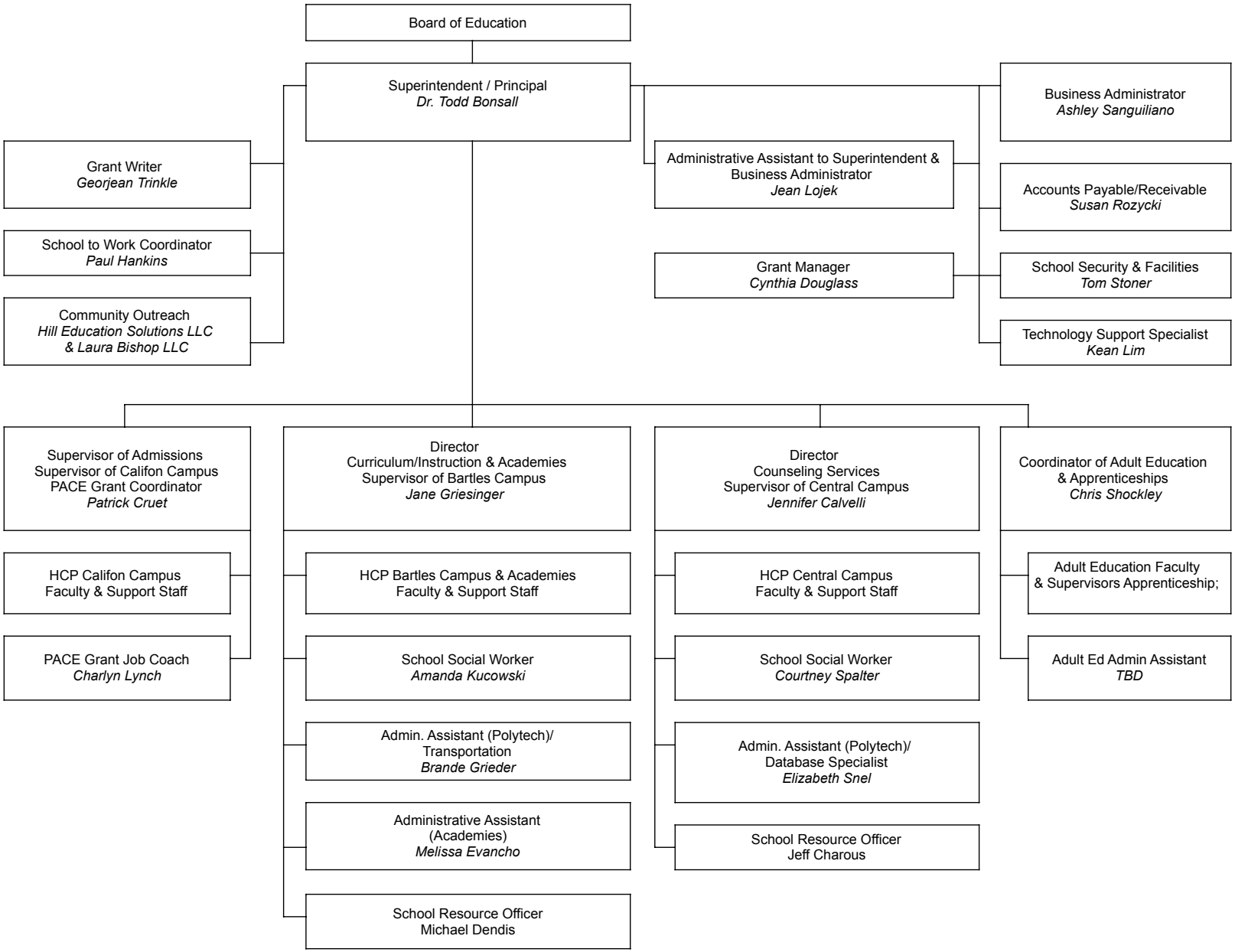
Dr. Todd Bonsall
Superintendent

Ashley Sanguiliano
Business Administrator/Board Secretary

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT

ORGANIZATIONAL CHART

2023-2024



HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
Elizabeth Martin	President	2027
Kevin Gilman	Vice-President	2026
Timothy Fox		2024
Lenore Cortina Ed.D		2025
Anthony Maglio		2025
Patrick Torpey		2025
Juan Torres	Interim Co. Ex. Superintendent	No Term

Other Officials	Title
Dr. Todd Bonsall	Superintendent
Ashley Sanguiliano	Board Secretary/School Business Administrator
Vex Law, LLC	Solicitor
Jeffrey Kuhl	Commissioner Liaison

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

Howard A. Vex, Esq.
Vex Law, LLC
2001 Route 46, Suite 310
Parsippany, NJ 07054

OFFICIAL DEPOSITORY

Citizens Bank
Three Bridges, NJ 08887

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

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 Hunterdon County Vocational School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the 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 District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2024, on our consideration of the 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 to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael Holk, CPA, PSA
NO. 20CS00265600

November 27, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Hunterdon County Vocational School District's (HCVSD) provides an overall review to the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis it to look at the School District's performance as a whole; readers should also review the Basic Financial Statements and the Notes to the Financial Statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the District's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

HCVSD was created by resolution of the Hunterdon County Board of Chosen Freeholders on May 12, 1992. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of five members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, supervising committees and hiring the superintendent. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and overseeing the day-to-day operations of the District. The Board of Education is appointed by the Freeholders.

The 2023-24 school year was another great year for District growth as the District continues to enhance full-time academies and grow their full-time programs. Due to these efforts and the promotion of the career and technical education at the grammar school level, the majority of the District academy programs are at capacity. As a result, the District has plans to continue to expand their full-time programs.

As a county vocational school, reorganization occurs the first week of November each year. Elizabeth Martin was elected as the incumbent President of the Board of Education and Kevin Gilman as Vice President.

Superintendent Dr. Todd Bonsall has continued to develop and maintain a strong collaboration with the sending districts. The district is fortunate to experience an increase in enrollment due to the progression of the 4-year full-time academies and the full-time Animal Science program. The Superintendent has developed a plan to expand full-time opportunities for Hunterdon County students through a collaborative effort with North Hunterdon/Voorhees School District whereby a HCVSD school is built on North Hunterdon's campus. As this partnership would allow HCVSD to vacate the rental property located at Bartles Corner, the district plans to relocate some of the programs from the Bartles Corner campus to the Central campus. Renovations are planned for the Central campus to accommodate those additional programs in the future. The district has also ramped up its marketing and community outreach efforts. In addition, the Adult Education program has begun the process to become accredited by the Middle States Association, which will ultimately allow postsecondary students to access federal financial aid hence removing barriers to be retrained and upskilled.

Financial Highlights

Key financial highlights for 2024 are as follows:

- General revenues accounted for $4,429,432 in revenue, or 18.32% of all revenues. Program specific revenues in the form of charges for services, (including tuition) and operating and capital grants accounted for $19,751,218 or 81.68% of total revenues of $24,180,650.

- The School District has $11,497,011 in expenses; only $19,751,218 of these expenses were offset by program specific charges for services (including tuition), grants or contributions, with the remainder, primarily property taxes, supporting the programs.

- Among major funds, the general fund had $10,338,326 in revenues, $10,010,337 in expenditures and $22,690 in other financing sources. The general fund's balance increased by $350,679 from the previous year.

Using this Comprehensive Annual Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can view the HCVSD in the context of a financial whole, an entire operating entity. The financial statements then proceed to provide an increasingly detailed look at specific financial activities.

These financial statements are comprised of three elements: (1) government-wide financial statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the Basic Financial Statements themselves.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader whether the financial position of the School District has or has not improved. Changes in the District's financial position may be the result of many factors, including the School District's property tax base, current laws in New Jersey restricting revenue growth, facility status, required educational programs and other factors.

The Statement of Net Position and Activities is separated into two distinct kinds of activities.

- Governmental Activities - All of the School District's programs and services are reported here including, but not limited to, instruction, support services, facility rentals and related charges, and extracurricular activities.

- Business-Type Activities - This service is provided on a charge for goods or services basis, to recover all the expenses of the goods or services provided. The special services enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the general fund, and special revenue fund.

Governmental Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2024 compared to 2023.

Table 1
Net Position

	06/30/24	06/30/23	Variance Dollars	Variance Percent
Assets				
Current & other assets	$ 13,298,930	$ 5,091,975	$ 8,206,955	161.17%
Capital assets	24,481,437	12,673,842	11,807,595	93.17%
Total assets	37,780,367	17,765,817	20,014,550	112.66%
Deferred pension activity				
Deferred outflow of resources	173,688	303,373	(129,685)	-42.75%
Liabilities				
Long-term liabilities	1,802,054	2,264,804	(462,750)	-20.43%
Other liabilities	9,151,559	1,294,909	7,856,650	606.73%
Total liabilities	10,953,613	3,559,713	7,393,900	207.71%
Deferred pension activity				
Deferred inflow of resources	195,314	410,605	(215,291)	-52.43%
Net position				
Net investment in capital assets	24,036,408	12,673,842	11,362,566	89.65%
Restricted	2,987,452	2,863,240	124,212	4.34%
Unrestricted	(218,732)	(1,438,210)	1,219,478	84.79%
Total net position	$ 26,805,128	$ 14,098,872	$ 12,706,256	90.12%

Current assets have increased $8,206,955 and unrestricted net position has increased $1,219,478.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2
Changes in Net Position

	06/30/2024	06/30/2023	Variance Dollars	Variance Percent
Revenues				
Program revenues				
Charges for services	$ 6,533,680	$ 5,774,523	$ 759,157	13.15%
Operating grants	1,250,871	592,715	658,156	111.04%
Capital grants and contributions	11,966,667	691,468	11,275,199	1630.62%
General revenues				
County taxes	1,746,786	1,729,491	17,295	1.00%
Unrestricted grants	2,582,058	2,475,466	106,592	4.31%
Investment income	60,589	27,385	33,204	121.25%
Other	39,999	44,888	(4,889)	-10.89%
Total revenues	24,180,650	11,335,936	12,844,714	113.31%
Program expenses				
Instruction				
Regular	7,046,902	6,547,351	499,551	7.63%
Special	58,340	29,247	29,093	99.47%
Other	138,368	95,894	42,474	44.29%
Support services				
Student & instructional related services	1,534,246	1,391,406	142,840	10.27%
General & business administration	928,073	867,279	60,794	7.01%
School administration	741,146	794,314	(53,168)	-6.69%
Maintenance	580,477	586,509	(6,032)	-1.03%
Transportation	80,659	85,852	(5,193)	-6.05%
Interest and other charges	37,934	37,934	-	0.00%
Special school	339,675	310,331	29,344	9.46%
Special services	11,191	23,671	(12,480)	-52.72%
Total expenses	11,497,011	10,769,788	727,223	6.75%
Increase (decrease) in net position before special items	12,683,639	566,148	12,117,491	2140.34%
Special item				
Gain/(loss) on disposal of assets	(6,862)	(10,350)	3,488	33.70%
Donation of assets	29,479	-	29,479	*
Change in net position	$ 12,706,256	$ 555,798	$ 12,150,458	2186.13%

*Undefined

Governmental Activities

County taxes made up 7.22% of revenues for governmental funds for fiscal year 2024. The District's total revenues for governmental funds were $24,200,256 for the fiscal year ended June 30, 2024. Tuition revenue in a total amount of $6,408,088 accounted for 26.48% of total revenues. The remaining revenues for governmental funds were from interest on investments, state aid, federal grants, and miscellaneous income.

Business-Type Activities

Special services

Special services programs had operating revenues of $32,563, operating expenses of $11,191, and transfers out of $22,690 resulting in a net loss of $1,318 for fiscal year 2024.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/24	06/30/23	06/30/24	06/30/23
Instruction	$ 7,243,610	$ 6,672,492	$ (6,839,781)	$ 583,500
Support services				
Student & instructional related services	1,534,246	1,391,406	(634,700)	1,104,090
General & business administration	928,073	867,279	162,206	769,782
School administration	741,146	794,314	154,779	714,795
Plant operations & maintenance	580,477	586,509	374,010	542,947
Pupil transportation	80,659	85,852	80,659	75,480
Interest and other charges	37,934	37,934	37,934	37,934
Special schools	339,675	310,331	(1,567,942)	(97,117)
Customized training	11,191	23,671	(21,372)	(20,329)
Total	$ 11,497,011	$ 10,769,788	$ (8,254,207)	$ 3,711,082

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student including extracurricular activities.

Pupils and instructional services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

Maintenance and operation of facilities activities involve the rental of the facilities, cost of utilities, and maintaining equipment in effective working condition.

Curriculum and staff development include expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school activities and field trips.

The District's Revenues and Expenditures

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Revenues came primarily from four sources: tax levy, tuition, state aid, and federal and state grants. The major source of operating revenue, about 48.36% continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State and Federal aid represents about 51.64% of the total revenues.

The following schedule represents a summary of the revenues of the general and special revenues and expenditures funds for the fiscal year ended June 30, 2024.

Revenue	Amount	Percent of Total
Local sources	$ 11,446,435	48.36%
State sources	11,482,480	48.51%
Federal sources	742,668	3.13%
Total	$ 23,671,583	100.00%

Expenditures	Amount	Percent of Total
Current		
Instruction	$ 5,584,465	23.95%
Undistributed expenditures	4,344,896	18.63%
Capital outlay	12,625,223	54.14%
Debt service	377,586	1.62%
Interest and other charges	37,934	0.16%
Adult vocational	349,856	1.50%
Total	$ 23,319,960	100.00%

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund.

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budget basis revenue and other financing sources of $9,188,745 was $308,238 under the original budgeted estimates of $9,496,983. This difference was due primarily to a short fall in tuition revenue.

Capital Assets

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2024 with a comparison to 2023.

Table 4
Capital Assets (Net of Depreciation)

			Variance	
	06/30/24	06/30/23	Dollars	Percent
Land	$ 1,129,855	$ 1,129,855	$ -	0.00%
Construction in progress	14,620,796	2,057,510	12,563,286	610.61%
Land improvement	22,850	24,293	(1,443)	-5.94%
Buildings & improvements	7,294,908	7,584,366	(289,458)	-3.82%
Furniture & equipment	980,013	1,072,898	(92,885)	-8.66%
Right-to-use	433,015	804,920	(371,905)	-46.20%
Total	$ 24,481,437	$ 12,673,842	$ 11,807,595	93.17%

Long-term liabilities

At June 30, 2024, the School District had $1,802,054 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2024 compared to June 30, 2023.

Table 5
Long-Term Liabilities at Year End

	06/30/24	06/30/23	Variance Dollars	Variance Percent
Compensated absences payable	$ 182,270	$ 220,265	$ (37,995)	-17.25%
PERS net pension liability	1,174,755	1,221,924	(47,169)	-3.86%
Right-to-use	445,029	822,615	(377,586)	-45.90%
	$ 1,802,054	$ 2,264,804	$ (462,750)	-20.43%

For the Future

Space is still the dominant problem facing HCVSD. Initiating new and emerging programs to meet the need of a changing economy present tremendous challenges in terms of space and revenue. For the past several years and again for the 2023-24 school year, HCVSD has kept the local tax levy at or below 2% increase. As the district increases program offerings to meet occupational demands, so does the need to increase space and revenues to support those programs.

HCVSD board members and administration continue to move ahead for the betterment of vocational education in the county and continue to find ways to expand and improve programs while trying to conserve funds. The District had the fortune opportunity to expand program offerings of offering full-time academies with the use of start-up grant funds. Other new programs with minimal overhead costs included partnerships with sending districts and allowing students to attend Raritan Valley Community College as part of their studies. Additionally, the District is working towards building a new campus on the North Hunterdon High School site through the use of grant funding.

HCVSD continues to stay abreast of all the current educational trends such as implementing a new evaluation system to help improve instruction for all students, specific technology training for educators that will enable teachers to implement technology into their programs and update security equipment to enhance the safety of students and staff. By keeping up to date in program operations and delivery, it will best prepare students for post-secondary opportunities.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, and taxpayers, with a general overview of the School District's finances and to show the School Districts accountability for the money it receives. If you have questions about this report or need additional information contact the Office of the School Business Administrator, Hunterdon County Vocational School District, 10 Junction Road, Flemington, New Jersey 08822.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 1,136,212	$ 54,064	$ 1,190,276
Receivables, net	218,560	-	218,560
Other assets	10,000	-	10,000
Restricted assets			
Capital reserve - cash	2,563,761	-	2,563,761
Maintenance reserve - cash	241,069	-	241,069
Unemployment claims - cash	67,816	-	67,816
Scholarships - cash	16,610	-	16,610
Student activities - cash	104,926	-	104,926
Capital projects - cash	8,885,912	-	8,885,912
Capital assets, net			
Land	1,129,855	-	1,129,855
Construction in progress	14,620,796	-	14,620,796
Other capital assets, net of depreciation and amortization	8,730,786	-	8,730,786
Total assets	37,726,303	54,064	37,780,367
Deferred outflows of resources			
Deferred amount on pension activity	173,688	-	173,688
Liabilities			
Accounts payable	73,594	-	73,594
Payroll deductions and withholdings payable	91,248	-	91,248
Unearned revenue	8,979,987	-	8,979,987
Unemployment compensation claims payable	6,730	-	6,730
Long-term liabilities			
Due within one year	380,367	-	380,367
Due beyond one year	1,421,687	-	1,421,687
Total liabilities	10,953,613	-	10,953,613
Deferred inflows of resources			
Deferred amount on pension liability	195,314	-	195,314

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	$ 24,036,408	$ -	$ 24,036,408
Restricted for			
Capital reserve	2,563,761	-	2,563,761
Maintenance reserve	241,069	-	241,069
Unemployment claims	61,086	-	61,086
Scholarships	16,610	-	16,610
Student activities	104,926	-	104,926
Unrestricted	(272,796)	54,064	(218,732)
Total net position	$ 26,751,064	$ 54,064	$ 26,805,128

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses (Revenue) Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contribution	Program Revenues: Capital Grants & Contribution	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	Net (Expense) Revenue & Changes in Net Position: Business-Type Activities	Net (Expense) Revenue & Changes in Net Position: Total
Governmental activities								
Instruction								
Regular	$ 5,373,809	$ 1,673,093	$ 6,151,871	$ 853,766	$ 6,832,966	$ 6,791,701	$ -	$ 6,791,701
Special education	85,327	(26,987)	-	85,327	119,667	146,654	-	146,654
Other instruction	125,329	13,039	-	39,794	-	(98,574)	-	(98,574)
Support services								
Students and instruction related services	1,101,851	432,395	93,029	256,984	1,818,933	634,700	-	634,700
General and business administration services	788,276	139,797	-	-	765,867	(162,206)	-	(162,206)
School administration services	569,413	171,733	-	-	586,367	(154,779)	-	(154,779)
Plant operations and maintenance	579,168	1,309	-	15,000	191,467	(374,010)	-	(374,010)
Pupil transportation	80,659	-	-	-	-	(80,659)	-	(80,659)
Special schools	349,856	(10,181)	256,217	-	1,651,400	1,567,942	-	1,567,942
Interest on long-term debt	37,934	-	-	-	-	(37,934)	-	(37,934)
Total governmental activities	9,091,622	2,394,198	6,501,117	1,250,871	11,966,667	8,232,835	-	8,232,835
Business-type activities								
Special services	11,191	-	32,563	-	-	-	21,372	21,372
Total business-type activities	11,191	-	32,563	-	-	-	21,372	21,372
Total primary government	$ 9,102,813	$ 2,394,198	$ 6,533,680	$1,250,871	$ 11,966,667	8,232,835	21,372	8,254,207
General revenues, special items and transfers								
County taxes levied for general purposes						1,746,786	-	1,746,786
Federal and state aid not restricted						2,582,058	-	2,582,058
Investment earnings						60,589	-	60,589
Miscellaneous income						39,999	-	39,999
Capital outlay - donated assets						29,479	-	29,479
Loss on disposal of assets						(6,862)	-	(6,862)
Transfer in (out)						22,690	(22,690)	-
Total general revenues, special items and transfers						4,474,739	(22,690)	4,452,049
Change in net position						12,707,574	(1,318)	12,706,256
Net position - beginning						14,043,490	55,382	14,098,872
Net position - ending						$ 26,751,064	$ 54,064	$ 26,805,128

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,136,212	$ -	$ -	$ 1,136,212
Due from other funds	193,528	70,581	-	264,109
Receivables from other governments				
State	8,730	70,765	-	79,495
Federal	-	107,712	-	107,712
Local	8,358	22,995	-	31,353
Security deposit	10,000	-	-	10,000
Restricted cash and cash equivalents	2,872,646	121,536	8,885,912	11,880,094
Total assets	$ 4,229,474	$ 393,589	$ 8,885,912	$ 13,508,975
Liabilities and fund balances				
Liabilities				
Due to other funds	$ -	$ 193,528	$ 70,581	$ 264,109
Accounts payable	68,150	5,444	-	73,594
Payroll deductions and withholdings payable	91,248	-	-	91,248
Unearned revenue	91,575	73,081	8,815,331	8,979,987
Unemployment compensation claims payable	6,730	-	-	6,730
Total liabilities	257,703	272,053	8,885,912	9,415,668

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
Liabilities and fund balances				
Fund balances				
Restricted fund balance				
Excess surplus - designated for subsequent year's expenditures	$ 199,364	$ -	$ -	$ 199,364
Excess surplus - current year	200,437	-	-	200,437
Capital reserve	2,563,761	-	-	2,563,761
Maintenance reserve	241,069	-	-	241,069
Scholarships	-	16,610	-	16,610
Student activities	-	104,926	-	104,926
Unemployment claims	61,086	-	-	61,086
Committed fund balance				
Encumbrances	263,944	-	-	263,944
Unassigned fund balance	442,110	-	-	442,110
Total fund balances	3,971,771	121,536	-	4,093,307
Total liabilities and fund balances	$ 4,229,474	$ 393,589	$ 8,885,912	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are $32,238,577 and the accumulated depreciation is $7,757,140.				24,481,437
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.				(21,626)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(1,802,054)
Total net position of governmental activities				$ 26,751,064

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Local sources				
County tax levy	$ 1,746,786	$ -	$ -	$ 1,746,786
County sources	-	-	2,991,667	2,991,667
Tuition charges				
Individuals	256,217	-	-	256,217
Other LEAs	6,151,871	-	-	6,151,871
Interest on investments	60,589	-	-	60,589
Miscellaneous	39,999	176,616	-	216,615
Total local sources	8,255,462	176,616	2,991,667	11,423,745
State sources	2,082,864	424,616	8,975,000	11,482,480
Federal sources	-	742,668	-	742,668
Total revenues	10,338,326	1,343,900	11,966,667	23,648,893
Expenditures				
Current				
Instructional				
Regular instruction	5,114,391	259,418	-	5,373,809
Special education instruction	-	85,327	-	85,327
Other instruction	85,535	39,794	-	125,329
Support service & undistributed costs				
Student & instruction related services	752,782	349,069	-	1,101,851
General & business administrative services	788,276	-	-	788,276
School administrative services	569,413	-	-	569,413
Plant operations & maintenance	564,168	15,000	-	579,168
Pupil transportation	80,659	-	-	80,659
Unallocated benefits	1,225,529	-	-	1,225,529

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Expenditures (cont'd)				
Capital outlay	$ 64,208	$ 594,348	$ 11,966,667	$ 12,625,223
Debt service				
Principal	377,586	-	-	377,586
Interest & other charges	37,934	-	-	37,934
Special schools	349,856	-	-	349,856
Total expenditures	10,010,337	1,342,956	11,966,667	23,319,960
Excess (deficit) of revenues over (under) expenditures	327,989	944	-	328,933
Other financing sources (uses)				
Transfer in (out)	22,690	-	-	22,690
Total other financing sources (uses)	22,690	-	-	22,690
Net change in fund balance	350,679	944	-	351,623
Fund balances, July 1	3,621,092	120,592	-	3,741,684
Fund balances, June 30	$ 3,971,771	$ 121,536	$ -	$ 4,093,307

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - governmental fund (from B-2)		$ 351,623
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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital outlays	$ 12,625,223	
Capital outlays - donated assets	29,479	
Depreciation and amortization expense	(840,245)	
Loss on disposal of assets	(6,862)	11,807,595
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		132,775
Repayment of leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:		
Lease principal payments		377,586
In the Statement of Activities, compensated absences and early retirement benefits 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.		37,995
Change in net position of governmental activities		$ 12,707,574

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2024

	Special Services
Assets	
Current assets	
Cash and cash equivalents	$ 54,064
Total assets	54,064
Net position	
Unrestricted	54,064
Total net position	$ 54,064

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Special Services
Operating revenues	
Program fees	$ 32,563
Operating expenses	
Salaries	2,551
Supplies and materials	8,640
Total operating expenses	11,191
Operating income	21,372
Other financing sources (uses)	
Transfer out	(22,690)
Change in net position	(1,318)
Net position, beginning	55,382
Net position, ending	$ 54,064

See accompanying notes to the financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Special Services
Cash flows from operating activities	
Receipts from customers (net)	$ 32,563
Payments to vendors (net)	(11,191)
Net cash provided by (used for) operating activities	21,372
Cash flows from financing activities	
Transfer out	(22,690)
Net increase (decrease) in cash and cash equivalents	(1,318)
Cash and cash equivalents, beginning	55,382
Cash and cash equivalents, ending	$ 54,064
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	$ 21,372
Net cash provided by (used for) operating activities	$ 21,372

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies

The financial statements of the Hunterdon County Vocational School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a component unit of the County of Hunterdon, established to function as an educational institution to provide vocational education to the students of Hunterdon County. The Board consists of five appointed members and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District had an approximate enrollment at June 30, 2024 of 599 students.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

County taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

The District reports the following major governmental funds:

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

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

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

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

The District's enterprise fund is comprised of the special services fund.

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

Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. 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. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

Note 1 - Summary of significant accounting policies (continued)

G. Short-term interfund receivable and payables

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

H. Inventories and prepaid items

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

I. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	5 - 10

J. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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.

Note 1 - Summary of significant accounting policies (continued)

J. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

K. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

L. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position.

Bonds issued on behalf of the School District are the responsibility of the County of Hunterdon and are reported in the County's financial statements.

Note 1 - Summary of significant accounting policies (continued)

M. Net position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.

- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - 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:

Note 1 - Summary of significant accounting policies (continued)

N. Fund balances - governmental funds

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When 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.

O. Use of estimates

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

P. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

Q. Deferred outflows/inflows of resources

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

Note 2 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2024, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

Note 2 - Deposits, cash equivalents, and investments (continued)

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.

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	$	250,000
Insured by GUDPA		13,567,428
Total bank balances	$	13,817,428

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	Ref.		
Unrestricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1	$	1,136,212
Enterprise funds, Statement of Net Position	B-4		54,064
Restricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1		11,880,094
Total cash and cash equivalents		$	13,070,370

Note 3 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	$ 1,129,855	$ -	$ -	$ 1,129,855
Construction in progress	2,057,510	12,563,286	-	14,620,796
Total	3,187,365	12,563,286	-	15,750,651
Capital assets, being depreciated or amortized				
Land improvements	209,638	-	-	209,638
Building & improvements	11,872,439	-	-	11,872,439
Furniture & equipment	2,456,026	91,416	45,771	2,501,671
Buses & other vehicles	44,650	-	-	44,650
Right-to-use asset	1,859,528	-	-	1,859,528
Total	16,442,281	91,416	45,771	16,487,926
Accumulated depreciation or amortization				
Land improvements	185,345	1,443	-	186,788
Building & improvements	4,288,073	289,458	-	4,577,531
Furniture & equipment	1,383,128	177,439	38,909	1,521,658
Buses & other vehicles	44,650	-	-	44,650
Right-to-use asset	1,054,608	371,905	-	1,426,513
Total	6,955,804	840,245	38,909	7,757,140
Total capital assets, being depreciated or amortized, net	9,486,477	(748,829)	6,862	8,730,786
Governmental activities capital assets, net	$ 12,673,842	$ 11,814,457	$ 6,862	$ 24,481,437

Note 3 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	$ 559,090
Special education	8,877
Other education	13,039
Support services	
Student & instruction	114,636
General & business administration	82,012
School administration	59,241
Plant maintenance	3,350
Total depreciation and amortization expense, governmental activities	$ 840,245

Note 4 - Long-term debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	$ 220,265	$ -	$ 37,995	$ 182,270	$ -
PERS net pension liability	1,221,924	-	47,169	1,174,755	-
Leases payable	822,615	-	377,586	445,029	380,367
Total governmental activities long-term liabilities	$ 2,264,804	$ -	$ 462,750	$ 1,802,054	$ 380,367

Leases payable

The annual requirements to amortize all leases outstanding as of June 30, 2024, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	$ 380,367	$ 1,460	$ 381,827
2026	64,662	360	65,022
Total	$ 445,029	$ 1,820	$ 446,849

Leases payable - Leases payable at June 30, 2024, with their outstanding balances are comprised of the following:

$1,553,991 - 2020 Facilities lease, Bartles Corner, interest at 0.31%, due in monthly installments beginning July 1, 2021 to June 30, 2025.	$ 317,546
$305,537 - 2021 Facilities lease, HCESC, interest at 0.89%, due in monthly installments beginning July 1, 2021 to June 30, 2026.	127,483
Total	$ 445,029

Note 5 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a 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 Board and the system's other related non-contributing employers.

A. Public Employees' Retirement System (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

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

The District's contractually required contribution rate for the year ended June 30, 2024 was 22.18% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. 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 collective 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.

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	$	1,174,755
Proportionate share		0.0081104968%
Plan fiduciary net position as a percentage of the total pension liability		65.23%

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

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

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

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability	
At current discount rate (7.00%)	$ 1,174,755
At a 1% lower rate (6.00%)	1,542,174
At a 1% higher rate (8.00%)	880,366

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, 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 and actual experience	$ 11,232	$ 4,802
Changes of assumptions	2,581	71,195
Net difference between projected and actual earnings on pension plan investments	5,410	-
Changes in proportion and differences between District contributions and proportionate share of contributions	46,066	119,317
District contributions subsequent to the measurement date	108,399	-
Total	$ 173,688	$ 195,314

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of $108,399 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	$ 8,819	$ 2,413	$ 11,232
Changes of assumptions	3,786	(1,205)	2,581
Differences between expected and actual experience	50,574	(45,164)	5,410
Deferred inflows of resources			
Differences between expected and actual experience	(7,777)	2,975	(4,802)
Changes of assumptions	(182,970)	111,775	(71,195)
Difference between projected and actual earnings on pension plan investments	-	-	-
Net changes	$ (127,568)	$ 70,794	$ (56,774)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,	
2024	$ (62,022)
2025	(34,618)
2026	48,377
2027	(8,658)
2028	147
Total	$ (56,774)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Note 5 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2024, the District recognized net pension expense (benefit) of ($24,377), which represents the District's proportionate share of allocable plan pension expense (benefit) of ($11,841), plus the net amortization of deferred amounts from changes in proportion of ($6,242), and plus other adjustments to the net pension liability of ($6,294). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	$	98,276
Interest on total pension liability		371,133
Benefit changes		-
Member contributions		(79,259)
Administrative expense		1,734
Expected investment return net of investment expense		(218,765)
Pension expense related to specific liabilities of individual employers		(1,461)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		6,407
Changes of assumptions		(179,212)
Difference between projected and actual investment earnings on pension plan investments		(10,694)
Pension expense (benefit)	$	(11,841)

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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.

Note 5 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows of resources or deferred inflows of resources 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.

Note 5 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ending June 30, 2023, the State of New Jersey contributed $777,024 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	$	14,568,733
Less: State proportionate share of net pension liability		5,051,785
Net pension liability	$	9,516,948
Proportionate share		0.0186487362%
Plan fiduciary net position as a percentage of the total pension liability		34.68%

Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 4.25%
Investment rate of return	7.00%

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

Note 5 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 after that date in determining the total pension liability.

Note 5 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability		
At current discount rate (7.00%)	$	9,516,948
At a 1% lower rate (6.00%)		11,222,209
At a 1% higher rate (8.00%)		8,080,713

Pension expense (benefit)

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	$	254,037
Interest on total pension liability		981,110
Benefit changes		-
Member contributions		(173,736)
Administrative expense		2,529
Expected investment return net of investment expense		(317,291)
Pension expense related to specific liabilities of individual employers		(84)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		36,452
Changes of assumptions		(567,734)
Difference between projected and actual investment earnings on pension plan investments		18,521
Pension expense (benefit)	$	233,804

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary ($9,300 in 2024) but who earn salary of at least $5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

Note 5 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was $3,490.

D. Other pension plan information

During the year ended June 30, 2024, the State of New Jersey contributed $213,128 to the TPAF for postretirement medical benefits, $8,830 for non-contributory insurance premiums, $468 for long-term disability insurance, and $774,256 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $152,899 during the year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts 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 Statement No. 68.

Note 6 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

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

Note 6 - Postretirement benefits (continued)

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

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

Additional information on Pensions and OPEB can be accessed at https://www.state.nj.us/treasury/taxation/payments-notices.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 District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective 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 District.

Under a special funding situation, 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. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	$ 52,361,668,239
District's proportionate share of the State's OPEB liability	7,204,437
Employer OPEB expense and related revenue	261,726
Allocable proportionate percentage	0.0137589906%

Note 6 - Postretirement benefits (continued)

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2022	$ 6,965,334
Service cost	318,652
Interest cost	253,731
Change of benefit terms	-
Differences between expected and actual experiences	(156,515)
Changes of assumptions	14,521
Member contributions	6,502
Gross benefit payments	(197,788)
Total OPEB liability at June 30, 2023	$ 7,204,437

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

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

	TPAF (based on years of service)	PERS (based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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

Note 6 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

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

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

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

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)		
At current discount rate (3.65%)	$	7,204,437
At a 1% lower rate (2.65%)		8,445,966
At a 1% higher rate (4.65%)		6,207,634

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

The following presents the total non-employer OPEB liability, as well as what the total non-employer 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:

Total OPEB liability (school retirees)		
Healthcare cost trend rate	$	7,204,437
At a 1% lower rate (1% decrease)		5,980,793
At a 1% higher rate (1% increase)		8,805,578

Note 6 - Postretirement benefits (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of $261,726 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB Plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District'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.

Note 7 - Deferred compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit 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:

MetLife	Equitable
Variable Annuity Life Insurance Co.	

Note 8 - Interfund receivables and payables

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

	Receivable	Payable
General fund	$ 193,528	$ -
Capital projects fund	-	70,581
Special revenue	70,581	193,528
	$ 264,109	$ 264,109

The balance due from the special revenue fund of $193,528 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance due from the capital projects fund to the special revenue fund of $70,581 is due to grant expenses related to capital projects processed in the special revenue fund.

Note 9 - Contingent liabilities

Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 10 - 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 student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this Plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2023 - 2024	$ -	$ 686	$ 6,017	$ 7,616	$ 67,816
2022 - 2023	-	526	5,823	5,374	68,729
2021 - 2022	-	70	5,447	-	67,754

Note 11 - District reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 11 - District reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	$ 2,421,179	$ 180,000	$ 22,582	$ -	$ 60,000	$ 2,563,761
Maintenance	261,069	-	-	-	20,000	241,069
Total	$ 2,682,248	$ 180,000	$ 22,582	$ -	$ 80,000	$ 2,804,830

Note 12 - Fund balance

As described in Note 1 (N), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted		
Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	$	199,364
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets.		200,437
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.		2,563,761
Maintenance reserve account -represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).		241,069
Unemployment compensation - represents funds accumulated for future unemployment claims.		61,086
Committed		
Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.		263,944
Unassigned		
Undesignated - represents fund balance which has not been restricted or designated.		531,645
Total fund balance - budgetary basis (Exhibit C-1)		4,061,306
Last state aid payments not recognized on GAAP basis		(89,535)
Total fund balance - GAAP basis (Exhibit B-1)	$	3,971,771

Note 13 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is $200,437.

Note 14 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of ($272,796) on Schedule A-1, Statement of Net Position. The deficit balance is a result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 15 - Recent accounting pronouncements not yet effective

The following is the recent accounting pronouncements which are not yet effective as of the year-end date of this report:

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 16 - Subsequent events

The District has evaluated subsequent events through November 27, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
County tax levy	$ 1,746,786	$ -	$ 1,746,786	$ 1,746,786	$ -
Tuition from other LEAs	6,271,914	-	6,271,914	6,151,871	(120,043)
Tuition from other sources	500,000	-	500,000	256,217	(243,783)
Unrestricted miscellaneous revenues	40,000	-	40,000	77,320	37,320
Interest earned on capital reserve funds	5,000	-	5,000	22,582	17,582
Other restricted miscellaneous revenues	-	-	-	686	686
Total	8,563,700	-	8,563,700	8,255,462	(308,238)
State sources					
Categorical special education aid	224,540	-	224,540	224,540	-
Vocational expansion stabilization aid	206,571	-	206,571	206,571	-
Equalization aid	241,040	-	241,040	241,040	-
Categorical security aid	31,411	-	31,411	31,411	-
Adjustment aid	229,721	-	229,721	229,721	-
TPAF Pension (on-behalf)	-	-	-	774,256	774,256
TPAF Non-contributory insurance	-	-	-	8,830	8,830
TPAF Social Security (reimbursed)	-	-	-	152,899	152,899
TPAF Postretirement benefits	-	-	-	213,128	213,128
TPAF Long-term disability insurance	-	-	-	468	468
Total	933,283	-	933,283	2,082,864	1,149,581
Total revenues	$ 9,496,983	$ -	$ 9,496,983	$ 10,338,326	$ 841,343
Expenditures					
Current					
Instruction - regular program					
Other purchased services	$ 2,409,372	$ -	$ 2,409,372	$ 2,265,957	$ 143,415
Total	2,409,372	-	2,409,372	2,265,957	143,415
Regular vocational programs - instruction					
Salaries of Teachers	1,685,279	(18,786)	1,666,493	1,655,479	11,014
Purchased professional - educational services	481,375	(64,166)	417,209	404,769	12,440
Purchased technical services	78,640	(4,521)	74,119	70,711	3,408
Other purchased services	75,593	(4,100)	71,493	58,300	13,193
General supplies	192,936	(3,139)	189,797	147,097	42,700
Textbooks	12,735	3,096	15,831	11,819	4,012
Other objects	3,524	528	4,052	1,424	2,628
Total	2,530,082	(91,088)	2,438,994	2,349,599	89,395
Special vocational programs - instruction					
Salaries of Teachers	28,485	(28,485)	-	-	-
Purchased professional - educational services	43,505	(43,505)	-	-	-
Other purchased services	1,000	(1,000)	-	-	-
General supplies	1,000	(1,000)	-	-	-
Total	73,990	(73,990)	-	-	-

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
School-sponsored co/extra curricular activities - instruction					
Salaries	$ 40,000	$ 8,125	$ 48,125	$ 43,727	$ 4,398
Purchased services	8,000	14,365	22,365	18,726	3,639
Other objects	25,000	177	25,177	23,082	2,095
Total	73,000	22,667	95,667	85,535	10,132
Total instruction regular	$ 5,086,444	$ (142,411)	$ 4,944,033	$ 4,701,091	$ 242,942
Undistributed expenditures					
Undistributed expenditures - attendance & social work					
Salaries	$ 165,770	$ (28,535)	$ 137,235	$ 137,137	$ 98
Other purchased services	2,000	600	2,600	1,578	1,022
Supplies and materials	950	(360)	590	186	404
Other objects	500	-	500	45	455
Total	169,220	(28,295)	140,925	138,946	1,979
Undistributed expenditures - health services					
Salaries	2,500	-	2,500	-	2,500
Purchased professional and technical services	104,500	4,756	109,256	106,672	2,584
Other purchased services	315	-	315	-	315
Supplies and materials	3,000	-	3,000	2,189	811
Total	110,315	4,756	115,071	108,861	6,210
Undistributed expenditures - guidance					
Salaries of other Professional Staff	114,010	10,900	124,910	124,910	-
Salaries of Secretarial and Clerical Assistants	37,038	2,747	39,785	36,859	2,926
Purchased professional - educational services	28,200	37,855	66,055	65,996	59
Other purchased professional & technical services	15,200	3,151	18,351	18,351	-
Other purchased services	5,994	68	6,062	5,067	995
Supplies and materials	23,606	(4,046)	19,560	18,993	567
Total	224,048	50,675	274,723	270,176	4,547
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	58,833	2,599	61,432	53,971	7,461
Salaries of Secretarial & Clerical Assist	35,473	-	35,473	35,300	173
Other purchased services	1,300	(141)	1,159	619	540
Supplies and materials	500	(395)	105	-	105
Other objects	500	440	940	940	-
Total	96,606	2,503	99,109	90,830	8,279
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	-	96	96	96	-
Total	-	96	96	96	-

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expend. - support service - general admin.					
Salaries	$ 188,499	$ 7,416	$ 195,915	$ 192,081	$ 3,834
Legal services	20,000	15,000	35,000	31,646	3,354
Audit fees	24,000	(2,000)	22,000	22,000	-
Architectural/engineering services	12,500	(11,059)	1,441	1,441	-
Other purchased professional services	17,000	(10,430)	6,570	3,270	3,300
Purchased technical services	1,384	(632)	752	-	752
Communications/telephone	43,160	(88)	43,072	42,347	725
BOE other purchased services	10,000	(6,816)	3,184	3,184	-
Misc purch services	44,266	11,268	55,534	55,534	-
General supplies	14,000	(168)	13,832	13,678	154
Miscellaneous expenditures	20,000	526	20,526	20,461	65
Total	394,809	3,017	397,826	385,642	12,184
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	265,753	11,150	276,903	276,903	-
Salaries of other Professional Staff	51,162	(40,571)	10,591	-	10,591
Salaries of Secretarial and Clerical Assistants	84,637	-	84,637	84,227	410
Other salaries	2,000	500	2,500	-	2,500
Purchased professional and technical services	8,500	5,366	13,866	13,866	-
Other purchased services	3,480	257	3,737	3,616	121
Supplies and materials	3,000	(145)	2,855	1,256	1,599
Other objects	1,000	2,516	3,516	3,516	-
Total	419,532	(20,927)	398,605	383,384	15,221
Undistributed expenditures - central services					
Salaries	204,554	(37,700)	166,854	165,689	1,165
Purchased professional services	29,080	36,865	65,945	65,788	157
Purchased technical services	1,300	-	1,300	-	1,300
Miscellaneous purchased services	5,330	-	5,330	1,868	3,462
Supplies and materials	1,500	(689)	811	811	-
Other objects	-	1,125	1,125	695	430
Total	241,764	(399)	241,365	234,851	6,514
Undistributed expenditures - admin. info. technology					
Purchased professional services	65,500	12,773	78,273	78,273	-
Purchased technical services	52,080	(3,022)	49,058	7,718	41,340
Supplies and materials	43,800	(21,978)	21,822	19,624	2,198
Total	161,380	(12,227)	149,153	105,615	43,538
Undistributed expend. - required maint. for school facilities					
Salaries	25,000	(10,600)	14,400	11,889	2,511
Cleaning, repair, and maintenance services	65,496	(3,054)	62,442	47,992	14,450
Lead testing in water	2,000	(2,000)	-	-	-
General supplies	35,000	(9,758)	25,242	6,539	18,703
Total	127,496	(25,412)	102,084	66,420	35,664

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - custodial services					
Salaries	$ -	$ 227	$ 227	$ 227	$ -
Cleaning, repair, and maintenance service	110,700	71,935	182,635	117,540	65,095
Rental of land & bldg. other than lease purch agreement	516,600	(346,779)	169,821	108,810	61,011
Other purchased property services	11,000	-	11,000	8,776	2,224
Insurance	42,862	(2,429)	40,433	36,822	3,611
General supplies	34,632	104,134	138,766	26,011	112,755
Energy (natural gas)	65,000	(2,641)	62,359	57,140	5,219
Energy (electricity)	96,000	(17,630)	78,370	56,348	22,022
Energy (oil)	8,000	-	8,000	5,353	2,647
Other objects	-	300	300	300	-
Total	884,794	(192,883)	691,911	417,327	274,584
Undistributed expenditures - security					
Salaries	48,623	-	48,623	48,387	236
Purchased professional and technical services	4,500	525	5,025	3,547	1,478
Cleaning, repair, and maintenance service	22,465	(100)	22,365	20,770	1,595
General supplies	2,525	5,348	7,873	6,703	1,170
Other objects	-	100	100	99	1
Total	78,113	5,873	83,986	79,506	4,480
Undistributed expenditures - student transportation service					
Cleaning, repair, & maint. services	3,500	(3,500)	-	-	-
Contr. service (oth. than between home & school) - vend.	12,000	7,877	19,877	19,877	-
Contract service (reg. students) - ESCs & CTSAs	100,000	(30,766)	69,234	60,582	8,652
General supplies	500	-	500	-	500
Other objects	500	-	500	200	300
Total	116,500	(26,389)	90,111	80,659	9,452
Allocated benefits - employee benefits					
Vocational programs - instruction					
Workmen's compensation	24,323	(1,198)	23,125	23,125	-
Health benefits	576,399	(92,017)	484,382	463,296	21,086
Tuition reimbursement	11,000	1,414	12,414	12,414	-
Total	611,722	(91,801)	519,921	498,835	21,086
Attendance and social work services					
Other retirement contributions - PERS	3,616	15,000	18,616	17,908	708
Workmen's compensation	1,622	(1,394)	228	228	-
Health benefits	65,939	(6,584)	59,355	54,042	5,313
Total	71,177	7,022	78,199	72,178	6,021
Other supp services - guidance					
Other retirement contributions - PERS	6,670	-	6,670	6,670	-
Workmen's compensation	1,622	-	1,622	1,373	249
Health benefits	38,782	(22,348)	16,434	15,141	1,293
Total	47,074	(22,348)	24,726	23,184	1,542

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Improvement of instruction services					
Other retirement contributions - PERS	$ 6,400	$ -	$ 6,400	$ 6,400	$ -
Workmen's compensation	1,622	(114)	1,508	915	593
Health benefits	26,906	22,349	49,255	41,196	8,059
Total	34,928	22,235	57,163	48,511	8,652
Support services - general administration					
Other retirement contributions - PERS	16,525	1,763	18,288	18,288	-
Workmen's compensation	1,622	-	1,622	1,373	249
Health benefits	38,994	57,097	96,091	69,905	26,186
Other employee benefits	5,000	-	5,000	4,304	696
Total	62,141	58,860	121,001	93,870	27,131
Support services - school administration					
Other retirement contributions - PERS	25,000	-	25,000	25,000	-
Workmen's compensation	1,622	2,496	4,118	4,118	-
Health benefits	127,539	(58,511)	69,028	50,546	18,482
Tuition reimbursement	11,000	(5,860)	5,140	-	5,140
Other employee benefits	-	750	750	750	-
Total	165,161	(61,125)	104,036	80,414	23,622
Support services - central services					
Other retirement contributions - PERS	12,250	-	12,250	12,250	-
Workmen's compensation	1,622	208	1,830	1,830	-
Health benefits	66,512	-	66,512	59,833	6,679
Total	80,384	208	80,592	73,913	6,679
Security					
Workmen's compensation	4,054	-	4,054	915	3,139
Total	4,054	-	4,054	915	3,139
Total allocated benefits - employees	$ 1,072,587	$ (86,949)	$ 989,692	$ 891,820	$ 94,733
Unallocated benefits - employee benefits					
Social Security contributions	$ 50,000	$ 30,102	$ 80,102	$ 73,942	$ 6,160
Other retirement contributions - ERIP	-	2,600	2,600	1,101	1,499
Other employee benefits	-	1,400	1,400	905	495
Total	50,000	34,102	84,102	75,948	8,154
On-behalf TPAF Pension contribution	-	-	-	774,256	(774,256)
On-behalf TPAF Non-contributory insurance	-	-	-	8,830	(8,830)
On-behalf TPAF Postretirement medical benefits	-	-	-	213,128	(213,128)
On-behalf TPAF Long-term disability insurance	-	-	-	468	(468)
Reimbursed TPAF Social Security contribution	-	-	-	152,899	(152,899)
Total	-	-	-	1,149,581	(1,149,581)
Total undistributed expenditures	$ 4,151,218	$ (292,459)	$ 3,858,759	$ 4,479,662	$ (624,042)
Total current	$ 9,237,662	$ (434,870)	$ 8,802,792	$ 9,180,753	$ (381,100)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Capital outlay					
Equipment					
Vocational programs					
Vocational programs - regular programs	$ -	$ 79,974	$ 79,974	$ 4,208	$ 75,766
Undistributed					
Undistributed expend. - required maint. for school facilities	10,885	-	10,885	-	10,885
Total equipment	10,885	79,974	90,859	4,208	86,651
Facilities acquisition and construction service					
Architectural/engineering services	60,000	-	60,000	60,000	-
Construction services	-	5,000	5,000	-	5,000
Lease purchase agreements – principal	-	377,586	377,586	377,586	-
Assessment for debt service on SDA funding	37,934	-	37,934	37,934	-
Capital outlay - transfer to capital projects	-	3,000,000	3,000,000	-	3,000,000
Total facilities acquisition and construction service	97,934	3,382,586	3,480,520	475,520	3,005,000
Total capital outlay	$ 108,819	$ 3,462,560	$ 3,571,379	$ 479,728	$ 3,091,651
Special schools					
Vocational evening-local-instruction					
Salaries of Teachers	$ 185,000	$ -	$ 185,000	$ 124,156	$ 60,844
Other purchased services	3,570	-	3,570	2,503	1,067
General supplies	11,000	-	11,000	8,680	2,320
Textbooks	5,000	-	5,000	-	5,000
Total	204,570	-	204,570	135,339	69,231
Vocational evening-local-support serv.					
Salaries	148,447	1	148,448	97,768	50,680
Personal services - employee benefits	95,360	-	95,360	89,958	5,402
Other purchased services	43,386	-	43,386	25,954	17,432
Supplies and materials	1,000	-	1,000	837	163
Total	288,193	1	288,194	214,517	73,677
Total special schools	$ 492,763	$ 1	$ 492,764	$ 349,856	$ 142,908
Total expenditures	$ 9,839,244	$ 3,027,691	$ 12,866,935	$ 10,010,337	$ 2,853,459
Excess (deficiency) of revenues over (under) expenditures	$ (342,261)	$ (3,027,691)	$ (3,369,952)	$ 327,989	$ 3,697,941
Other financing sources (uses)					
Operating transfer in					
Transfers from special services	-	-	-	22,690	22,690
Total other financing sources (uses)	-	-	-	22,690	22,690
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(342,261)	(3,027,691)	(3,369,952)	350,679	3,720,631
Fund balances, July 1	3,710,627	-	3,710,627	3,710,627	-
Fund balances, June 30	$ 3,368,366	$ (3,027,691)	$ 340,675	$ 4,061,306	$ 3,720,631

See independent auditors' report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	$ (23,082)	$ -	$ (23,082)	$ (23,082)	$ -
Increase in capital reserve	-	180,000	180,000	180,000	-
Interest deposit to capital reserve	5,000	-	5,000	22,582	17,582
Withdrawal from capital reserve	(60,000)	-	(60,000)	(60,000)	-
Withdrawal from maintenance reserve	(20,000)	-	(20,000)	(20,000)	-
Interest earned on unemployment compensation	-	-	-	686	686
Budgeted fund balance	(244,179)	(3,207,691)	(3,451,870)	250,493	3,702,363
Total	$ (342,261)	$ (3,027,691)	$ (3,369,952)	$ 350,679	$ 3,720,631

Recapitulation of fund balance	
Restricted fund balance	
Excess surplus - designated for subsequent year's expenditures	$ 199,364
Excess surplus - current year	200,437
Capital reserve	2,563,761
Maintenance reserve	241,069
Unemployment compensation	61,086
Committed fund balance	
Year-end encumbrances	263,944
Unassigned fund balance	531,645
Fund balance per budgetary basis	4,061,306
Reconciliation to governmental statements (GAAP)	
Last state aid payments not recognized on GAAP basis	(89,535)
Fund balance per governmental funds (GAAP)	$ 3,971,771

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	$ 179,116	$ -	$ 179,116	$ 176,616	$ (2,500)
State sources	717,025	-	717,025	424,643	(292,382)
Federal sources	501,431	-	501,431	469,440	(31,991)
Total revenues	$ 1,397,572	$ -	$ 1,397,572	$ 1,070,699	$ (326,873)
Expenditures					
Instruction					
Salaries	$ 104,551	$ 28,599	$ 133,150	$ 40,348	$ 92,802
Purchased professional and technical services	169,513	(1,492)	168,021	145,305	22,716
General supplies	126,830	22,579	149,409	141,582	7,827
Other objects	7,125	-	7,125	3,800	3,325
Total	408,019	49,686	457,705	331,035	126,670
Support services					
Salaries	299,563	23,625	323,188	201,689	121,499
Employee benefits	91,085	15,344	106,429	62,430	43,999
Purchased professional and technical services	20,103	(646)	19,457	8,603	10,854
Plant operations and maintenance	15,000	-	15,000	15,000	-
Other purchased services	37,045	-	37,045	32,142	4,903
Travel	5,984	-	5,984	3,283	2,701
Supplies and materials	7,184	646	7,830	7,830	-
Other objects	19,097	-	19,097	2,850	16,247
Student activities	91,172	-	91,172	91,172	-
Scholarships	1,500	-	1,500	1,500	-
Total	587,733	38,969	626,702	426,499	200,203
Capital outlay					
Instructional equipment	162,847	149,374	312,221	312,221	-
Non-instructional equipment	238,029	(238,029)	-	-	-
Total	400,876	(88,655)	312,221	312,221	-
Total expenditures	$ 1,396,628	$ -	$ 1,396,628	$ 1,069,755	$ 326,873
Excess (deficiency) of revenues over (under) expenditures	$ 944	$ -	$ 944	$ 944	$ -
Fund balances, July 1	120,592	-	120,592	120,592	-
Fund balances, June 30	$ 121,536	$ -	$ 121,536	$ 121,536	$ -
Recapitulation of fund balance					
Restricted fund balance					
Student activities				$ 104,926	
Scholarships				16,610	
Fund balance				$ 121,536	

See independent auditors' reports.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund	Capital Projects Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 10,338,326	$ 1,070,699	$ 3,100,000
Difference - Budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized			
Outstanding encumbrances - prior year	-	390,300	-
Outstanding encumbrances - current year	-	(117,099)	-
Budgetary basis differs from GAAP in that revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period	-	-	8,866,667
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33).			
State aid receivable prior year	89,535	-	-
State aid receivable current year	(89,535)	-	-
Total revenues (GAAP basis)	$ 10,338,326	$ 1,343,900	$ 11,966,667
Uses/Outflows of Resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 10,010,337	$ 1,069,755	$ 11,966,667
Differences - 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:			
Outstanding encumbrances - prior year	-	390,300	-
Outstanding encumbrances - current year	-	(117,099)	-
Total expenditures (GAAP basis)	$ 10,010,337	$ 1,342,956	$ 11,966,667

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.0083292254%	$ 1,869,744	$ 531,819	351.58%	47.93%
2016	0.0080292826%	2,378,043	627,714	378.84%	40.14%
2017	0.0092667994%	2,157,163	515,922	418.12%	48.10%
2018	0.0070822000%	1,394,450	569,581	244.82%	53.60%
2019	0.0086469137%	1,558,043	556,033	280.21%	56.27%
2020	0.0092387258%	1,506,595	674,843	223.25%	58.32%
2021	0.0087550661%	1,037,169	597,682	173.53%	70.33%
2022	0.0080968368%	1,221,924	625,878	195.23%	62.91%
2023	0.0081104968%	1,174,755	502,182	233.93%	65.23%
2024	N/A	N/A	488,644	N/A	N/A

N/A = Information not available

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	$ 65,383	$ (65,383)	$ -	$ 531,819	12.29%
2016	71,609	(71,609)	-	627,714	11.41%
2017	71,331	(71,331)	-	515,922	13.83%
2018	85,847	(85,847)	-	569,581	15.07%
2019	70,445	(70,445)	-	556,033	12.67%
2020	84,109	(84,109)	-	674,843	12.46%
2021	101,067	(101,067)	-	597,682	16.91%
2022	102,532	(102,532)	-	625,878	16.38%
2023	102,105	(102,105)	-	502,182	20.33%
2024	108,399	(108,399)	-	488,644	22.18%

See independent auditors' report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)					District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's		District's covered		
	Percentage	Value	proportion	Total	employee payroll		
2015	0.00%	$ -	$ 8,420,469	$ 8,420,469	$ 1,391,968	0.00%	28.71%
2016	0.00%	-	10,885,282	10,885,282	1,467,889	0.00%	22.33%
2017	0.00%	-	8,849,852	8,849,852	1,402,475	0.00%	25.41%
2018	0.00%	-	9,041,212	9,041,212	1,402,236	0.00%	26.49%
2019	0.00%	-	7,575,311	7,575,311	1,530,845	0.00%	26.95%
2020	0.00%	-	9,285,769	9,285,769	1,632,599	0.00%	24.60%
2021	0.00%	-	7,361,467	7,361,467	1,880,841	0.00%	35.52%
2022	0.00%	-	7,625,718	7,625,718	2,191,824	0.00%	32.29%
2023	0.00%	-	9,516,948	9,516,948	2,025,093	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	2,097,981	N/A	N/A

N/A = Information not available

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	$ 72,027	$ (72,027)	$ -	$ 1,391,968	5.17%
2016	110,787	(110,787)	-	1,467,889	7.55%
2017	147,639	(147,639)	-	1,402,475	10.53%
2018	214,368	(214,368)	-	1,402,236	15.29%
2019	247,848	(247,848)	-	1,530,845	16.19%
2020	248,183	(248,183)	-	1,632,599	15.20%
2021	319,547	(319,547)	-	1,880,841	16.99%
2022	448,732	(448,732)	-	2,191,824	20.47%
2023	618,585	(618,585)	-	2,025,093	30.55%
2024	777,024	(777,024)	-	2,097,981	37.04%

See independent auditors' report.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)						
	District's proportion		State's			District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	Percentage	Value	proportion	Total	District's covered employee payroll		
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	$ -	$ 7,029,022	$ 7,029,022	$ 1,918,397	0.00%	0.00%
2018	0.00%	-	5,287,725	5,287,725	1,971,817	0.00%	0.00%
2019	0.00%	-	5,044,651	5,044,651	2,086,878	0.00%	0.00%
2020	0.00%	-	9,391,673	9,391,673	2,307,442	0.00%	0.00%
2021	0.00%	-	7,790,734	7,790,734	2,478,523	0.00%	0.00%
2022	0.00%	-	6,965,334	6,965,334	2,817,702	0.00%	0.00%
2023	0.00%	-	7,204,437	7,204,437	2,527,275	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	2,586,625	N/A	N/A

N/A = Information not available

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits

The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

Note 2 - Changes in assumptions - TPAF

The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.

Note 3 - Changes in assumptions - PERS

The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.

Note 4 - Changes in assumptions - other postretirement employee benefits

The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.

Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	ESSA Title IA	Perkins Secondary	Perkins Secondary Reserve	CRRSA Learning Acceleration	CRRSA Mental Health	ARP IDEA Basic	ARP ESSER III	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP Mental Health
Revenues												
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	84,805	39,794	81,696	25,861	14,224	646	522	68,029	50,000	22,690	36,173	45,000
Total revenues	$ 84,805	$ 39,794	$ 81,696	$ 25,861	$ 14,224	$ 646	$ 522	$ 68,029	$ 50,000	$ 22,690	$ 36,173	$ 45,000
Expenditures												
Instruction												
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,600	$ -	$ -
Purchased professional and technical services	66,900	39,794	7,759	588	-	-	-	-	-	-	-	-
General supplies	17,905	-	20,433	4,356	14,224	-	522	6,253	-	1,730	2,645	-
Other objects	-	-	-	-	-	-	-	-	-	-	-	-
Total	84,805	39,794	28,192	4,944	14,224	-	522	6,253	-	21,330	2,645	-
Support services												
Salaries	-	-	683	2,904	-	-	-	-	-	-	-	31,035
Employee benefits	-	-	52	260	-	-	-	-	-	1,360	-	13,965
Purchased professional and technical services	-	-	4,104	1,000	-	-	-	-	-	-	-	-
Plant operations & maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	1,280	420	-	646	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	6,119	4,584	-	646	-	-	-	1,360	-	45,000
Capital												
Instructional equipment	-	-	47,385	16,333	-	-	-	61,776	50,000	-	33,528	-
Total	-	-	47,385	16,333	-	-	-	61,776	50,000	-	33,528	-
Total expenditures	$ 84,805	$ 39,794	$ 81,696	$ 25,861	$ 14,224	$ 646	$ 522	$ 68,029	$ 50,000	$ 22,690	$ 36,173	$ 45,000
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances, July 1	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' reports.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

	SDA Emergent and Capital Maintenance Needs	Perkins Post Secondary	Pre-Apprenticeship in Career Education	Youth Transitions to Work	CASE	Program Improvement	Local	Student Activities	Scholarships	Total
Revenues										
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ 83,000	$ 93,029	$ 587	$ 176,616
State sources	21,841	96,428	160,791	136,942	4,886	3,755	-	-	-	424,643
Federal sources	-	-	-	-	-	-	-	-	-	469,440
Total revenues	$ 21,841	$ 96,428	$ 160,791	$ 136,942	$ 4,886	$ 3,755	$ 83,000	$ 93,029	$ 587	$ 1,070,699
Expenditures										
Instruction										
Salaries	$ -	$ -	$ 20,748	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,348
Purchased professional and technical services	-	1,980	28,284	-	-	-	-	-	-	145,305
General supplies	6,215	4,442	16,214	38,502	4,386	3,755	-	-	-	141,582
Other objects	-	-	-	3,800	-	-	-	-	-	3,800
Total	6,215	6,422	65,246	42,302	4,386	3,755	-	-	-	331,035
Support services										
Salaries	-	1,896	66,050	71,405	-	-	27,716	-	-	201,689
Employee benefits	-	38	21,551	12,829	-	-	12,375	-	-	62,430
Purchased professional and technical services	-	499	-	-	-	-	3,000	-	-	8,603
Plant operations & maintenance	-	-	-	-	-	-	15,000	-	-	15,000
Other purchased services	-	-	2,250	5,842	500	-	23,550	-	-	32,142
Travel	-	-	744	1,714	-	-	825	-	-	3,283
Supplies and materials	-	-	4,950	-	-	-	534	-	-	7,830
Other objects	-	-	-	2,850	-	-	-	-	-	2,850
Student activities	-	-	-	-	-	-	-	91,172	-	91,172
Scholarships	-	-	-	-	-	-	-	-	1,500	1,500
Total	-	2,433	95,545	94,640	500	-	83,000	91,172	1,500	426,499
Capital										
Instructional equipment	15,626	87,573	-	-	-	-	-	-	-	312,221
Total	15,626	87,573	-	-	-	-	-	-	-	312,221
Total expenditures	$ 21,841	$ 96,428	$ 160,791	$ 136,942	$ 4,886	$ 3,755	$ 83,000	$ 91,172	$ 1,500	$ 1,069,755
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,857	$ (913)	$ 944
Fund balances, July 1	-	-	-	-	-	-	-	103,069	17,523	120,592
Fund balances, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 104,926	$ 16,610	$ 121,536

See independent auditors' reports.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2024

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Year	Unexpended Appropriations 06/30/24
New North Campus building on leased land	07/02/21	$ 28,100,000	$ 1,593,002	$ 11,966,667	$ 14,540,331
		$ 28,100,000	$ 1,593,002	$ 11,966,667	$ 14,540,331

See independent auditors' report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

Revenues and other financing sources	
Local source - County contribution	$ 100,000
State source - Secure Our Children's Future Bond Act	3,000,000
Total revenues	3,100,000
Expenditures and other financing sources	
Purchased professional services	412,758
Construction services	11,356,859
Construction manager	197,050
Total expenditures	11,966,667
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,866,667)
Net position - beginning	23,406,998
Net position - ending	$ 14,540,331

See independent auditors' report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
New Building on Leased Land
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
County contribution	$ 6,250,000	$ 100,000	$ 6,350,000	$ 6,350,000
State sources				
Secure Our Children's Future Bond Act	18,750,000	3,000,000	21,750,000	21,750,000
Total revenues	25,000,000	3,100,000	28,100,000	28,100,000
Expenditures and other financing uses				
Purchased professional services	1,593,002	412,758	2,005,760	1,000,000
Construction services	-	11,356,859	11,356,859	25,900,000
Construction manager	-	197,050	197,050	200,000
Purchase of equipment	-	-	-	1,000,000
Total expenditures	1,593,002	11,966,667	13,559,669	28,100,000
Excess (deficiency) of revenues over (under) expenditures	$ 23,406,998	$ (8,866,667)	$ 14,540,331	$ -

Additional Project Information	
Project number	22CTEB008
Grant date	7/2/2021
Grant authorized	$ 21,750,000
Grant issued	21,750,000
Original authorized cost	20,000,000
Additional authorized cost	8,100,000
Revised authorized cost	28,100,000
Percentage completion	48.26%

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

Description	Interest Rate	Date of Lease	Amount of Original Issue	Balance 07/01/23	Issued	Retired	Balance 06/30/24
Facilities - HCESC	0.31%	7/1/2020	$ 1,553,991	$ 634,110	$ -	$ 316,564	$ 317,546
Facilities - Bartles Corner	0.89%	7/1/2021	305,537	188,505	-	61,022	127,483
				$ 822,615	$ -	$ 377,586	$ 445,029

See independent auditors' report.

STATISTICAL SECTION

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-7
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-8 to J-11

Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	$ 10,134,842	$ 10,833,606	$ 10,666,841	$ 10,636,641	$ 10,877,243	$ 10,658,383	$ 10,450,008	$ 12,657,082	$ 12,673,842	$ 24,036,408
Restricted	2,537,456	2,262,173	2,962,181	2,977,766	3,160,731	3,403,267	3,380,026	2,913,173	2,863,240	2,987,452
Unrestricted	(1,067,619)	(622,776)	(822,018)	(289,559)	(859,707)	(995,702)	(1,273,276)	(2,240,234)	(1,493,592)	(272,796)
Total governmental activities	$ 11,604,679	$ 12,473,003	$ 12,807,004	$ 13,324,848	$ 13,178,267	$ 13,065,948	$ 12,556,758	$ 13,330,021	$ 14,043,490	$ 26,751,064
Business-type activities										
Unrestricted	$ 427,638	$ 402,056	$ 398,214	$ 383,692	$ 382,132	$ 377,047	$ 178,839	$ 213,053	$ 55,382	$ 54,064
Total business-type activities	$ 427,638	$ 402,056	$ 398,214	$ 383,692	$ 382,132	$ 377,047	$ 178,839	$ 213,053	$ 55,382	$ 54,064
District-wide										
Net investment in capital assets	$ 10,134,842	$ 10,833,606	$ 10,666,841	$ 10,636,641	$ 10,877,243	$ 10,658,383	$ 10,450,008	$ 12,657,082	$ 12,673,842	$ 24,036,408
Restricted	2,537,456	2,262,173	2,962,181	2,977,766	3,160,731	3,403,267	3,380,026	2,913,173	2,863,240	2,987,452
Unrestricted	(639,981)	(220,720)	(423,804)	94,133	(477,575)	(618,655)	(1,094,437)	(2,027,181)	(1,438,210)	(218,732)
Total district-wide	$ 12,032,317	$ 12,875,059	$ 13,205,218	$ 13,708,540	$ 13,560,399	$ 13,442,995 *	$ 12,735,597	$ 13,543,074	$ 14,098,872	$ 26,805,128

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Vocational education	$ 2,816,213	$ 3,096,664	$ 3,761,140	$ 3,855,977	$ 4,387,639	$ 4,920,729	$ 5,993,209	$ 6,113,060	$ 6,576,598	$ 7,105,242
Other instruction	33,784	47,409	57,669	27,254	41,210	69,370	44,773	75,385	95,894	138,368
Support services										
Student & instruction related services	873,426	1,126,684	1,192,910	1,660,878	1,609,275	1,081,955	1,089,996	1,394,699	1,391,406	1,534,246
General & business administrative services	623,530	599,850	746,449	638,089	734,114	627,716	613,378	834,469	867,279	928,073
School administration	342,646	385,320	419,797	471,894	557,381	714,131	786,527	799,370	794,314	741,146
Plant operations & maintenance	825,958	765,388	733,833	1,134,543	1,583,529	1,134,052	1,113,424	540,636	586,509	580,477
Pupil transportation	17,062	14,991	17,891	14,984	23,500	121,737	264,543	64,934	85,852	80,659
Interest and other debt charges	37,934	37,934	37,934	37,934	37,934	406,508	405,210	311,066	310,331	339,675
Special schools	500,115	460,654	488,787	579,791	397,195	37,934	37,934	37,934	37,934	37,934
Total governmental activities expenses	6,070,668	6,534,894	7,456,410	8,421,344	9,371,777	9,114,132	10,348,994	10,171,553	10,746,117	11,485,820
Business-type activities										
Special services	43,321	49,321	32,355	19,585	19,710	22,538	308	2,506	23,671	11,191
Total business-type activities	43,321	49,321	32,355	19,585	19,710	22,538	308	2,506	23,671	11,191
Total district expenses	$ 6,113,989	$ 6,584,215	$ 7,488,765	$ 8,440,929	$ 9,391,487	$ 9,136,670	$ 10,349,302	$ 10,174,059	$ 10,769,788	$ 11,497,011

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	$ 2,593,739	$ 3,022,636	$ 3,322,864	$ 3,742,800	$ 4,079,323	$ 4,466,901	$ 4,815,948	$ 5,380,969	$ 5,730,523	$ 6,501,117
Capital grants & contributions	-	-	-	-	-	-	-	901,534	691,468	11,966,667
Operating grants & contributions	361,928	638,950	663,633	964,751	1,302,148	494,236	391,710	488,996	592,715	1,250,871
Total governmental activities	2,955,667	3,661,586	3,986,497	4,707,551	5,381,471	4,961,137	5,207,658	6,771,499	7,014,706	19,718,655
Business-type activities										
Special services	37,240	23,739	28,513	5,063	18,150	17,453	2,100	36,720	44,000	32,563
Total business-type activities	37,240	23,739	28,513	5,063	18,150	17,453	2,100	36,720	44,000	32,563
Total district-wide program revenues	$ 2,992,907	$ 3,685,325	$ 4,015,010	$ 4,712,614	$ 5,399,621	$ 4,978,590	$ 5,209,758	$ 6,808,219	$ 7,058,706	$ 19,751,218
Net (expense) revenues										
Governmental activities	$ (3,115,001)	$ (2,873,308)	$ (3,469,913)	$ (3,713,793)	$ (3,990,306)	$ (4,152,995)	$ (5,141,336)	$ (3,400,054)	$ (3,731,411)	$ 8,232,835
Business-type activities	(6,081)	(25,582)	(3,842)	(14,522)	(1,560)	(5,085)	1,792	34,214	20,329	21,372
Total district-wide net expenses	$ (3,121,082)	$ (2,898,890)	$ (3,473,755)	$ (3,728,315)	$ (3,991,866)	$ (4,158,080)	$ (5,139,544)	$ (3,365,840)	$ (3,711,082)	$ 8,254,207

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position										
Governmental activities										
County taxes levied for general purposes, net	$ 1,550,979	$ 1,582,001	$ 1,613,641	$ 1,613,641	$ 1,645,914	$ 1,678,832	$ 1,678,832	$ 1,712,367	$ 1,729,491	$ 1,746,786
Unrestricted grants & contributions	1,637,854	1,952,665	2,144,208	2,558,526	2,116,842	1,988,028	2,747,336	2,538,743	2,475,466	2,582,058
Investment earnings	13,055	5,589	20,071	45,867	55,821	36,628	5,297	3,764	27,385	60,589
Capital grants deobligated	300,208	-	-	-	-	-	-	-	-	-
Miscellaneous income	13,248	14,830	25,994	13,603	42,562	25,654	5,811	35,662	44,888	39,999
Transfer in(out)	-	-	-	-	-	-	200,000	-	178,000	22,690
Gain (loss) on sale of capital assets	-	-	-	-	(17,414)	(8,750)	(5,130)	(5,672)	(10,350)	(6,862)
Donated capital assets	-	-	-	-	-	-	-	-	-	29,479
Special item - insurance proceeds	-	99,432	-	-	-	-	-	-	-	-
Total governmental activities	3,515,344	3,654,517	3,803,914	4,231,637	3,843,725	3,720,392	4,632,146	4,284,864	4,444,880	4,474,739
Business-type activities										
Transfer in (out)	-	-	-	-	-	-	(200,000)	-	(178,000)	(22,690)
Total business-type activities	-	-	-	-	-	-	(200,000)	-	(178,000)	(22,690)
Total district-wide	$ 3,515,344	$ 3,654,517	$ 3,803,914	$ 4,231,637	$ 3,843,725	$ 3,720,392	$ 4,432,146	$ 4,284,864	$ 4,266,880	$ 4,452,049
Change in net position										
Governmental activities	$ 400,343	$ 781,209	$ 334,001	$ 517,844	$ (146,581)	$ (432,603)	$ (509,190)	$ 884,810	$ 713,469	$ 12,707,574
Business-type activities	(6,081)	(25,582)	(3,842)	(14,522)	(1,560)	(5,085)	(198,208)	34,214	(157,671)	(1,318)
Total district	$ 394,262	$ 755,627	$ 330,159	$ 503,322	$ (148,141)	$ (437,688)	$ (707,398)	$ 919,024	$ 555,798	$ 12,706,256

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	$ 2,396,202	$ 3,406,978	$ 4,245,915	$ 3,512,210	$ 3,563,117	$ 3,880,477	$ 3,342,116	$ 2,987,567	$ 3,186,191	$ 3,265,717
Committed	25,329	965	23,565	830,486	209,342	59,922	60,398	20,738	23,082	263,944
Assigned	362,088	259,411	33,593	200,000	138,651	-	-	-	-	-
Unassigned	220,871	186,491	225,918	268,078	349,723	354,912	355,308	410,354	411,819	442,110
Total general fund	$ 3,004,490	$ 3,853,845	$ 4,528,991	$ 4,810,774	$ 4,260,833	$ 4,295,311 *	$ 3,757,822	$ 3,418,659	$ 3,621,092	$ 3,971,771
All other governmental funds										
Restricted, reported in										
Special revenue fund	$ -	$ -	$ -	$ -	$ -	$ 260,557	$ 233,729	$ 169,785	$ 120,592	$ 121,536
Capital projects fund	698,919	47	47	47	-	-	-	-	-	-
Total all other governmental funds	$ 698,919	$ 47	$ 47	$ 47	$ -	$ 260,557 *	$ 233,729	$ 169,785	$ 120,592	$ 121,536

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
County tax levy	$ 1,550,979	$ 1,582,001	$ 1,613,641	$ 1,613,641	$ 1,645,914	$ 1,678,832	$ 1,678,832	$ 1,712,367	$ 1,729,491	$ 1,746,786
County sources	-	-	-	-	-	-	-	225,383	172,867	2,991,667
Tuition charges	2,591,174	3,022,636	3,321,725	3,741,198	4,079,323	4,466,901	4,777,715	5,255,004	5,644,221	6,408,088
Interest earnings	13,055	5,589	20,071	45,867	55,821	36,628	5,297	3,764	27,385	60,589
Miscellaneous	97,650	201,644	108,035	95,205	189,811	163,708	124,194	342,798	355,729	216,615
State sources	1,759,636	1,848,314	1,850,155	2,341,047	2,500,904	1,769,477	1,845,609	2,691,224	2,705,039	11,482,480
Federal sources	44,603	42,342	58,906	58,900	75,418	75,868	134,193	201,704	241,936	742,668
Total revenues	6,057,097	6,702,526	6,972,533	7,895,858	8,547,191	8,191,414	8,565,840	10,432,244	10,876,668	23,648,893
Expenditures										
Instruction										
Vocational education	1,704,837	1,861,581	2,107,833	2,529,287	2,618,691	3,337,425	3,822,433	3,959,494	4,340,999	4,615,556
Other instruction	31,243	44,054	49,361	25,603	93,895	29,013	30,490	66,406	66,963	85,535
Support services										
Student & instruction related services	400,425	429,317	504,278	552,376	653,065	659,735	622,670	540,726	581,815	608,909
General administration	305,018	298,867	371,693	307,194	407,303	311,660	308,751	264,321	269,077	385,642
School administration services	227,751	256,000	209,971	249,202	333,304	390,804	403,492	511,252	481,914	488,999
Central services/business	148,329	123,321	145,341	158,588	163,047	186,018	179,535	250,922	289,293	234,851
Plant operations & maintenance	774,969	714,078	702,406	1,089,952	1,569,823	1,067,513	1,105,564	507,745	586,170	563,253
Pupil transportation	14,076	12,090	14,849	11,965	17,691	15,699	5,971	64,934	85,764	80,659
Employee benefits	560,839	616,554	611,762	672,967	799,261	786,820	811,114	791,326	867,683	967,768
On-behalf TPAF Pension & Social Security contribution	293,713	352,609	376,064	454,731	474,078	555,880	734,959	923,422	1,125,713	1,149,581
Special schools - vocational evening	456,292	434,751	434,143	417,457	421,736	426,469	395,797	394,984	371,628	349,856
Capital outlay	57,138	11,065	18,119	142,068	205,203	158,368	173,741	776,028	9,947	64,208
Capital projects	51,600	720,872	-	-	-	-	-	901,534	691,468	11,966,667
Special revenue funds	361,928	638,950	663,633	964,751	1,302,148	494,236	456,795	678,905	728,353	1,342,956
Principal	-	-	-	-	-	-	-	470,955	366,707	377,586
Interest & other charges	37,934	37,934	37,934	37,934	37,934	37,934	37,934	37,934	37,934	37,934
Total expenditures	5,426,092	6,552,043	6,247,387	7,614,075	9,097,179	8,457,574	9,089,246	11,140,888	10,901,428	23,319,960

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	$ 631,005	$ 150,483	$ 725,146	$ 281,783	$ (549,988)	$ (266,160)	$ (523,406)	$ (708,644)	$ (24,760)	$ 328,933
Other financing sources (uses)										
Transfer in (out)	-	-	(50,000)	-	-	-	200,000	305,537	178,000	22,690
Total other financing sources (uses)	-	-	(50,000)	-	-	-	200,000	305,537	178,000	22,690
Net change in fund balances	$ 631,005	$ 150,483	$ 675,146	$ 281,783	$ (549,988)	$ (266,160)	$ (323,406)	$ (403,107)	$ 153,240	$ 351,623
Total non-capital expenditures	$ 5,279,420	$ 5,782,172	$ 6,191,334	$ 7,434,073	$ 8,854,042	$ 8,261,272	$ 8,877,571	$ 8,954,437	$ 9,795,372	$ 10,873,565

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tuition	$ 2,591,174	$ 3,022,636	$ 3,321,725	$ 3,741,198	$ 4,079,323	$ 4,466,901	$ 4,777,715	$ 5,255,004	$ 5,644,221	$ 6,408,088
Interest income	13,055	14,221	20,071	45,867	55,821	36,629	5,273	3,764	27,242	60,589
Prior year refunds	4,266	2,600	7,353	9,095	24,465	4,043	2,650	22,271	10,192	12,757
E-rate	2,769	-	8,200	-	-	-	-	-	-	-
Parking permits	-	-	1,255	435	245	120	2,575	1,775	2,300	2,950
Academy apparel sales	-	-	-	-	-	-	-	5,071	-	-
Miscellaneous other	3,689	-	9,186	1,250	8,326	3,060	100	902	839	1,150
Joint insurance fund - surplus refund	-	3,548	-	-	-	-	-	-	-	-
Use of facilities	2,565	50	1,139	1,602	-	-	-	-	-	-
Sale of property	-	-	-	2,823	9,526	18,430	-	5,643	31,557	23,142
Sale of surplus equipment & materials	2,524	-	-	-	-	-	486	-	-	-
Annual totals	$ 2,620,042	$ 3,043,055	$ 3,368,929	$ 3,802,270	$ 4,177,706	$ 4,529,183	$ 4,788,799	$ 5,294,430	$ 5,716,351	$ 6,508,676

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Assessment Year	Net Assessed Values	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2015	$ 19,487,429,897	$ 20,824,335,500	93.58%
2016	19,538,546,087	21,116,031,164	92.53%
2017	19,630,486,559	21,425,650,636	91.62%
2018	19,679,306,223	21,490,270,452	91.57%
2019	19,797,395,052	21,727,913,700	91.12%
2020	20,303,722,390	21,897,316,188	92.72%
2021	21,081,666,309	21,918,882,493	96.18%
2022	21,335,384,401	23,137,838,660	92.21%
2023	21,872,764,107	25,093,535,495	87.16%
2024	22,335,534,020	27,131,016,877	82.32%

Source: Abstract of Ratables, County Board of Taxation

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
County of Hunterdon
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	125,569	$ 9,902,622,478	$ 78,862	4.1%
2016	124,976	10,120,681,456	80,981	3.8%
2017	125,076	10,476,740,988	83,763	3.5%
2018	125,265	10,636,501,680	84,912	3.3%
2019	125,201	11,009,424,734	87,934	2.8%
2020	124,797	11,474,584,962	91,946	7.2%
2021	129,924	12,354,213,312	95,088	4.6%
2022	129,777	13,015,075,776	100,288	3.0%
2023	130,183	13,284,394,052	102,044	3.5%
2024	N/A	N/A	N/A	N/A

Sources:

(a) Population information provided by the NJ Dept of Labor and Workforce Development.

(b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.

(c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
Instruction	15.6	17.2	17.6	16.6	18.8	20.0	22.0	23.0	22.0	22.5
Students & related services	6.0	6.0	6.5	7.7	7.2	10.0	7.3	6.2	6.4	6.4
General administration	2.0	1.8	1.8	1.8	2.0	1.5	1.5	1.5	1.5	1.5
School administration services	2.0	2.7	2.7	2.7	2.8	3.0	4.0	4.0	3.0	3.0
Business office	2.3	1.5	1.0	1.0	1.5	1.5	1.0	2.0	2.0	2.0
Other support staff	4.2	1.0	1.0	1.0	-	-	-	-	-	-
Plant operations & maintenance	2.9	2.9	0.9	0.9	0.9	0.9	1.2	1.2	1.0	1.0
Pupil transportation	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	35.0	33.1	31.5	31.8	33.3	37.0	37.1	38.0	36.0	36.5

Source: District Personnel Records

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Full Time Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	243.1	$ 4,823,128	$ 19,840	-6.40%	15.6	1 to 15.58	243.1	231.7	9.26%	95.31%
2016	265.3	5,347,421	20,155	1.59%	17.2	1 to 15.43	265.3	252.5	9.14%	95.18%
2017	296.7	5,757,191	19,404	-3.73%	17.6	1 to 16.86	296.7	284.2	11.83%	95.79%
2018	357.0	7,016,616	19,657	1.30%	16.6	1 to 21.50	357.0	343.0	20.31%	96.08%
2019	403.7	8,432,306	20,888	6.26%	18.8	1 to 21.47	403.7	387.6	13.10%	96.01%
2020	440.5	7,834,803	17,787	-14.85%	20.0	1 to 22.02	440.5	426.8	9.11%	96.89%
2021	468.3	8,481,774	18,111	1.82%	22.0	1 to 21.29	468.3	459.8	6.32%	98.18%
2022	686.8	9,030,408	13,148	-27.40%	23.0	1 to 29.86	686.8	657.7	46.66%	95.76%
2023	576.1	9,790,451	16,993	29.24%	22.0	1 to 26.19	576.1	542.5	-16.12%	94.16%
2024	599.2	10,901,295	18,192	7.06%	22.5	1 to 26.63	599.2	570.7	4.01%	95.25%

Source: District Records

(a) Operating expenditures equal total expenditures less vocational evening school, capital expenditures and debt service.
(b) Teaching staff includes only full-time equivalents or certificated staff.
(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Amount
2015	$ 55,622
2016	73,918
2017	65,989
2018	440,929
2019	280,966
2020	244,032
2021	183,942
2022	72,106
2023	87,573
2024	66,420
Total school facilities	$ 1,571,497

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

Source: District Records

See accompanying notes to financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	Coverage
School package - School Alliance Insurance Fund	
Property coverage (group policy maximum)	$ 500,000,000
General liability	10,000,000
Workers compensation	5,000,000
Automobile liability	10,000,000
Premise pollution liability	1,000,000
Crime & fidelity	500,000
Student accident - Bollinger Specialty	1,000,000
Public Employees' Faithful Performance - Selective Insurance	
Business Administrator's bond	142,000
School leaders professional liability - School Alliance Insurance Fund	5,000,000
Excess school leaders professional liability	5,000,000
Beautician liability - Arch Insurance Company	
Each incident	1,000,000
Aggregate	1,000,000
Health care facility liability - Princeton Insurance Co	
Each incident	1,000,000
Aggregate	3,000,000

Source: District Records

See accompanying notes to financial statements.

SINGLE AUDIT SECTION

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART I

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable President and
Members of the Board of Education
Hunterdon County Vocational School District
Flemington, 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, and the aggregate remaining fund information of the Hunterdon County Vocational School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated November 27, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA, PSA
NO. 20CS00265600

November 27, 2024
Flemington, New Jersey

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the New Jersey OMB Circular 15-08

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Hunterdon County Vocational School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circulars 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 the District's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA,
PSA NO. 20CS00265600

November 27, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust-ment	Repayment of Prior Year Balance	Balance June 30, 2024 Accounts Receivable	Balance June 30, 2024 Deferred Revenue	Balance June 30, 2024 Due to Grantor
U.S. Department of Education passed through State Department of Education														
Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A240100	$ 84,805	07/01/23	06/30/24	$ -	$ -	$ 84,805	$ 84,805	$ -	$ -	$ -	$ -	$ -
Total special education cluster (IDEA)						-	-	84,805	84,805	-	-	-	-	-
ESSA Title I A	84.010	S010A230030	18,728	07/01/22	06/30/23	(9,418)	-	9,418	-	-	-	-	-	-
ESSA Title I A	84.010	S010A240030	39,794	07/01/23	06/30/24	-	-	39,794	39,794	-	-	-	-	-
ESSA Title II A	84.367A	S367A230029	11,595	07/01/22	06/30/23	(1,770)	-	1,770	-	-	-	-	-	-
Carl D Perkins														
Secondary	84.048	S048A240030	81,696	07/01/23	06/30/24	-	-	81,696	81,696	-	-	-	-	-
Secondary - Reserve	84.048	S048A230030	23,575	07/01/22	06/30/23	(835)	-	835	-	-	-	-	-	-
Secondary - Reserve	84.048	S048A240030	25,861	07/01/23	06/30/24	-	-	25,861	25,861	-	-	-	-	-
COVID-19														
CRRSA - ESSER II	84.425D	S425D210027	30,270	03/13/20	09/30/23	(7,300)	-	7,300	-	-	-	-	-	-
CRRSA - Accelerated Learning	84.425D	S425D210027	25,000	03/13/20	09/30/23	-	-	14,224	14,224	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(4,125)	-	4,771	646	-	-	-	-	-
ARP IDEA Basic	84.027X	H027X210100	12,002	07/01/22	06/30/23	-	-	522	522	-	-	-	-	-
ARP - ESSER	84.425U	S425U240027	68,029	03/13/20	09/30/24	-	-	-	68,029	-	-	(68,029)	-	-
ARP - Accelerated Learning	84.425U	S425U240027	50,000	03/13/20	09/30/24	-	-	-	50,000	-	-	(50,000)	-	-
ARP - Summer Learning	84.425U	S425U240027	40,000	03/13/20	09/30/24	-	-	22,690	22,690	-	-	-	-	-
ARP - Beyond School Day	84.425U	S425U240027	40,000	03/13/20	09/30/24	-	-	-	36,173	-	-	(36,173)	-	-
ARP - Mental Health	84.425U	S425U240027	45,000	03/13/20	09/30/24	-	-	45,000	45,000	-	-	-	-	-
ARP - Subrecipient from county	84.425U	S425U210027	383,000	03/13/20	09/30/24	(383,000)	-	383,000	-	-	-	-	-	-
Total Special Revenue Fund						(406,448)	-	721,686	469,440	-	-	(154,202)	-	-
Total Federal Financial Assistance						$ (406,448)	$ -	$ 721,686	$ 469,440	$ -	$ -	$ (154,202)	$ -	$ -

See independent auditors' report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023 Deferred Rev. (Accts. Rec)	Balance June 30, 2023 Due to Grantor	Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024 Accounts Receivable	Balance June 30, 2024 Deferred Revenue	Balance June 30, 2024 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
General Fund														
State Department of Education														
Special education categorical aid	24-495-034-5120-089	$ 224,540	07/01/23	06/30/24	$ -	$ -	$ 209,337	$ 224,540	$ -	$ -	$ -	$ -	$ 15,203	$ 224,540
Equalization aid	24-495-034-5120-078	241,040	07/01/23	06/30/24	-	-	217,915	241,040	-	-	-	-	23,125	241,040
Security aid	24-495-034-5120-084	31,411	07/01/23	06/30/24	-	-	28,398	31,411	-	-	-	-	3,013	31,411
Adjustment aid	24-495-034-5120-085	229,721	07/01/23	06/30/24	-	-	207,683	229,721	-	-	-	-	22,038	229,721
Vocational Expansion Stabilization Aid	24-100-034-5062-032	206,571	07/01/23	06/30/24	-	-	180,415	206,571	-	-	-	-	26,156	206,571
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	774,256	07/01/23	06/30/24	-	-	774,256	774,256	-	-	-	-	-	774,256
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	8,830	07/01/23	06/30/24	-	-	8,830	8,830	-	-	-	-	-	8,830
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	213,128	07/01/23	06/30/24	-	-	213,128	213,128	-	-	-	-	-	213,128
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	468	07/01/23	06/30/24	-	-	468	468	-	-	-	-	-	468
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	149,189	07/01/22	06/30/23	(7,313)	-	7,313	-	-	-	-	-	-	149,189
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	152,899	07/01/23	06/30/24	-	-	144,169	152,899	-	(8,730)	-	-	-	152,899
Total General Fund					(7,313)	-	1,991,912	2,082,864	-	(8,730)	-	-	89,535	2,232,053
Special Revenue Fund														
State Department of Education														
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	21,841	07/01/23	06/30/24	-	-	21,841	21,841	-	-	-	-	-	21,841
Perkins Postsecondary	23-100-034-5062-032	97,611	07/01/22	06/30/23	(700)	-	700	-	-	-	-	-	-	97,611
Perkins Postsecondary	24-100-034-5062-032	96,428	07/01/23	06/30/24	-	-	96,428	96,428	-	-	-	-	-	96,428
Pre-Apprenticeship in Career Education	24-100-034-5062-032	239,590	07/01/23	11/30/24	-	-	133,424	160,791	-	(27,367)	-	-	-	160,791
State Department of Labor														
Youth Transitions to Work	Not available	214,182	07/01/22	06/30/23	(19,063)	-	112,579	136,343	-	(42,827)	-	-	-	136,343
Youth Transitions to Work	Not available	214,182	07/01/23	06/30/24	-	-	-	599	-	(599)	-	-	-	599
State Department of Agriculture														
CASE	Not available	4,825	02/01/23	06/30/23	272	-	-	272	-	-	-	-	-	4,825
CASE	Not available	4,614	02/01/24	06/30/24	-	-	4,614	4,614	-	-	-	-	-	4,614
Program Improvement Grant	Not available	3,755	02/01/24	06/30/24	-	-	3,755	3,755	-	-	-	-	-	3,755
Total Special Revenue Fund					(19,491)	-	373,341	424,643	-	(70,793)	-	-	-	526,807
Capital Projects Fund														
State Department of Education														
Securing our Children's Future Bond Act	SOCF-CVSD CTE	21,750,000	Not applicable		(1,593,002)	-	16,125,000	8,576,750	-	-	5,955,248	-	5,625,000	10,169,752

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023 Deferred Rev. (Accts. Rec)	Balance June 30, 2023 Due to Grantor	Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024 Accounts Receivable	Balance June 30, 2024 Deferred Revenue	Balance June 30, 2024 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
Total State Financial Assistance					$ (1,619,806)	$ -	$ 18,490,253	$ 11,084,257	$ -	$ (79,523)	$ 5,955,248	$ -	$ 5,714,535	$12,928,612
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	$ 774,256	7/1/2023	6/30/2024				774,256						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	8,830	7/1/2023	6/30/2024				8,830						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	213,128	7/1/2023	6/30/2024				213,128						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	468	7/1/2023	6/30/2024				468						
Total for State Financial Assistance - Major Program Determination								$ 10,087,575						

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Hunterdon County Vocational School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $0 for the general fund, $273,201 for the special revenue fund, and $8,866,667 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	$ -	$ 2,082,864	$ 2,082,864
Special revenue fund	742,668	424,616	1,167,284
Capital projects fund	-	8,975,000	8,975,000
Total awards and financial assistance	$ 742,668	$ 11,482,480	$ 12,225,148

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

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect costs

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART II

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	*Unmodified*
Internal Control Over Financial Reporting:	
1. Were material weakness(es) identified?	___ Yes ___*X*___ No
2. Were significant deficiencies identified?	___ Yes ___*X*___ None reported
Noncompliance material to Basic Financial Statements noted?	___ Yes ___*X*___ No
Federal Awards	*Not Applicable*
Internal Control Over Major Programs:	
1. Were material weakness(es) identified?	___ Yes ___ No
2. Were significant deficiencies identified?	___ Yes ___ None reported
What was the type of auditors' report issued on compliance for major programs?	
Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?	___ Yes ___ No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
Not Applicable	*Not Applicable*	*Not Applicable*

What was the dollar threshold used to distinguish between Type A and Type B programs?	
Did the auditee qualify as a low-risk auditee?	___ Yes ___ No

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs?	*$750,000*
Did the auditee qualify as a low-risk auditee?	*X* Yes ___ No
Internal Control Over Major Programs: 1. Were material weakness(es) identified?	___ Yes *X* No
2. Were there significant deficiencies identified that are not considered to be material weaknesses?	___ Yes *X* None reported
What was the type of auditors' report issued on compliance for major programs?	*Unmodified*
Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?	___ Yes *X* No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
SOCF-CVSD CTE	*Securing our Children's Future Bond Act*

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
Summary Schedule of Prior year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

There were no prior year findings or questioned costs.