

**MORRIS COUNTY
VOCATIONAL SCHOOL DISTRICT**

**Morris County Vocational School District
(a component unit of the County of Morris)
Denville, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

**Morris County Vocational School District
Board of Education**

(a component unit of the County of Morris)

Denville, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Morris County Vocational School District
Business Office**

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



September 24, 2024

Honorable President and
Members of the Board of Education
Morris County Vocational School District
400 East Main Street
Denville, NJ 07834

Dear Board Members:

The annual comprehensive financial report of the Morris County Vocational School District 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 respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations, findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Morris County Vocational School District is an independent reporting entity within the criteria adopted by the GASB as established by Governmental Accounting Standards Board in Codification Section 2100. The Morris County Vocational School District Board of Education and its school constitute the District's reporting entity.

The District offers programs for high school students, including sixteen Full Time Career Academies, and fifteen share-time (half day) programs, which includes one program for students who have greater individualized needs and require a smaller class size. Ten of the Sixteen Academy programs are offered at the Morris County Vocational School District campus. Six satellite Academies are offered; one each at Jefferson Township High School in Jefferson, NJ, Roxbury High School in Roxbury, NJ, Randolph High School in Randolph, NJ, and Madison High School in Madison, NJ and two at Morris Hills High School in Rockaway, NJ.

Forty one (41) high schools from ninety one (91) communities and eight counties send students shared-time (half time) and full-time to the County Vocational School. One (1) full time postsecondary program is offered during the day. In addition to the secondary programs and full time postsecondary courses, the District offers over 51 part time Adult Evening classes where enrollment averages around 857 students per year.

The District completed the 2023-2024 school year with a full time equivalent enrollment of 1,486. The District's secondary enrollment increased at a rate of 1.58% during the 2023-2024 year.

2. **MAJOR INITIATIVES:** The major initiatives undertaken in the School District included but were not limited to:

- Began Construction at the new Career training center on the campus of County College of Morris.
- Second year cohorts, Early College (Randolph High School) and Government Learning (Madison High school) which began September 2022.
- Continued ongoing maintenance projects to address building needs, including flooring, upgrades to HVAC units. Continual upgrading of technology infrastructure to accommodate expanding district needs.

3. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial award 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 Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund.

Capital Improvements are funded by the County of Morris, which pays the resulting debt service. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2024.

The Honorable President and Members
of the Board of Education
Morris County Vocational School District
September 24, 2024

5. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic 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 Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, excess liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

The District is a member of the Morris County Insurance Fund and Morris-Essex Insurance Group, which are risk-sharing public entity risk pools that are both an insured and self-administered group of school districts or other local government entities established for the purpose of providing low-cost insurance coverage to their members.

8. **OTHER INFORMATION: INDEPENDENT AUDIT** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. The Auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Morris County Vocational School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the County and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office Staff.

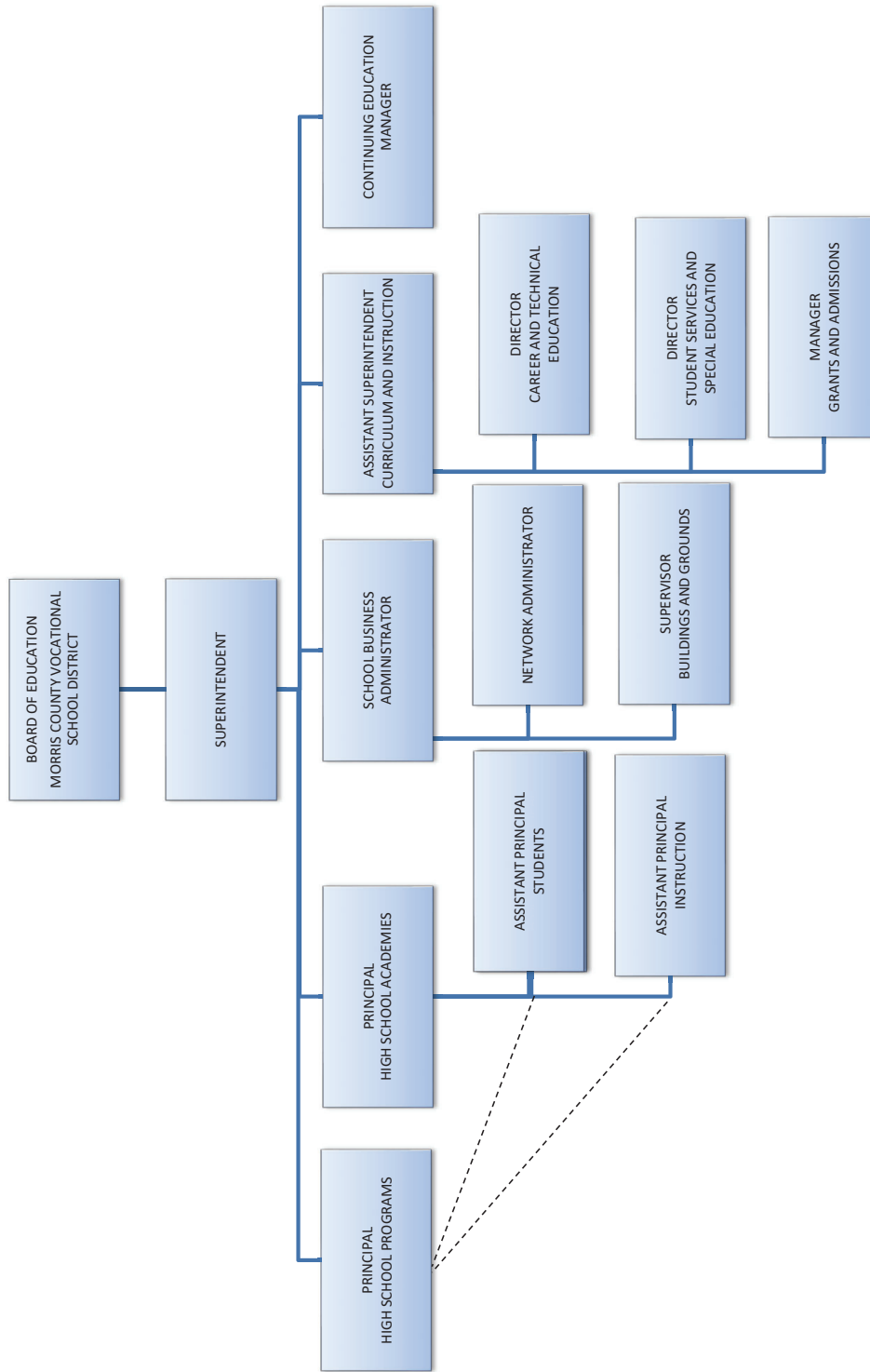
Respectfully submitted,



James Jencarelli
Superintendent



Michael Davison
Business Administrator/Board Secretary



Board Approved: November 1, 2023
----- Indirect Report

**MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	Title	Term Expires
Barbara Dawson	President	2026
John Hyland	Vice President	2025
Hannah Starr	Member	2026
Ray Menard	Member	2025
Dr. Nancy Gartenberg	Member; Executive County Superintendent	N/A

Other Officers

Scott Moffitt	Superintendent of Schools (Through March 31, 2024)
James Jencarelli	Superintendent of Schools (Beginning April 1, 2024)
Michael Davison	Board Secretary/Business Administrator
Alexandra Albert	Treasurer of School Monies
John M. Mills, III	Board Attorney

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

Attorney

Mills & Mills
One Western Avenue
Morristown, NJ 07960

Official Depository

Provident Bank
41 Broadway
Denville, NJ 07834

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Morris County Vocational School District (the "District"), a component unit of the County of Morris, as of and for the fiscal 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, 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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

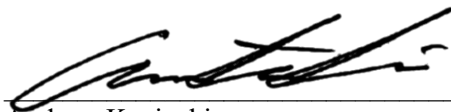
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 September 24, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

September 24, 2024
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of Morris County Vocational School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending. *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services, cosmetology, and adult education.
- *Notes to the Basic Financial Statements*: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

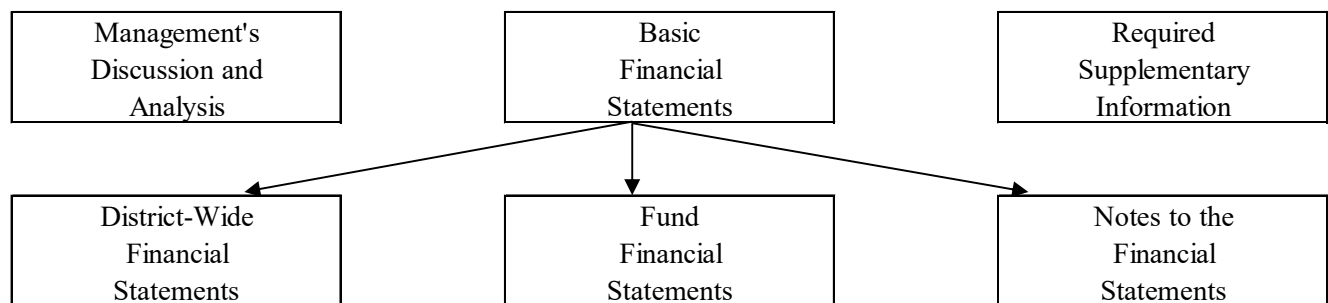


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses including: Food Service, Cosmetology and Adult Education
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$8,794,198. Net position from governmental activities increased by \$8,561,114 and net position from business activities increased by \$233,054. Net investment in capital assets increased by \$12,601,826, restricted net position increased by \$750,240, and unrestricted net position decreased by \$4,557,868.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	Percentage Change
Current and Other Assets	\$ 29,014,134	\$ 27,355,104	\$ 295,941	\$ 405,000	\$ 29,310,075	\$ 27,760,104	
Capital Assets, Net	29,130,536	41,735,381	101,841	98,822	29,232,377	41,834,203	
Total Assets	58,144,670	69,090,485	397,782	503,822	58,542,452	69,594,307	18.88%
Deferred Outflows of Resources	866,847	639,110	75,378	48,106	942,225	687,216	-27.06%
Other Liabilities	1,470,654	4,261,420	103,471	68,361	1,574,125	4,329,781	
Long-Term Liabilities	5,578,121	5,401,262	454,786	379,637	6,032,907	5,780,899	
Total Liabilities	7,048,775	9,662,682	558,257	447,998	7,607,032	10,110,680	32.91%
Deferred Inflows of Resources	824,035	367,062	71,655	27,628	895,690	394,690	-55.93%
Net Position:							
Net Investment in Capital Assets	29,130,536	41,735,381	101,841	98,822	29,232,377	41,834,203	
Restricted	2,404,705	3,154,945			2,404,705	3,154,945	
Unrestricted/(Deficit)	19,603,466	14,809,525	(258,593)	(22,520)	19,344,873	14,787,005	
Total Net Position / (Deficit)	\$ 51,138,707	\$ 59,699,851	\$ (156,752)	\$ 76,302	\$ 50,981,955	\$ 59,776,153	17.25%

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2022/23	Governmental Activities 2023/24	Business- Type Activities 2022/23	Business- Type Activities 2023/24	Total School District 2022/23	Total School District 2023/24	Percentage Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 14,628,498	\$ 16,656,856	\$ 837,813	\$ 919,749	\$ 15,466,311	\$ 17,576,605	
Operating Grants and Contributions	5,970,326	5,679,054	79,410	122,065	6,049,736	5,801,119	
General Revenue:							
County Tax Levy	6,426,286	6,501,286			6,426,286	6,501,286	
State and Federal Aid not Restricted	637,841	637,957			637,841	637,957	
County Improvement Authorizations	1,076,000	8,022,749			1,076,000	8,022,749	
Other	405,109	579,696			405,109	579,696	
Total Revenue	29,144,060	38,077,598	917,223	1,041,814	30,061,283	39,119,412	30.13%
Expenses:							
Instruction	17,753,144	18,288,408			17,753,144	18,288,408	
Pupil and Instruction Services	3,939,545	4,384,350			3,939,545	4,384,350	
Administrative & Business	3,463,270	3,551,247			3,463,270	3,551,247	
Maintenance and Operations	2,196,227	2,343,478			2,196,227	2,343,478	
Pupil Transportation	338,811	430,808			338,811	430,808	
Special Schools	340,930	416,343			340,930	416,343	
Capital Outlay	18,247	101,820			18,247	101,820	
Other			619,939	808,760	619,939	808,760	
Total Expenses	28,050,174	29,516,454	619,939	808,760	28,670,113	30,325,214	5.77%
Other Items:							
Other	(1,198)		(6,594)		(7,792)		100.00%
Change in Net Position	\$ 1,092,688	\$ 8,561,144	\$ 290,690	\$ 233,054	\$ 1,383,378	\$ 8,794,198	535.70%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. The District will continue sound fiscal management in order to maintain its existing programs, provide programs and services for students with special needs and meet the rising costs of fixed obligations.

Careful management of expenses remains essential for the District to maintain its financial health.

Figure A-5 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, pupil transportation, special schools, and capital outlay. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of	Total Cost of	Net Cost of	Net Cost of
	Services	Services	Services	Services
	2022/23	2023/24	2022/23	2023/24
Instruction	\$ 17,753,144	\$ 18,288,408	\$ 4,363,368	\$ 3,886,105
Pupil and Instruction Services	3,939,545	4,384,350	577,328	582,666
Administrative and Business	3,463,270	3,551,247	1,128,056	1,134,650
Maintenance and Operations	2,196,227	2,343,478	863,596	873,338
Pupil Transportation	338,811	430,808	159,825	185,622
Special Schools	340,930	416,343	340,930	416,343
Capital Outlay	18,247	101,820	18,247	101,820
	<u>\$ 28,050,174</u>	<u>\$ 29,516,454</u>	<u>\$ 7,451,350</u>	<u>\$ 7,180,544</u>

Business-Type Activities

Net position from the District's business-type activities increased overall by \$233,054. (Refer to Figure A-4). The most significant factors contributing to these results were:

- The Adult Education Fund saw an increase in net position of \$168,180 due to the increase in program fees.
- The Cosmetology Enterprise Fund saw a decrease in net position of \$481 due to an increase in supplies and materials and a decrease in program fees.
- The Food Service Enterprise Fund saw an increase in net position of \$65,355 due to a decrease in operational expenditures.

Financial Analysis of the District's Funds

The District's overall Financial position improved. Overall the district performed well within its authorized governmental budget. The District's Proprietary Funds Financial position increased due to increased activity and offset by the additional expenses needed to operate. Additionally, the District had an increase in enrollment in the Adult Education program and an increase in expenses in order for the classes to be operational. The District will continue to manage its overall operations within a responsible balanced operating budget.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are primarily related to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-6

Capital Assets (Net of Depreciation)							Total Percentage Change
Government Activities		Business-Type Activities		Total School District			
2022/23	2023/24	2022/23	2023/24	2022/23	2023/24		
Sites and Site							
Improvements	\$ 322,474	\$ 321,682			\$ 322,474	\$ 321,682	
Construction in							
Progress	5,588,213	18,716,491			5,588,213	18,716,491	
Buildings and							
Building Improvements	21,828,372	21,263,554			21,828,372	21,263,554	
Furniture, Machinery							
and Equipment	1,391,477	1,433,654	\$ 101,841	\$ 98,822	1,493,318	1,532,476	
Total	\$ 29,130,536	\$ 41,735,381	\$ 101,841	\$ 98,822	\$ 29,232,377	\$ 41,834,203	
						43.11%	

Long-term Liabilities

At year-end, the District had \$5,780,899 of long term liabilities – a decrease of \$252,008 from last year – as shown in Figure A-7. This decrease was a result of a net increase in compensated absences of \$29,052 and a net decrease of \$281,060 in net pension liability.

Figure A-7

Outstanding Long-Term Liabilities

	Total School District	
	2022/23	2023/24
Compensated Absences Payable	\$ 538,587	\$ 567,639
Net Pension Liability	5,494,320	5,213,260
	<u>\$ 6,032,907</u>	<u>\$ 5,780,899</u>

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The district received its third county tax levy increase funding since the 2007-2008 fiscal year. Without future increases, increased enrollment due to new program offerings will exert budget pressure. Additionally, capital project funding from the County is uncertain from year to year.
- The District applied for and was awarded the grant made possible by the passage of the Securing Our Schools bond act to partner with the County College of Morris to expand facilities to address the unserved population of applicants. The grant funded new building will have the capacity to house an additional 500 shared-time students, which will have a major impact on the district's operating budget.
- All bargaining units settled their contracts for the 2024-2029 contract period with 3.45% annual salary increases. These settlements will assist with long term financial projections for the District as salary and benefit cost centers comprise the majority of the expenditures budget.
- Two academies, Early College (Randolph) and Government Learning (Madison) Academies started this School year 22/23. Each year for the next 2 years, 2 additional cohorts will be added.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 400 East Main Street, Denville, New Jersey 07834.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,811,891	\$ 390,288	\$ 7,202,179
Receivables from State Government	30,270	265	30,535
Receivables from Federal Government	303,004	5,207	308,211
Receivables from Other Governments	18,333,287		18,333,287
Other Receivables	15,147	821	15,968
Inventories		8,419	8,419
Restricted Cash and Cash Equivalents	1,861,505		1,861,505
Capital Assets, Net:			
Sites (Land) and Construction in Progress	10,974,812		10,974,812
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	30,760,569	98,822	30,859,391
Total Assets	69,090,485	503,822	69,594,307
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows Related to Pensions	639,110	48,106	687,216
Total Deferred Outflows of Resources	639,110	48,106	687,216
<u>LIABILITIES</u>			
Accounts Payable	4,158,222	50,067	4,208,289
Payable to Federal Government	2,907		2,907
Unearned Revenue	100,291	18,294	118,585
Non-Current Liabilities:			
Due Beyond One Year	5,401,262	379,637	5,780,899
Total Liabilities	9,662,682	447,998	10,110,680
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	367,062	27,628	394,690
Total Deferred Inflows of Resources	367,062	27,628	394,690
<u>NET POSITION</u>			
Net Investment in Capital Assets	41,735,381	98,822	41,834,203
Restricted for:			
Capital Projects	1,097,015		1,097,015
Unemployment Compensation	185,440		185,440
Scholarships	119,179		119,179
Student Activities	143,328		143,328
Excess Surplus	1,609,983		1,609,983
Unrestricted/(Deficit)	14,809,525	(22,520)	14,787,005
Total Net Position	\$ 59,699,851	\$ 76,302	\$ 59,776,153

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 11,326,791	\$ 6,438,369	\$ 1,663,950	\$ (3,224,472)		\$ (3,224,472)
Special	1,085,386	616,954	1,375,995	907,563		907,563
Vocational Education	5,259,896	2,989,827	969,639	(1,300,430)		(1,300,430)
Other Instruction	616,335	350,337		(265,998)		(265,998)
Support Services:						
Student and Instruction Related Services	4,384,350	2,665,812	1,134,311	(584,227)		(584,227)
General Administrative Services	646,797	367,652	10,312	(268,833)		(268,833)
School Administrative Services	1,545,181	878,311	232,730	(434,140)		(434,140)
Central Services	825,137	469,024	155,729	(200,384)		(200,384)
Administrative Information Technology	534,132	303,611		(230,521)		(230,521)
Plant Operations and Maintenance	2,343,478	1,332,079	136,388	(875,011)		(875,011)
Pupil Transportation	430,808	244,880		(185,928)		(185,928)
Special Schools	416,343			(416,343)		(416,343)
Capital Outlay	101,820			(101,820)		(101,820)
Total Governmental Activities	29,516,454	16,656,856	5,679,054	(7,180,544)		(7,180,544)
Business-Type Activities:						
Adult Education	485,993	654,173			\$ 168,180	168,180
Cosmetology	4,098	3,617			(481)	(481)
Food Service	318,669	261,959	122,065		65,355	65,355
Total Business-Type Activities	808,760	919,749	122,065		233,054	233,054
Total Primary Government	\$ 30,325,214	\$ 17,576,605	\$ 5,801,119	\$ (7,180,544)	\$ 233,054	\$ (6,947,490)

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
General Revenues:			
County Tax Levy	\$ 6,501,286		\$ 6,501,286
Federal and State Aid not Restricted	637,957		637,957
Interest Earnings	15,807		15,807
Miscellaneous Income	563,889		563,889
County Improvement Authorization	8,022,749		8,022,749
Total General Revenues	<u>15,741,688</u>		<u>15,741,688</u>
Change in Net Position	8,561,144	\$ 233,054	8,794,198
Net Position/ (Deficit) - Beginning	<u>51,138,707</u>	<u>(156,752)</u>	<u>50,981,955</u>
Net Position - Ending	<u>\$ 59,699,851</u>	<u>\$ 76,302</u>	<u>\$ 59,776,153</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,569,595		\$ 4,242,296	\$ 6,811,891
Interfund Receivables	66,148			66,148
Receivables From State Government	30,270			30,270
Receivables From Federal Government		\$ 303,004		303,004
Receivables From Other Governments	599,912		17,733,375	18,333,287
Other Accounts Receivables	15,147			15,147
Restricted Cash and Cash Equivalents	1,598,998	262,507		1,861,505
Total Assets	<u>\$ 4,880,070</u>	<u>\$ 565,511</u>	<u>\$ 21,975,671</u>	<u>\$ 27,421,252</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable		\$ 66,148		\$ 66,148
Accounts Payable	\$ 618,870	160,299	\$ 2,927,623	3,706,792
Payable to Federal Government		2,907		2,907
Unearned Revenue	26,641	73,650		100,291
Total Liabilities	<u>645,511</u>	<u>303,004</u>	<u>2,927,623</u>	<u>3,876,138</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	1,097,015			1,097,015
Maintenance Reserve	316,543			316,543
Excess Surplus for 2024-2025	528,661			528,661
Excess Surplus for 2025-2026	764,779			764,779
Unemployment Compensation	185,440			185,440
Scholarships		119,179		119,179
Student Activities		143,328		143,328
Committed:				
Capital Projects Fund			19,048,048	19,048,048
Assigned:				
Year End Encumbrances	36,297			36,297
Unassigned	1,305,824			1,305,824
Total Fund Balances	<u>4,234,559</u>	<u>262,507</u>	<u>19,048,048</u>	<u>23,545,114</u>
Total Liabilities and Fund Balances	<u>\$ 4,880,070</u>	<u>\$ 565,511</u>	<u>\$ 21,975,671</u>	<u>\$ 27,421,252</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Total
Governmental
Funds

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Total Fund Balances from previous page	\$ 23,545,114
Capital Assets Used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	41,735,381
Long-Term Liabilities, Including Compensated Absences and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(5,401,262)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	187,680
Deferred Inflows	(367,062)
Net Position of Governmental Activities	<u>\$ 59,699,851</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
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	\$ 6,501,286			\$ 6,501,286
Tuition from LEA's	16,102,330			16,102,330
Tuition from Individuals	380,864			380,864
Interest Earned on Capital Reserve Funds	15,482			15,482
Interest Earned on Maintenance Reserve Funds	325			325
Restricted Miscellaneous Revenue		\$ 173,662		173,662
Unrestricted Miscellaneous Revenue	563,889	4,600		568,489
Total - Local Sources	23,564,176	178,262		23,742,438
State Sources	6,355,905	158,928		6,514,833
Federal Sources		1,860,920		1,860,920
Total Revenues	29,920,081	2,198,110		32,118,191
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	8,925,279	743,538		9,668,817
Special Education Instruction	705,394			705,394
Vocational Education Instruction	3,104,599	199,369		3,303,968
School-Sponsored/Other Instruction	537,429			537,429
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	2,522,920	1,121,872		3,644,792
General Administration Services	558,879			558,879
School Administration Services	1,074,067			1,074,067
Central Services	549,996			549,996
Administrative Information Technology	354,554			354,554
Plant Operations and Maintenance	2,022,696			2,022,696
Student Transportation Services	308,954			308,954
Unallocated Benefits	7,827,464			7,827,464
Capital Outlay	402,666	136,388	\$ 13,128,278	13,667,332
Special Schools	357,528			357,528
Total Expenditures	29,252,425	2,201,167	13,128,278	44,581,870
Excess/(Deficit) of Revenue Over/(Under) Expenditures	667,656	(3,057)	(13,128,278)	(12,463,679)
Other Financing Sources/(Uses):				
County Improvement Authorization			8,022,749	8,022,749
Total Other Financing Sources/(Uses)			8,022,749	8,022,749
Net Change in Fund Balances	667,656	(3,057)	(5,105,529)	(4,440,930)
Fund Balance - July 1	3,566,903	265,564	24,153,577	27,986,044
Fund Balance - June 30	\$ 4,234,559	\$ 262,507	\$ 19,048,048	\$ 23,545,114

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS 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 Change in Fund Balances - Governmental Funds (from B-2) \$ (4,440,930)

Amounts Reported for Governmental Activities in the Statement
of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and deletions differ from depreciation in the period.

Depreciation Expense	\$ (903,119)	
Deletions, Net of Related Depreciation Expense	24,459	
Capital Outlays	<u>13,483,505</u>	12,604,845

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (29,583)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	206,442	
Change in Deferred Outflows	(236,603)	
Change in Deferred Inflows	<u>456,973</u>	

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 8,561,144

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 390,288	\$ 390,288
Intergovernmental Accounts Receivable:		
State	265	265
Federal	5,207	5,207
Other Accounts Receivable	821	821
Inventories	8,419	8,419
Total Current Assets	405,000	405,000
Non-Current Assets:		
Capital Assets	256,787	256,787
Less: Accumulated Depreciation	(157,965)	(157,965)
Total Non-Current Assets	98,822	98,822
Total Assets	503,822	503,822
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred Outflows of Resources Related to Pensions	48,106	48,106
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	50,067	50,067
Unearned Revenue - Donated Commodities	4,265	4,265
Unearned Revenue - Prepaid Sales	10,730	10,730
Unearned Revenue - Supply Chain Assistance	3,299	3,299
Total Current Liabilities	68,361	68,361
Non-Current Liabilities:		
Compensated Absences Payable	14,709	14,709
Net Pension Liability	364,928	364,928
Total Non-Current Liabilities	379,637	379,637
Total Liabilities	447,998	447,998
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred Inflows of Resources Related to Pensions	27,628	27,628
<u>NET POSITION:</u>		
Investment in Capital Assets	98,822	98,822
Unrestricted/(Deficit)	(22,520)	(22,520)
Total Net Position/(Deficit)	\$ 76,302	\$ 76,302

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Operating Revenue:		
Daily Sales:		
Reimbursable Programs	\$ 111,445	\$ 111,445
Non-Reimbursable Programs	149,182	149,182
Charges for Services:		
Program Fees	659,122	659,122
Total Operating Revenue	919,749	919,749
Operating Expenses:		
Cost of Sales:		
Reimbursable Programs	80,357	80,357
Non-Reimbursable Programs	107,567	107,567
Salaries	447,389	447,389
Employee Benefits	60,629	60,629
Purchased Professional and Technical Services	15,595	15,595
Communications/Telephone	27,683	27,683
Miscellaneous Purchased Services	24,307	24,307
Supplies and Materials	21,361	21,361
Textbooks	4,862	4,862
Miscellaneous Expense	5,635	5,635
Depreciation Expense	13,375	13,375
Total Operating Expenses	808,760	808,760
Operating Income	110,989	110,989
Non-Operating Income:		
State Sources:		
State School Lunch Program	3,482	3,482
State School Breakfast Program	1	1
Federal Sources:		
National School Lunch Program	30,481	30,481
School Breakfast Program	1,316	1,316
Food Distribution Program	19,166	19,166
Supply Chain Assistance	67,619	67,619
Total Non-Operating Income	122,065	122,065
Change in Net Position	233,054	233,054
Net Position/(Deficit) - Beginning of Year	(156,752)	(156,752)
Net Position/(Deficit) - End of Year	\$ 76,302	\$ 76,302

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 921,181	\$ 921,181
Payments to Food Service Contractor	(275,928)	(275,928)
Payments to/for Employees	(494,212)	(494,212)
Payments to Suppliers	(85,639)	(85,639)
Net Cash Provided by Operating Activities	65,402	65,402
Cash Flows Used for Capital and Related Financing Activities:		
Purchases of Capital Assets	(10,356)	(10,356)
Net Cash Used for Capital and Related Financing Activities	(10,356)	(10,356)
Cash Flows from Noncapital Financing Activities:		
State Sources	3,327	3,327
Federal Sources	58,477	58,477
Net Cash Provided by Noncapital Financing Activities	61,804	61,804
Net Increase in Cash and Cash Equivalents	116,850	116,850
Cash and Cash Equivalents, July 1	273,438	273,438
Cash and Cash Equivalents, June 30	\$ 390,288	\$ 390,288

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Reconciliation of Operating Income/(Loss) to Net Cash		
Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ 110,989	\$ 110,989
Adjustment to Reconcile Operating Income/(Loss) to Net		
Cash Provided by/(Used for) Operating Activities:		
Depreciation	13,375	13,375
Food Distribution Program	19,166	19,166
Changes in Assets and Liabilities:		
Decrease in Other Accounts Receivable	1,432	1,432
Decrease in Inventory	9,712	9,712
Increase/(Decrease) in Accounts Payable	(2,259)	(2,259)
Increase in Unearned Revenue	4,891	4,891
(Decrease) in Compensated Absences Payable	(531)	(531)
(Decrease) in Net Pension Liability	(74,618)	(74,618)
Decrease in Deferred Outflows of Resources Related to Pensions	27,272	27,272
(Increase) in Deferred Inflows of Resources Related to Pensions	(44,027)	(44,027)
Net Cash Provided by Operating Activities	<u>\$ 65,402</u>	<u>\$ 65,402</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$21,117 and utilized U.S.D.A. Commodities valued at \$19,166.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials who are appointed by the Morris County Board of Commissioners and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. The District is a component unit of the County of Morris under the provisions of GASB Codification Section 2100.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets, or subscription assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the Board of School Estimate, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: Because Vocational School capital projects are authorized by the County Board of Commissioners under a bond ordinance and the subsequent debt is funded directly from the County budget, the Debt Service Fund does not apply to the Morris County Vocational School District.

Enterprise Fund: The Enterprise Funds account for all revenue and expenses pertaining to the Board's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Adult Education, Cosmetology, and Food Service Funds. These Enterprise Funds are 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 or to the public on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of County bond ordinances and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County Board of School Estimate, which consists of three Morris County commissioners and two Morris County Vocational School Board members. 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. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements. Bond Ordinance proceeds in the Capital Projects Fund are recognized on the budgetary basis in the year that the respective ordinance is authorized; while on a GAAP basis revenue is recognized based on actual expenditures.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 29,938,013	\$ 2,171,124
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(18,154)
Prior Year Encumbrances		45,140
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	157,929	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(175,861)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 29,920,081</u>	<u>\$ 2,198,110</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 29,252,425	\$ 2,174,181
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.		
Current Year Encumbrances		(18,154)
Prior Year Encumbrances		45,140
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 29,252,425</u>	<u>\$ 2,201,167</u>

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Furniture, Machinery and Equipment	10 to 15 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases are the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2024, the amount earned by these employees but not disbursed was \$385,891.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Unearned Revenue:

Unearned revenue in the special revenue fund and enterprise fund represent cash which has been received but not yet earned.

S. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

T. Fund Balance Appropriated:

General Fund: Of the \$4,234,559 General Fund fund balance at June 30, 2024, \$185,440 is restricted for unemployment compensation; \$36,297 is assigned for year end encumbrances; \$1,097,015 is restricted in the capital reserve account; \$316,543 is restricted in the maintenance reserve account; \$1,293,440 is restricted for excess surplus in accordance with N.J.S.A.18A:17F-7 as amended by P.L. 2004, C.73 (S1701) (\$528,661 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2025; \$764,779 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2026); and \$1,305,824 is unassigned, which is \$175,861 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2024 is \$262,507; \$143,328 is restricted for student activities and \$119,179 is restricted for scholarships.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2024 of \$19,048,048 is committed.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted 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 restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2024 as detailed above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments, and not the fund balance reported on the fund statement which excludes these state aid payments.

U. Deficit Net Position:

The District has a \$144,304 deficit in unrestricted net position in the Adult Education Enterprise Fund primarily due to the net pension liability and related deferred outflows and inflows. The District also has a deficit in Unrestricted Net Position for Total Enterprise Funds and Business-Type Activities of \$22,520 due to the same reason as Adult Education. These deficits do not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources at June 30, 2024 related to pensions.

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

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

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position: (Cont'd)

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

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, student activities, scholarships, excess surplus, and for unemployment compensation.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose.

The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2024.

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: county taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales or program fees, as applicable, for the various Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this Note on Investments.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash & Cash Equivalents					Total
		Capital Reserve	Maintenance Reserve	Student Activities	Scholarships	Unemployment Compensation	
Checking and Savings Accounts	\$ 7,202,179	\$1,097,015	\$ 316,543	\$143,328	\$ 119,179	\$ 185,440	\$ 9,063,684

The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$9,063,684 and the bank balance was \$11,070,815.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 16, 2000 in the amount of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP).

Upon submission of the LRFP to the State Department of Education, the district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both.

A district may also appropriate additional amounts with the express approval of the Board of School Estimate authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2023	\$ 331,533
Add:	
Interest Earnings	15,482
Transfer from Unassigned Fund Balance as per Board Resolution	<u>750,000</u>
Ending Balance, June 30, 2024	<u>\$ 1,097,015</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2024.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Transfers	Ending Balance
Governmental Activities:					
Capital Assets not Being Depreciated:					
Sites (Land)	\$ 308,215				\$ 308,215
Construction in Progress	5,588,213	\$13,128,278		\$ (8,049,894)	18,716,491
Total Capital Assets Not Being Depreciated	5,896,428	13,128,278		(8,049,894)	19,024,706
Capital Assets Being Depreciated:					
Site Improvements	1,130,704				1,130,704
Buildings and Building Improvements	33,058,775	30,390		8,049,894	33,089,165
Machinery and Equipment	4,910,027	324,837	\$ 37,122		5,271,986
Total Capital Assets Being Depreciated	39,099,506	355,227	37,122	8,049,894	39,491,855
Governmental Activities Capital Assets	44,995,934	13,483,505	37,122		58,516,561
Less Accumulated Depreciation for:					
Site Improvements	(1,116,445)	(792)			(1,117,237)
Buildings and Building Improvements	(11,230,403)	(595,208)			(11,825,611)
Machinery and Equipment	(3,518,550)	(307,119)	(12,663)		(3,838,332)
	(15,865,398)	(903,119)	(12,663)		(16,781,180)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$29,130,536	\$12,580,386	\$ 24,459	\$ -0-	\$41,735,381
Business Type Activities:					
Capital Assets Being Depreciated:					
Furniture and Equipment	\$ 246,431	\$ 10,356			\$ 256,787
Less Accumulated Depreciation	(144,590)	(13,375)			(157,965)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 101,841	\$ (3,019)	\$ -0-	\$ -0-	\$ 98,822

The District had \$18,716,491 in active construction projects as of June 30, 2024. These projects include renovations of the District's schools and grounds.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 13,293
Vocational Education	596,248
Other Instruction	2,598
Student and Instruction Related Services	4,133
General Administration	1,721
School Administration	4,121
Central Services	833
Administrative Information Technology	112,949
Plant Operations and Maintenance	52,712
Pupil Transportation	114,065
Special Schools	446
	<u>\$ 903,119</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024
Governmental Activities:				
Compensated Absences Payable	\$ 523,347	\$ 29,583		\$ 552,930
Net Pension Liability	5,054,774		\$ 206,442	4,848,332
	<u>\$ 5,578,121</u>	<u>\$ 29,583</u>	<u>\$ 206,442</u>	<u>\$ 5,401,262</u>
Business Type Activities:				
Compensated Absences Payable	\$ 15,240		\$ 531	\$ 14,709
Net Pension Liability	439,546		74,618	364,928
	<u>\$ 454,786</u>	<u>\$ -0-</u>	<u>\$ 75,149</u>	<u>\$ 379,637</u>
Total District-Wide	<u>\$ 6,032,907</u>	<u>\$ 29,583</u>	<u>\$ 281,591</u>	<u>\$ 5,780,899</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Morris Board of Commissioners by adopting a bond ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County of Morris Board of Commissioners are general obligation bonds of the County of Morris and therefore are not recorded as debt of the Morris County Vocational School District.

B. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded as either current or long-term portions. The current portion of the compensated absences balance of the governmental funds is \$41,385 and is separated from the long-term portion of compensated absences of \$511,545. The General Fund will be used to liquidate these compensated absences. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, the long-term portion of \$14,709 is recorded for compensated absences in the Adult Education Enterprise Fund and this fund will be used to liquidate this liability.

C. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded as a current and/or long-term portion and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$0 and the long-term portion is \$4,848,332. The Public Employees' Retirement System's (PERS) net pension liability of the proprietary fund types is recorded as a current and/or long-term portion and will be liquidated by the Adult Education Enterprise Fund. The current portion of the net pension liability at June 30, 2024 is \$0 and the long-term portion is \$364,928. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

A. Public Employees' Retirement System (PERS)

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401 (a).

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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 noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$415,296 of which \$448,169 was paid out of the General Fund and \$32,878 was paid out of Enterprise Funds. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$16,258 to the PERS for normal pension benefits on behalf of the District.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.50% 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 the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District reported a liability of \$4,848,332 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.036%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2022.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2024, the District recognized pension benefit of \$41,643. Additionally, for the fiscal year ended June 30, 2023, the State of New Jersey contributed \$16,258 to the PERS and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (28,318)
	2020	5.16		(257,669)
	2021	5.13	11,452	
	2022	5.04		(29,959)
			<u>11,452</u>	<u>(315,946)</u>
Changes in Proportion	2019	5.21		(1,917)
	2020	5.16	37,610	
	2021	5.13	15,757	
	2022	5.04	63,135	
	2023	5.08		(55,517)
			<u>116,502</u>	<u>(57,434)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	80,735	
	2021	5.00	(671,424)	
	2022	5.00	798,831	
	2023	5.00	(184,134)	
			<u>24,008</u>	
Difference Between Expected and Actual Experience	2019	5.21	2,164	
	2020	5.16	14,356	
	2021	5.13		(9,108)
	2022	5.04		(12,202)
	2023	5.08	33,325	
			<u>49,845</u>	<u>(21,310)</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	485,409	
			<u>\$ 687,216</u>	<u>\$ (394,690)</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (275,241)
2025	(153,629)
2026	214,686
2027	(38,420)
2028	652
	<u>\$ (251,951)</u>

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 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 pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June, 30 2023 are summarized in the following table:

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market 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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make ALL projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

June 30, 2023			
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,786,556	\$ 5,213,260	\$ 3,874,178

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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.

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

Service retirement benefits of 1/55th 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 to Tier 5 members upon reaching age 65.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members 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 contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For 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 nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$3,058,966 to the TPAF for normal pension benefits on behalf of the District, which is the same as the contractually required contribution of \$908,068.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$36,962,774. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0724%, which was an increase of 0.0037% from its proportion measured as of June 30, 2022.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>36,962,774</u>
Total	<u>\$ 36,962,774</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$908,068 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	<u>82,066,487</u>	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	<u>169,161,907</u>	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	<u>(477,296,442)</u>	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows.

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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

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

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market 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 – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 43,585,818	\$ 36,962,774	\$ 31,384,597

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$9,648 of which \$9,648 was paid out of governmental funds and \$2,452 was paid out of Enterprise Funds for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$22,145 for the fiscal year ended June 30, 2024.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. 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. The District obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ.

Property, Liability and Health Benefits

The Morris County Vocational School District is a member of the Morris County Insurance Fund (the “Fund”). This public entity risk management pool provides general liability, property and automobile coverage for its members. The Morris County Vocational School District is also a member of the Morris-Essex Insurance Group (the “Group”). This public entity risk management pool provides workers’ compensation coverage for its members.

A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund and the Group are risk-sharing public entity risk management pools that are an insured and self-administered group of school boards or other governmental entities established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund/Group are elected.

As a member of the Fund/Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of either the Fund/Group were to be exhausted, members would become responsible for their respective shares of the respective Fund’s liabilities. The Fund/Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2024 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Fund and the Group dated December 31, 2023 and June 30, 2023, respectively, are detailed below:

	Morris County Insurance Fund Dec. 31, 2023	Morris-Essex Insurance Group June 30, 2023
Total Assets	\$ 15,313,761	\$ 11,649,761
Net Position	\$ 10,907,485	\$ 7,344,918
Total Revenue	\$ 7,470,696	\$ 4,363,092
Total Expenses	\$ 4,763,972	\$ 3,537,129
Change in Net Position	\$ 2,706,724	\$ (149,624)
Members Dividends	\$ -0-	\$ 975,587

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

Financial statements for the pools are available at the various Executive Directors' Offices:

Morris County Insurance Fund

Administration & Records Building
Court Street, P.O. Box 900
Morristown, NJ 07963-0900

Morris-Essex Insurance Group

Burton Agency
44 Bergen Street
P.O. Box 270
Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 8,585	\$ 20,368	\$ 16,173	\$ 185,440
2022-2023	5,671	28,267	6,661	172,660
2021-2022	398	36,694	20,559	145,383

NOTE 9. ECONOMIC DEPENDENCY

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

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 66,148	
Special Revenue Fund		\$ 66,148
	<u>\$ 66,148</u>	<u>\$ 66,148</u>

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. The deficit is due to the timing between expenditure and reimbursement of federal grant funds from the State.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. 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:

AXA Equitable
Lincoln Financial Advisors Corp
MetLife Resources
Primerica Financial Services
VALIC Financial Advisors, Inc.

NOTE 12. TAX CALENDAR

Property taxes are levied by the County as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipalities and are remitted to the County who then disburses those funds to the School District on a predetermined mutually agreed-upon schedule.

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2024 were:

	Governmental Funds			District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Enterprise Funds/ Business Type Activities			
	General Fund	Special Revenue Fund	Capital Projects Fund			Adult Education	Food Service	District Contribution Subsequent to the Measure- ment Date	Total
Accrued Salaries	\$ 385,891				\$ 385,891				
State of New Jersey	1,433	\$ 53,411		\$ 451,430	506,274			\$ 33,979	\$ 33,979
Vendors	118,754	106,888	\$2,927,623		3,153,265	\$ 2,083	\$ 14,005		16,088
Payroll Deductions and Withholdings	112,792				112,792				
	<u>\$ 618,870</u>	<u>\$ 160,299</u>	<u>\$2,927,623</u>	<u>\$ 451,430</u>	<u>\$ 4,158,222</u>	<u>\$ 2,083</u>	<u>\$ 14,005</u>	<u>\$ 33,979</u>	<u>\$ 50,067</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u>\$ 36,297</u>	<u>\$ 18,154</u>	<u>\$ 11,542,298</u>	<u>\$ 11,596,749</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$36,297 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$18,154 more than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$11,542,298 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$19,048,048 committed fund balance on a GAAP basis at June 30, 2024.

NOTE 15. MAINTENANCE RESERVE

A maintenance reserve account was established by Board resolution on June 13, 2017. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 15. MAINTENANCE RESERVE (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2023	\$ 216,218
Add:	
Interest Earnings	325
Transfer from Unassigned Fund Balance as per Board Resolution	<u>100,000</u>
Ending Balance, June 30, 2024	<u>\$ 316,543</u>

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that 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 Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, 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: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more 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.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

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

Total Nonemployer OPEB Liability

The total nonemployer 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.

Actuarial Assumptions and Other Inputs

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.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

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

Mortality Rates

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

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 25,991,813
Changes for Year:	
Service Cost	1,270,800
Interest on the Total OPEB Liability	941,290
Changes of Assumptions	53,870
Differences between Expected and Actual Experience	(821,218)
Gross Benefit Payments by the State	(733,751)
Contributions from Members	24,122
	<u>735,113</u>
Net Changes	
	<u>\$ 26,726,926</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 31,332,732	\$ 26,726,926	\$ 23,028,998

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 22,187,469	\$ 26,726,926	\$ 32,666,817

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$929,589 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 963,072
	2018	9.51		996,866
	2019	9.29	\$ 146,655	
	2020	9.24	3,585,463	
	2021	9.24	20,407	
	2022	9.13		5,415,738
	2023	9.30	48,078	
			<u>3,800,603</u>	<u>7,375,676</u>
Differences Between Expected and Actual Experience	2018	9.51		942,348
	2019	9.29		1,726,134
	2020	9.24	3,341,792	
	2021	9.24		3,924,496
	2022	9.13	557,743	
	2023	9.30		446,628
			<u>3,899,535</u>	<u>7,039,606</u>
Changes in Proportion	N/A	N/A	<u>1,312,767</u>	<u>1,676,829</u>
			<u>\$ 9,012,905</u>	<u>\$ 16,092,111</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,332,846)
2025	(1,332,846)
2026	(1,158,431)
2027	(682,967)
2028	(139,795)
Thereafter	<u>(2,068,259)</u>
	<u>\$ (6,715,144)</u>

REQUIRED SUPPLEMENTARY
INFORMATION

SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS AND POSTEMPLOYMENT
BENEFITS OTHER THAN PENSION

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0349534257%	0.0352924015%	0.0372681588%	0.0362173431%	0.0351497047%	0.0349395601%	0.0356827237%	0.0358567315%	0.0364070196%	0.0359923074%
District's proportionate share of the net pension liability	\$ 6,544,237	\$ 7,922,437	\$ 11,037,760	\$ 8,430,818	\$ 6,920,802	\$ 6,295,579	\$ 5,818,919	\$ 4,247,767	\$ 5,494,320	\$ 5,213,260
District's covered employee payroll	\$ 2,179,946	\$ 2,422,162	\$ 2,492,294	\$ 2,425,577	\$ 2,443,819	\$ 2,568,431	\$ 2,652,269	\$ 2,649,136	\$ 2,719,818	\$ 2,657,280
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	300.20%	327.08%	442.88%	347.58%	283.20%	245.11%	219.39%	160.35%	202.01%	196.19%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 288,151	\$ 303,420	\$ 331,085	\$ 301,881	\$ 320,506	\$ 353,637	\$ 390,351	\$ 419,924	\$ 462,470	\$ 481,047
Contributions in relation to the contractually required contribution	(288,151)	(303,420)	(331,085)	(301,881)	(320,506)	(353,637)	(390,351)	(419,924)	(462,470)	(481,047)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,687,142	\$ 2,492,294	\$ 2,425,577	\$ 2,443,819	\$ 2,568,431	\$ 2,652,269	\$ 2,649,136	\$ 2,719,818	\$ 2,657,280	\$ 2,863,852
Contributions as a percentage of covered employee payroll	10.72%	12.17%	13.65%	12.35%	12.48%	13.33%	14.74%	15.44%	17.40%	16.80%

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 ASSOCIATED WITH THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0704692184%	0.0717234089%	0.0684626190%	0.0708307882%	0.0684010400%	0.0697109565%	0.0704354387%	0.0689338982%	0.0687335564%	0.0724296301%
State's proportionate share of the net pension liability attributable to the District	\$ 37,662,969	\$ 45,332,257	\$ 53,857,055	\$ 47,756,671	\$ 43,515,255	\$ 42,782,280	\$ 46,380,889	\$ 33,140,102	\$ 35,462,677	\$ 36,962,774
District's covered employee payroll	\$ 6,321,247	\$ 7,023,608	\$ 7,128,713	\$ 7,083,538	\$ 7,147,295	\$ 7,605,193	\$ 7,662,496	\$ 8,119,139	\$ 8,422,225	\$ 8,635,483
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	595.82%	645.43%	755.49%	674.19%	608.84%	562.54%	605.30%	408.17%	421.06%	428.03%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	62.91%	34.68%

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 2,026,621	\$ 2,767,942	\$ 4,046,608	\$ 3,308,340	\$ 2,536,787	\$ 2,523,413	\$ 2,884,161	\$ 2,020,117	\$ 2,876,672	\$ 3,017,874
Contributions in relation to the contractually required contribution	(387,763)	(548,138)	(768,850)	(1,007,305)	(1,371,046)	(1,544,919)	(2,003,825)	(2,829,524)	(2,960,967)	(3,058,966)
Contribution deficiency/(excess)	\$ 1,638,858	\$ 2,219,804	\$ 3,277,758	\$ 2,301,035	\$ 1,165,741	\$ 978,494	\$ 880,336	\$ (809,407)	\$ (84,295)	\$ (41,092)
District's covered employee payroll	\$ 7,023,608	\$ 7,128,713	\$ 7,083,538	\$ 7,147,295	\$ 7,605,193	\$ 7,662,496	\$ 8,119,139	\$ 8,422,225	\$ 8,635,483	\$ 8,634,717
Contributions as a percentage of covered employee payroll	5.52%	7.69%	10.85%	14.09%	18.03%	20.16%	24.68%	33.60%	34.29%	35.43%

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,321,392	\$ 1,108,213	\$ 1,018,681	\$ 1,116,554	\$ 1,918,085	\$ 1,621,956
Interest Cost	852,895	997,424	955,855	818,688	826,921	688,812
Changes of Benefit Terms					(33,929)	
Changes in Assumptions	(3,415,035)	(2,755,657)	336,545	6,486,014	31,449	(6,972,537)
Differences between Expected and Actual Experience		(1,776,706)	(3,080,462)	5,114,072	(5,742,942)	(562,936)
Member Contributions	23,079	22,192	20,539	18,736	21,140	21,888
Gross Benefit Payments	(626,768)	(642,110)	(692,883)	(618,158)	(651,382)	(682,288)
Net Change in Total OPEB Liability	(1,844,437)	(3,046,644)	(1,441,725)	12,935,906	(3,630,658)	(5,885,105)
Total OPEB Liability - Beginning	28,904,476	27,060,039	24,013,395	22,571,670	35,507,576	31,876,918
Total OPEB Liability - Ending	\$ 27,060,039	\$ 24,013,395	\$ 22,571,670	\$ 35,507,576	\$ 31,876,918	\$ 25,991,813
District's Covered Employee Payroll *	\$ 9,621,007	\$ 9,509,115	\$ 9,591,114	\$ 10,173,624	\$ 10,314,765	\$ 10,768,275
Total OPEB Liability as a Percentage of Covered Employee Payroll	35.55%	39.60%	42.49%	28.65%	32.36%	41.43%
						41.69%

* Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021, 2022 and 2023, are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B.TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
County Tax Levy	\$ 6,501,286		\$ 6,501,286	\$ 6,501,286	
Tuition From Individuals	366,270		366,270	380,864	\$ 14,594
Tuition From LEAs	16,559,851		16,559,851	16,102,330	(457,521)
Unrestricted Miscellaneous Revenues	205,018		205,018	563,889	358,871
Interest Earned on Maintenance Reserve	100		100	325	225
Interest Earned on Capital Reserve Funds	5,000		5,000	15,482	10,482
Total Revenues from Local Sources	<u>23,637,525</u>		<u>23,637,525</u>	<u>23,564,176</u>	<u>(73,349)</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,177,979		1,177,979	1,177,979	
Equalization Aid	73,419		73,419	73,419	
Categorical Security Aid	90,697		90,697	90,697	
Adjustment Aid	474,062		474,062	474,062	
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				842,033	842,033
On-Behalf TPAF Pension Contributions (Non-Budgeted)				3,058,966	3,058,966
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				34,886	34,886
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,430	1,430
Reimbursed TPAF Social Security Contributions				620,365	620,365
Total Revenues from State Sources	<u>1,816,157</u>		<u>1,816,157</u>	<u>6,373,837</u>	<u>4,557,680</u>
TOTAL REVENUE	<u>25,453,682</u>		<u>25,453,682</u>	<u>29,938,013</u>	<u>4,484,331</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 3,190,790	\$ (20,430)	\$ 3,170,360	\$ 2,989,763	\$ 180,597
Purchased Professional-Educational Services	6,024,990	3,758	6,028,748	5,673,636	355,112
Other Purchased Services (400-500 series)	48,907	276	49,183	31,204	17,979
General Supplies	248,276	2,425	250,701	203,678	47,023
Textbooks	29,000		29,000	16,827	12,173
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000		7,000	3,015	3,985
Purchased Professional-Educational Services	12,000	1,080	13,080	7,156	5,924
Other Purchased Services (400-500 series)	5,500		5,500		5,500
Total Regular Programs - Instruction	9,566,463	(12,891)	9,553,572	8,925,279	628,293
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	822,218		822,218	701,448	120,770
Other Purchased Services (400-500 series)	3,200	537	3,737	3,137	600
General Supplies	1,000		1,000	809	191
Total Resource Room/Resource Center	826,418	537	826,955	705,394	121,561
TOTAL SPECIAL EDUCATION - INSTRUCTION	826,418	537	826,955	705,394	121,561

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
VOCATIONAL PROGRAMS					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 2,520,418	\$ 6,310	\$ 2,526,728	\$ 2,432,479	\$ 94,249
Other Salaries for Instruction	43,547		43,547	43,547	
Purchased Professional-Educational Services	27,910	2,193	30,103	27,047	3,056
Purchased Technical Services	21,800	123	21,923	14,597	7,326
Other Purchased Services (400-500 series)	121,504	(11,954)	109,550	61,874	47,676
General Supplies	438,313	(20,354)	417,959	369,670	48,289
Textbooks	81,564	(1,242)	80,322	61,642	18,680
Other Objects	4,205	5,132	9,337	5,322	4,015
Total Regular Vocational Programs - Instruction	3,259,261	(19,792)	3,239,469	3,016,178	223,291
Special Vocational Programs - Instruction:					
Salaries of Teachers	72,098		72,098	72,098	
Other Purchased Services (400-500 series)	4,845	85	4,930	2,022	2,908
General Supplies	16,300	(85)	16,215	14,301	1,914
Total Spl. Vocational Prog. - Instruction	93,243		93,243	88,421	4,822
Total Vocational Programs	3,352,504	(19,792)	3,332,712	3,104,599	228,113
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	132,485	2,165	134,650	134,650	
Purchased Services (300-500 series)	2,100	(1,728)	372		372
Supplies and Materials	1,000		1,000	60	940
Other Objects	43,000	19,061	62,061	61,755	306
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	178,585	19,498	198,083	196,465	1,618

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 200,128	\$ 1,707	\$ 201,835	\$ 201,835	
Purchased Services (300-500 series)	99,590	(2,203)	97,387	93,758	\$ 3,629
Supplies and Materials	34,759	(6,781)	27,978	26,578	1,400
Other Objects	17,345	1,768	19,113	18,793	320
Total School-Sponsored Athletics - Instruction	351,822	(5,509)	346,313	340,964	5,349
TOTAL INSTRUCTION	14,275,792	(18,157)	14,257,635	13,272,701	984,934
Undistributed Expend. - Attend. & Social Work:					
Salaries	51,538		51,538	51,538	
Supplies and Materials	1,000	(800)	200		200
Total Undist. Expend. - Attendance and Social Work	52,538	(800)	51,738	51,538	200
Undistributed Expenditures - Health Services:					
Salaries	125,025		125,025	124,528	497
Purchased Professional and Technical Services	17,250	8	17,258	16,180	1,078
Other Purchased Services (400-500 series)	1,200	(1,200)			
Supplies and Materials	9,570	1,991	11,561	11,515	46
Total Undist. Expenditures - Health Services	153,045	799	153,844	152,223	1,621

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 878,500	\$ (7,795)	\$ 870,705	\$ 860,904	\$ 9,801
Salaries of Secretarial and Clerical Assistants	121,145	297	121,442	121,442	
Other Salaries	110,959	7,167	118,126	107,207	10,919
Purchased Professional - Educational Services	4,100	(195)	3,905	2,262	1,643
Other Purchased Services (400-500 series)	71,445	(2,241)	69,204	53,098	16,106
Supplies and Materials	28,745	(6,514)	22,231	9,489	12,742
Other Objects	9,180	2,034	11,214	10,840	374
Total Undist Expend. - Guidance	1,224,074	(7,247)	1,216,827	1,165,242	51,585
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	374,312	8,581	382,893	310,133	72,760
Purchased Professional - Educational Services	3,000	3,000	6,000	1,085	4,915
Other Purchased Services (400-500 series)	1,800		1,800	325	1,475
Total Undist Expend. - Child Study Team	379,112	11,581	390,693	311,543	79,150
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	526,411	(10,673)	515,738	492,683	23,055
Salaries of Secretarial and Clerical Assistants	150,186		150,186	144,860	5,326
Purchased Professional - Educational Services	2,000	(901)	1,099	1,056	43
Other Purchased Services (400-500 series)	39,414	(4,343)	35,071	34,709	362
Supplies and Materials	14,350	(10,718)	3,632	3,209	423
Other Objects	2,918	2,790	5,708	5,614	94
Total Undist. Expend.-Improv. of Inst. Serv.	735,279	(23,845)	711,434	682,131	29,303

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 111,944	\$ 10,430	\$ 122,374	\$ 122,374	
Other Purchased Services (400-500 series)	34,194		34,194	33,709	\$ 485
Supplies and Materials	4,606		4,606	4,160	446
Total Undist Expend-Edu. Media Serv./Sch. Library	150,744	10,430	161,174	160,243	931
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	345,226		345,226	333,528	11,698
Legal Services	62,000	18,000	80,000	57,982	22,018
Audit Fees	52,000	3,200	55,200	55,200	
Architectural/Engineering Services	40,000	(26,130)	13,870		13,870
Other Purchased Professional Services	1,000	5,130	6,130	5,290	840
Communications / Telephone	32,688	3,000	35,688	27,478	8,210
Other Purch. Serv. (400-500 series other than 530 & 585)	52,800	(2,851)	49,949	38,064	11,885
General Supplies	2,845	5,183	8,028	7,941	87
Miscellaneous Expenditures	33,450	500	33,950	33,396	554
Total Undist. Expend.-Support Serv.-Gen. Admin.	622,009	6,032	628,041	558,879	69,162
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	767,903		767,903	756,732	11,171
Salaries of Secretarial and Clerical Assistants	302,033		302,033	250,128	51,905
Other Salaries	2,000		2,000	1,452	548
Purchased Professional and Technical Services	16,090	(3,892)	12,198	11,198	1,000
Other Purchased Services (400-500 series)	13,350	5,796	19,146	16,743	2,403
Supplies and Materials	28,554	2,845	31,399	29,544	1,855
Other Objects	1,000	11,955	12,955	8,270	4,685
Total Undist. Expend.-Support Serv.-School Adm.	1,130,930	16,704	1,147,634	1,074,067	73,567

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 515,086		\$ 515,086	\$ 506,363	\$ 8,723
Purchased Professional Services	1,000	\$ 5,783	6,783	6,783	
Miscellaneous Purchased Services (400-500 series other than 594)	39,360	(5,083)	34,277	29,653	4,624
Supplies and Materials	7,575		7,575	5,273	2,302
Other Objects	4,970	(2,200)	2,770	1,924	846
Total Undist. Expend. - Central Services	567,991	(1,500)	566,491	549,996	16,495
Undist. Expend. - Admin. Info. Technology:					
Salaries	294,038		294,038	293,798	240
Purchased Professional Services	13,400	(6,707)	6,693	6,693	
Other Purchased Services (400-500 series)	53,919	9,351	63,270	44,002	19,268
Supplies and Materials	29,000	(18,692)	10,308	10,061	247
Total Undist. Expend. - Admin. Info. Technology	390,357	(16,048)	374,309	354,554	19,755
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	324,470	1,248	325,718	325,343	375
Cleaning, Repair, and Maintenance Services	282,474	(10,279)	272,195	209,236	62,959
General Supplies	90,500	3,281	93,781	90,237	3,544
Other Objects	2,150	5,620	7,770	6,463	1,307
Total Undist. Expend.- Required Maint. for School Facilities	699,594	(130)	699,464	631,279	68,185

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 480,908	\$ (1,248)	\$ 479,660	\$ 469,805	\$ 9,855
Purchased Professional and Technical Services	36,080	(296)	35,784	30,570	5,214
Cleaning, Repair, and Maintenance Services	43,689	11,359	55,048	54,417	631
Lease Purchase Pymts - Energy Savings Impr Prog	77,910		77,910	77,909	1
Other Purchased Property Services	15,000	(1,605)	13,395	8,843	4,552
Insurance	51,250		51,250	18,780	32,470
Miscellaneous Purchased Services	6,210		6,210	2,168	4,042
General Supplies	55,250	(4,859)	50,391	47,592	2,799
Energy (Natural Gas)	182,000	2,400	184,400	184,400	
Energy (Electricity)	213,000	23,029	236,029	235,217	812
Other Objects	5,300		5,300	4,569	731
Total Undist. Expend.-Custodial Services	1,166,597	28,780	1,195,377	1,134,270	61,107
Care and Upkeep of Grounds:					
Salaries	47,855		47,855	47,855	
Cleaning, Repair, and Maintenance Services	3,325		3,325	225	3,100
General Supplies	6,621		6,621	3,123	3,498
Total Care And Upkeep Of Grounds	57,801		57,801	51,203	6,598
Security:					
Salaries	81,133		81,133	80,422	711
Purchased Professional and Technical Services	114,422	3,578	118,000	117,904	96
General Supplies	8,090	(278)	7,812	7,618	194
Total Security	203,645	3,300	206,945	205,944	1,001
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	2,127,637	31,950	2,159,587	2,022,696	136,891

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	\$ 35,000		\$ 35,000	\$ 34,345	\$ 655
Other Purchased Professional and Technical Services	1,000	510	1,510	1,356	154
Cleaning, Repair, and Maint. Services	10,000	38,244	48,244	47,843	401
Rental Payments - School Buses	2,000	(720)	1,280		1,280
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.		3,705	3,705	3,465	240
Contract. Serv.(Reg. Students)-ESCs & CTSA's	271,889	(29,437)	242,452	220,541	21,911
Misc. Purchased Serv. - Transportation	750	435	1,185	1,185	
General Supplies	2,000	(304)	1,696	219	1,477
Total Undist. Expend.-Student Trans. Serv.	322,639	12,433	335,072	308,954	26,118
UNALLOCATED BENEFITS					
Group Insurance					
Social Security Contributions	278,857	4,449	283,306	282,976	330
Other Retirement Contributions - PERS	487,799	(59,019)	428,780	415,296	13,484
Other Retirement Contributions - Regular	23,694		23,694	9,648	14,046
Unemployment Compensation	25,000	(2,996)	22,004		22,004
Workers Compensation	135,180	2,996	138,176	138,176	
Health Benefits	2,337,188	(14,529)	2,322,659	2,135,218	187,441
Tuition Reimbursement	72,217		72,217	37,550	34,667
Other Employee Benefits	198,983	14,529	213,512	210,920	2,592
Unused Sick Payment to Terminated/Retired Staff	40,000		40,000	40,000	
TOTAL UNALLOCATED BENEFITS	3,598,918	(54,570)	3,544,348	3,269,784	274,564
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				842,033	(842,033)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				3,058,966	(3,058,966)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				34,886	(34,886)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,430	(1,430)
Reimbursed TPAF Social Security Contributions				620,365	(620,365)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				4,557,680	(4,557,680)

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,598,918	\$ (54,570)	\$ 3,544,348	\$ 7,827,464	\$ (4,283,116)
TOTAL UNDISTRIBUTED EXPENDITURES	11,455,273	(14,081)	11,441,192	15,219,530	(3,778,338)
TOTAL GENERAL CURRENT EXPENSE	25,731,065	(32,238)	25,698,827	28,492,231	(2,793,404)
CAPITAL OUTLAY					
Equipment	12,000		12,000		12,000
Grades 9-12					
Vocational Programs:	78,994	(8,750)	70,244	69,001	1,243
Undistributed:					
Undistributed Expenditures - General Admin.	2,500	2,588	2,588	2,299	289
Undistributed Expenditures - School Admin.	69,427	1,683	4,183	4,183	
Undistributed Expenditures - Admin. Info. Tech.	2,600	30,048	99,475	91,228	8,247
Undist. Expend. - Custodial Services	3,200	2,959	2,600	6,159	2,600
Undist. Expend. - Care and Upkeep of Grounds	181,478	(2,960)	178,518	172,248	6,270
School Buses - Regular	350,199	25,568	375,767	345,118	30,649
Total Equipment					
Facilities Acquisition and Construction Serv.:	57,548		57,548	57,548	
Assessment for Debt Service on SDA Funding	57,548		57,548	57,548	
Total Facilities Acquisition and Const. Serv.	407,747	25,568	433,315	402,666	30,649
TOTAL CAPITAL OUTLAY					

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Post-Secondary Programs - Instruction:					
Salaries of Teachers	\$ 201,539		\$ 201,539	\$ 194,195	\$ 7,344
Purchased Professional and Technical Services	3,940	\$ (350)	3,590	2,480	1,110
Other Purchased Services (400-500 series)	6,200	4,785	10,985	10,506	479
General Supplies	7,248	(1,487)	5,761	4,758	1,003
Textbooks		4,620	4,620	4,620	
Other Objects	500		500		500
Total Post-Secondary Programs - Instruction	219,427	7,568	226,995	216,559	10,436
Post-Secondary Programs - Support Services:					
Salaries	73,236	(4,411)	68,825	63,184	5,641
Personal Services - Employee Benefits	75,557	3,513	79,070	77,785	1,285
Total Post-Secondary Programs - Support Services	148,793	(898)	147,895	140,969	6,926
TOTAL SPECIAL SCHOOLS	368,220	6,670	374,890	357,528	17,362
TOTAL EXPENDITURES	26,507,032		26,507,032	29,252,425	(2,745,393)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,053,350)		(1,053,350)	685,588	1,738,938

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 3,724,832		\$ 3,724,832	\$ 3,724,832	
Fund Balance, June 30	\$ 2,671,482	\$ -0-	\$ 2,671,482	\$ 4,410,420	\$ 1,738,938
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 764,779	
Excess Surplus - Restricted For 2024-2025				528,661	
Capital Reserve				1,097,015	
Maintenance Reserve				316,543	
Unemployment Compensation				185,440	
Assigned Fund Balance:					
Year End Encumbrances				36,297	
Unassigned Fund Balance				1,481,685	
				<u>4,410,420</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(175,861)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,234,559</u>	

MORRIS COUNTY VO TECH
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 136,327	\$ 58,392	\$ 194,719	\$ 178,262	\$ (16,457)
State Sources		189,424	189,424	146,499	(42,925)
Federal Sources	1,628,288	286,584	1,914,872	1,846,363	(68,509)
Total Revenues	1,764,615	534,400	2,299,015	2,171,124	(127,891)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	337,451	(6,587)	330,864	278,670	52,194
Purchased Professional and Technical Services	198,600	(12,753)	185,847	173,677	12,170
Other Purchased Services	26,412	45,000	71,412	64,842	6,570
General Supplies	174,422	83,663	258,085	225,078	33,007
Other Objects	608	856	1,464	1,464	
Total Instruction	737,493	110,179	847,672	743,731	103,941
Support Services:					
Salaries of Other Professional Staff	165,201	47,717	212,918	157,979	54,939
Other Salaries	142,767	20,443	163,210	162,276	934
Personal Services - Employee Benefits	170,232	45,394	215,626	144,385	71,241
Purchased Professional and Technical Services	87,750	19,167	106,917	101,880	5,037
Other Purchased Professional Services	600		600		600
Other Purchased Services	320,299	42,045	362,344	328,511	33,833
Tuition				199,369	(199,369)
Supplies and Materials	31,381	72,736	104,117	53,333	50,784
Scholarships		3,350	3,350	3,350	
Student Activities		173,369	173,369	173,369	
Total Support Services	918,230	424,221	1,342,451	1,324,452	17,999
Facilities Acquisition and Construction Services:					
Instructional Equipment	108,892		108,892	105,998	2,894
Total Facilities Acquisition and Construction Services	108,892		108,892	105,998	2,894
Total Expenditures	\$ 1,764,615	\$ 534,400	\$ 2,299,015	\$ 2,174,181	\$ 124,834
Deficit of Revenue Under Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (3,057)	\$ (3,057)

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 29,938,013	\$ 2,171,124
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(18,154)
Prior Year Encumbrances		45,140
Prior Year State Aid Payments not Recognized for Budgetary Purposes, Recognized for GAAP Statements	157,929	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(175,861)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 29,920,081</u>	<u>\$ 2,198,110</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 29,252,425	\$ 2,174,181
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.:		
Current Year Encumbrances		(18,154)
Prior Year Encumbrances		45,140
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 29,252,425</u>	<u>\$ 2,201,167</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the Morris County School Board of Estimate, which consists of three Morris County Commissioners and two Morris County Vocational School District board members. 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. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SPECIAL REVENUE FUND

MORRIS COUNTY VO TECH
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund					
	American Rescue Plan					
	Accelerated	Evidence Based	NTJSS Mental Health	Adult Basic		
	Learning Coach and	Comprehensive Beyond	Support Staffing	Skills		
	Educator Support	the School Day				
REVENUES:						
Local Sources						
State Sources						
Federal Sources						
Total Revenues						
EXPENDITURES:						
Instruction:						
Salaries of Teachers	17,908					157,459
Purchased Professional and Technical Services	4,722	14,980				45,642
Other Purchased Services						22,734
General Supplies						
Other Objects						
Total Instruction	22,630	14,980				225,835
Support Services:						
Salaries of Other Professional Staff						
Other Salaries	52,160	694				124,066
Personal Services - Employee Benefits	7,630					68,657
Purchased Professional and Technical Services	4,595					
Other Purchased Services	22,621	7,929	20,150			287,157
Tuition						
Supplies and Materials	15,000					2,742
Scholarships						
Student Activities						
Total Support Services	102,006	8,623	20,150			482,622
Facilities Acquisition and Construction Services:						
Instructional Equipment						10,356
Total Facilities Acquisition and Construction Services						10,356
Total Expenditures	124,636	8,623	20,150			718,813

MORRIS COUNTY VO TECH
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Carl D. Perkins Act				IDEA Part B, Basic
	Post Secondary	Secondary	Secondary - Reserve		
REVENUES:					
Local Sources					
State Sources	\$ 128,538	\$ 404,725	\$ 67,907	\$ 232,751	
Federal Sources					
Total Revenues	128,538	404,725	67,907	232,751	
EXPENDITURES:					
Instruction:					
Salaries of Teachers		45,736		57,567	
Purchased Professional and Technical Services	73,853	80,122			
Other Purchased Services					
General Supplies	34,572	142,816	17,008	7,948	
Other Objects		1,464			
Total Instruction	108,425	270,138	17,008	65,515	
Support Services:					
Salaries of Other Professional Staff		30,392		71,427	
Other Salaries	6,424	20,062	3,400		
Personal Services - Employee Benefits		5,695		65,438	
Purchased Professional and Technical Services	5,350	33,089		12,741	
Other Purchased Services		5,545			
Tuition					
Supplies and Materials				17,630	
Scholarships					
Student Activities					
Total Support Services	11,774	94,783	3,400	167,236	
Facilities Acquisition and Construction Services:					
Instructional Equipment	8,339	39,804	47,499		
Total Facilities Acquisition and Construction Services	8,339	39,804	47,499		
Total Expenditures	\$ 128,538	\$ 404,725	\$ 67,907	\$ 232,751	

MORRIS COUNTY VO TECH
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Student Activities	Scholarships	Subsidized	Stafford Loans Unsubsidized	Pell Grant
REVENUES:					
Local Sources	\$ 173,078	\$ 584			
State Sources					
Federal Sources			\$ 57,649	\$ 64,826	\$ 76,894
Total Revenues	173,078	584	57,649	64,826	76,894
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					
Other Purchased Services					
General Supplies					
Other Objects					
Total Instruction					
Support Services:					
Salaries of Other Professional Staff					
Other Salaries					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					
Other Purchased Services					
Tuition			57,649	64,826	76,894
Supplies and Materials		3,350			
Scholarships	173,369				
Student Activities					
Total Support Services	173,369	3,350	57,649	64,826	76,894
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	173,369	3,350	57,649	64,826	76,894

MORRIS COUNTY VO TECH
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SDA Emergent and Capital Maintenance Needs	Local Donations	Title IIA	Totals
REVENUES:				
Local Sources				178,262
State Sources	\$ 17,961	\$ 4,600		146,499
Federal Sources			\$ 54,409	1,846,363
Total Revenues	17,961	4,600	54,409	2,171,124
EXPENDITURES:				
Instruction:				
Salaries of Teachers				278,670
Purchased Professional and Technical Services				173,677
Other Purchased Services			19,200	64,842
General Supplies				225,078
Other Objects				1,464
Total Instruction			19,200	743,731
Support Services:				
Salaries of Other Professional Staff		4,000		157,979
Other Salaries				162,276
Personal Services - Employee Benefits				144,385
Purchased Professional and Technical Services				101,880
Other Purchased Services		600	35,209	328,511
Tuition				199,369
Supplies and Materials	17,961			53,333
Scholarships				3,350
Student Activities				173,369
Total Support Services	17,961	4,600	35,209	1,324,452
Facilities Acquisition and Construction Services:				
Instructional Equipment				105,998
Total Facilities Acquisition and Construction Services				105,998
Total Expenditures	17,961	\$ 4,600	\$ 54,409	\$ 2,174,181

CAPITAL PROJECTS FUND

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:	
County Improvement Authorization	\$ 8,022,749
Total Revenue and Other Financing Sources	<u>8,022,749</u>
Expenditures:	
Purchased Professional and Technical Services	787,362
Construction Services	<u>12,340,916</u>
Total Expenditures	<u>13,128,278</u>
Excess/(Deficiency) of Revenues and Other Financing Sources	
Over/(Under) Expenditures	(5,105,529)
Fund Balance - Beginning of Year	<u>24,153,577</u>
Fund Balance - End of Year	<u><u>\$ 19,048,048</u></u>
<u>Recapitulation:</u>	
Committed	\$ 7,505,750
Committed - Year End Encumbrances	<u>11,542,298</u>
Total Fund Balance - Budgetary Basis/GAAP Basis	<u><u>\$ 19,048,048</u></u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS BUILDING PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 2,627,440		\$ 2,627,440	\$ 2,627,440
Total Revenue and Other Financing Sources	2,627,440		2,627,440	2,627,440
Expenditures:				
Purchased Professional and Technical Services	196,137		196,137	519,529
Construction Services	1,872,824		1,872,824	1,550,432
Total Expenditures	2,068,961		2,068,961	2,069,961
Other Financing Uses:				
Transfer to 2020 Various Building Projects	(154,790)	\$ 1,000	(153,790)	(153,790)
Transfer to County College of Morris Renovations to Building #4 and Construction of New Educational Facility	(399,778)	(3,911)	(403,689)	(403,689)
Total Other Financing Uses	(554,568)	(2,911)	(557,479)	(557,479)
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 3,911	\$ (2,911)	\$ 1,000	\$ -0-
Analysis of Balance				
Committed Fund Balance			\$ 1,000	
			\$ 1,000	

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 2,627,440
Original Authorized Cost	\$ 2,627,440
Transfers to Other Projects	(557,479)
Revised Authorized Cost	\$ 2,069,961

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	6/23
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS BUILDING PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 516,210		\$ 516,210	\$ 516,210
Total Revenue and Other Financing Sources	516,210		516,210	516,210
Expenditures:				
Purchased Professional and Technical Services	25,146		25,146	31,000
Construction Services	621,915		621,915	624,513
Total Expenditures	647,061		647,061	655,513
Other Financing Uses:				
Transfer from 2019 Various Building Projects	154,790	\$ (1,000)	153,790	153,790
Transfer to County College of Morris Renovations to Building #4 and Construction of New Educational Facility	(14,187)	(300)	(14,487)	(14,487)
Total Other Financing Uses	140,603	(1,300)	139,303	139,303
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 9,752	\$ (1,300)	\$ 8,452	\$ -0-
<u>Analysis of Balance</u>				
Committed Fund Balance			\$ 8,452	

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 516,210
Original Authorized Cost	\$ 516,210
Transfers to Other Projects	139,303
Revised Authorized Cost	\$ 655,513

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	6/23
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
COUNTY COLLEGE OF MORRIS RENOVATIONS TO BUILDING #4 AND CONSTRUCTION OF NEW EDUCATIONAL FACILITY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization (Bond)	\$ 18,596,246		\$ 18,596,246	\$ 18,596,246
County Improvement Authorization (County)	6,198,749		6,198,749	6,198,749
Total Revenue and Other Financing Sources	24,794,995		24,794,995	24,794,995
Expenditures:				
Purchased Professional and Technical Services	1,471,166	\$ 747,944	2,219,110	2,888,906
Construction Services	637,743	4,281,783	4,919,526	22,324,265
Total Expenditures	2,108,909	5,029,727	7,138,636	25,213,171
Other Financing Uses:				
Transfer from 2019 Various Building Projects	399,778	3,911	403,689	403,689
Transfer from 2020 Various Building Projects	14,187	300	14,487	14,487
Total Other Financing Uses	413,965	4,211	418,176	418,176
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 23,100,051	\$ (5,025,516)	\$ 18,074,535	\$ -0-

Analysis of Balance

Committed Fund Balance	\$ 7,314,603
Committed Fund Balance - Encumbrances	10,759,932
	<u>\$ 18,074,535</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 24,794,995
Original Authorized Cost	\$ 24,794,995
Additional Authorized Cost	418,176
Revised Authorized Cost	<u>\$ 25,213,171</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	28%
Original Target Completion Date	6/25
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HEATING, VENTILATION, AND AIR CONDITIONING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 875,000		\$ 875,000	\$ 875,000
Total Revenue and Other Financing Sources	875,000		875,000	875,000
Expenditures:				
Purchased Professional and Technical Services	36,137	\$ 32,663	68,800	68,800
Construction Services		716,150	716,150	806,200
Total Expenditures	36,137	748,813	784,950	875,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 838,863	\$ (748,813)	\$ 90,050	\$ -0-

Analysis of Balance

Committed Fund Balance - Encumbrances	\$ 90,050
	<u>\$ 90,050</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 875,000
Original Authorized Cost	\$ 875,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	90%
Original Target Completion Date	7/24
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
COUNTY COLLEGE OF MORRIS - VARIOUS BUILDING IMPROVEMENTS PHASE I
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 201,000		\$ 201,000	\$ 201,000
Total Revenue and Other Financing Sources	201,000		201,000	201,000
Expenditures:				
Purchased Professional and Technical Services		\$ 6,755	6,755	7,800
Construction Services		20,234	20,234	193,200
Total Expenditures		26,989	26,989	201,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 201,000	\$ (26,989)	\$ 174,011	\$ -0-
<u>Analysis of Balance</u>				
Committed Fund Balance			\$ 167,966	
Committed Fund Balance - Encumbrances			6,045	
			\$ 174,011	

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 201,000
Original Authorized Cost	\$ 201,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	13%
Original Target Completion Date	12/24
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
COUNTY COLLEGE OF MORRIS- VARIOUS BUILDING IMPROVEMENTS PHASE II
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization		\$ 7,322,749	\$ 7,322,749	\$ 7,322,749
Total Revenue and Other Financing Sources		7,322,749	7,322,749	7,322,749
Expenditures:				
Construction Services		7,322,749	7,322,749	7,322,749
Total Expenditures		7,322,749	7,322,749	7,322,749
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 7,322,749
Original Authorized Cost	\$ 7,322,749
Percentage Decrease over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	12/24
Revised Target Completion Date	N/A

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
COUNTY COLLEGE OF MORRIS - VARIOUS BUILDING IMPROVEMENTS PHASE III
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
County Improvement Authorization		\$ 700,000	\$ 700,000	\$ 700,000
Total Revenue and Other Financing Sources		700,000	700,000	700,000
Expenditures:				
Construction Services				700,000
Total Expenditures				700,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 700,000	\$ 700,000	\$ -0-

Analysis of Balance

Committed Fund Balance	\$ 13,730
Committed Fund Balance Encumbrances	686,270
	<u>\$ 700,000</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
County Improvement Authorization Date	N/A
County Improvement Authorization	\$ 700,000
Original Authorized Cost	\$ 700,000
Percentage Decrease over Original	
Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	12/24
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS:

Current Assets:
Cash and Cash Equivalents
Intergovernmental Accounts Receivable:
 State
 Federal
Other Accounts Receivable
Inventories

Total Current Assets

Non-Current Assets:
Capital Assets
Less: Accumulated Depreciation

Total Non-Current Assets

Total Assets

DEFERRED OUTFLOWS OF RESOURCES:

Deferred Outflows of Resources Related to Pensions

Total Deferred Outflows of Resources

	Cosmetology	Non-Major Funds			Total Enterprise Funds
		Food Service	Adult Education	Total	
\$ 8,152	\$ 8,152	\$ 131,219	\$ 250,917	\$ 390,288	\$ 390,288
		265		265	265
		5,207		5,207	5,207
		821		821	821
		8,419		8,419	8,419
	8,152	145,931	250,917	405,000	405,000
		153,507	103,280	256,787	256,787
		(75,688)	(82,277)	(157,965)	(157,965)
		77,819	21,003	98,822	98,822
	8,152	223,750	271,920	503,822	503,822
			48,106	48,106	48,106
			48,106	48,106	48,106

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Non Major Funds			Total
	Cosmetology	Food Service	Adult Education	Enterprise Funds
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable		\$ 14,005	\$ 36,062	\$ 50,067
Unearned Revenue - Donated Commodities		4,265		4,265
Unearned Revenue - Prepaid Sales		10,730		10,730
Unearned Revenue - Supply Chain Assistance		3,299		3,299
Total Current Liabilities		32,299	36,062	68,361
Non-Current Liabilities:				
Compensated Absences Payable			14,709	14,709
Net Pension Liability			364,928	364,928
Total Non-Current Liabilities			379,637	379,637
Total Liabilities		32,299	415,699	447,998
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred Inflows of Resources Related to Pensions			27,628	27,628
Total Deferred Inflows of Resources			27,628	27,628
<u>NET POSITION:</u>				
Investment in Capital Assets		77,819	21,003	98,822
Unrestricted/(Deficit)	\$ 8,152	113,632	(144,304)	(22,520)
Total Net Position/(Deficit)	\$ 8,152	\$ 191,451	\$ (123,301)	\$ 76,302

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Non Major Funds			Total	Total Enterprise Funds
	Cosmetology	Food Service	Adult Education		
Operating Revenue:					
Daily Sales:					
Reimbursable Programs		\$ 111,445		\$ 111,445	\$ 111,445
Non-Reimbursable Programs		149,182		149,182	149,182
Charges for Services:					
Program Fees	\$ 3,617	1,332	\$ 654,173	659,122	659,122
Total Operating Revenue	3,617	261,959	654,173	919,749	919,749
Operating Expenses:					
Cost of Sales:					
Reimbursable Programs		80,357		80,357	80,357
Non-Reimbursable Programs		107,567		107,567	107,567
Salaries		80,499	366,890	447,389	447,389
Employee Benefits		25,211	35,418	60,629	60,629
Purchased Professional and Technical Services		13,407	2,188	15,595	15,595
Communications/Telephone			27,683	27,683	27,683
Miscellaneous Purchased Services		3,432	24,307	24,307	24,307
Supplies and Materials	4,098		13,831	21,361	21,361
Textbooks			4,862	4,862	4,862
Miscellaneous Expense		2,174	3,461	5,635	5,635
Depreciation Expense		6,022	7,353	13,375	13,375
Total Operating Expenses	4,098	318,669	485,993	808,760	808,760
Operating Income/(Loss)	(481)	(56,710)	168,180	110,989	110,989

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Non-Major Funds			Total	Total
	Cosmetology	Food Service	Adult Education	Total	Enterprise Funds
Non-Operating Revenue:					
State Sources:					
State School Lunch Program		\$ 3,482		\$ 3,482	\$ 3,482
State School Breakfast Program		1		1	1
Federal Sources:					
National School Lunch Program		30,481		30,481	30,481
School Breakfast Program		1,316		1,316	1,316
Food Distribution Program		19,166		19,166	19,166
Supply Chain Assistance		67,619		67,619	67,619
Total Non-Operating Income		122,065		122,065	122,065
Change in Net Position	\$ (481)	65,355	\$ 168,180	233,054	233,054
Net Position/(Deficit) - Beginning of Year	8,633	126,096	(291,481)	(156,752)	(156,752)
Net Position/(Deficit) - End of Year	\$ 8,152	\$ 191,451	\$ (123,301)	\$ 76,302	\$ 76,302

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Non Major Funds			Total
	Cosmetology	Food Service	Adult Education	Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 3,617	\$ 263,391	\$ 654,173	\$ 921,181
Payments to Food Service Contractor		(275,928)		(275,928)
Payments to/for Employees			(494,212)	(494,212)
Payments to Suppliers	(4,098)	(2,174)	(79,367)	(85,639)
Net Cash Provided by/(Used for) Operating Activities	(481)	(14,711)	80,594	65,402
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets			(10,356)	(10,356)
Net Cash (Used for) Capital and Related Financing Activities			(10,356)	(10,356)
Cash Flows from Noncapital Financing Activities:				
State Sources		3,327		3,327
Federal Sources		58,477		58,477
Net Cash Provided by Noncapital Financing Activities		61,804		61,804
Net Increase/(Decrease) in Cash and Cash Equivalents	(481)	47,093	70,238	116,850
Cash and Cash Equivalents, July 1	8,633	84,126	180,679	273,438
Cash and Cash Equivalents, June 30	\$ 8,152	\$ 131,219	\$ 250,917	\$ 390,288

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Non Major Funds			Total
	Cosmetology	Food Service	Adult Education	Enterprise Funds
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (481)	\$ (56,710)	\$ 168,180	\$ 110,989
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation		6,022	7,353	13,375
Food Distribution Program		19,166		19,166
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable		1,432		1,432
Decrease in Inventory		9,712		9,712
Increase/(Decrease) in Accounts Payable		776	(3,035)	(2,259)
Increase in Unearned Revenue		4,891		4,891
(Decrease) in Compensated Absences Payable			(531)	(531)
(Decrease) in Net Pension Liability			(74,618)	(74,618)
Decrease in Deferred Outflows of Resources Related to Pensions			27,272	27,272
(Increase) in Deferred Inflows of Resources Related to Pensions			(44,027)	(44,027)
Net Cash Provided by/(Used for) Operating Activities	\$ (481)	\$ (14,711)	\$ 80,594	\$ 65,402

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$21,117 and utilized U.S.D.A. Commodities valued at \$19,166.

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

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 and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 20,449,783	\$ 21,358,861	\$ 21,194,961	\$ 21,700,601	\$ 23,445,147	\$ 25,020,373	\$ 25,293,603	\$ 27,312,046	\$ 29,130,536	\$ 41,735,381
Unrestricted/(Deficit)	2,766,786	3,122,283	3,109,566	3,402,751	1,756,187	2,228,845	3,772,858	3,031,939	2,404,705	3,154,945
Total Governmental Activities Net Position	<u>(4,214,710)</u>	<u>(5,001,233)</u>	<u>(6,356,859)</u>	<u>(5,615,620)</u>	<u>(3,287,556)</u>	<u>(4,640,367)</u>	<u>(5,213,269)</u>	<u>19,702,034</u>	<u>19,603,466</u>	<u>14,809,525</u>
	\$ 19,001,859	\$ 19,479,911	\$ 17,947,668	\$ 19,487,732	\$ 21,913,778	\$ 22,608,851	\$ 23,853,192	\$ 50,046,019	\$ 51,138,707	\$ 59,699,851
Business-type Activities										
Investment in Capital Assets										
Unrestricted/(Deficit)	\$ 59,168	\$ 54,132	\$ 51,626	\$ 78,459	\$ 65,073	\$ 52,827	\$ 43,277	\$ 65,880	\$ 101,841	\$ 98,822
Total Business-type Activities Net Position/(Deficit)	<u>(272,787)</u>	<u>(335,504)</u>	<u>(389,405)</u>	<u>(501,494)</u>	<u>(468,003)</u>	<u>(387,956)</u>	<u>(455,537)</u>	<u>(513,322)</u>	<u>(258,593)</u>	<u>(22,520)</u>
	\$ (213,619)	\$ (281,372)	\$ (337,779)	\$ (423,035)	\$ (402,930)	\$ (335,129)	\$ (412,260)	\$ (447,442)	\$ (156,752)	\$ 76,302
District-wide										
Net Investment in Capital Assets										
Restricted	\$ 20,508,951	\$ 21,412,993	\$ 21,246,587	\$ 21,779,060	\$ 23,510,220	\$ 25,073,200	\$ 25,336,880	\$ 27,377,926	\$ 29,232,377	\$ 41,834,203
Unrestricted/(Deficit)	2,766,786	3,122,283	3,109,566	3,402,751	1,756,187	2,228,845	3,772,858	3,031,939	2,404,705	3,154,945
Total District Net Position	<u>(4,487,497)</u>	<u>(5,336,737)</u>	<u>(6,746,264)</u>	<u>(6,117,114)</u>	<u>(3,755,559)</u>	<u>(5,028,323)</u>	<u>(5,668,806)</u>	<u>19,188,712</u>	<u>19,344,873</u>	<u>14,787,005</u>
	\$ 18,788,240	\$ 19,198,539	\$ 17,609,889	\$ 19,064,697	\$ 21,510,848	\$ 22,273,722	\$ 23,440,932	\$ 49,598,577	\$ 50,981,955	\$ 59,776,153

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 6,214,158	\$ 6,756,299	\$ 7,353,268	\$ 8,305,570	\$ 8,348,433	\$ 9,451,796	\$ 10,529,320	\$ 10,509,787	\$ 10,941,826	\$ 11,326,791
Special Education	943,045	680,667	720,377	994,810	1,044,478	1,147,511	1,068,936	889,988	1,082,130	1,085,386
Vocational Education	4,576,541	5,065,655	5,498,804	5,333,464	4,950,756	4,968,019	5,533,539	5,167,289	5,191,798	5,259,896
Other Instruction	359,390	413,282	473,395	433,030	797,806	452,853	442,312	450,583	537,390	616,335
Support Services:										
Student and Instruction Related Services	2,923,717	3,416,421	3,944,530	4,474,900	4,485,157	4,198,979	4,024,093	3,776,337	3,939,545	4,384,350
General Administrative Services	679,650	790,458	770,423	802,170	811,153	751,153	852,901	748,505	746,177	646,797
School Administrative Services	1,128,066	1,135,391	1,229,957	1,336,854	1,292,082	1,530,061	1,644,903	1,490,700	1,472,033	1,545,181
Central Services	667,080	730,335	852,529	808,387	743,852	691,736	927,355	779,818	783,397	825,137
Administrative Information Technology	297,466	367,155	465,288	411,890	419,941	414,289	412,660	378,475	461,663	534,132
Plant Operations and Maintenance	2,205,533	2,025,996	2,380,780	2,289,950	2,117,900	2,060,445	2,042,929	2,196,227	2,343,478	2,343,478
Pupil Transportation	165,439	177,197	225,412	224,611	271,074	195,574	195,000	259,195	338,811	430,808
Special Schools	1,263,140	1,408,989	1,460,425	864,264	630,342	464,595	353,634	299,879	340,930	416,343
Capital Outlay	62,289	57,548	1,460,425	4,589	2,193	35,022	3,485	286,626	18,247	101,820
Total Governmental Activities Expenses	21,485,514	23,025,393	25,375,188	26,284,489	25,915,167	26,362,033	27,849,631	27,080,111	28,050,174	29,516,454
Business-Type Activities:										
Enterprise Funds	792,832	835,537	792,011	839,853	761,732	632,651	718,753	1,034,155	619,939	808,760
Total Business-Type Activities Expense	792,832	835,537	792,011	839,853	761,732	632,651	718,753	1,034,155	619,939	808,760
Total District Expenses	22,278,346	23,860,930	26,167,199	27,124,342	26,676,899	26,994,684	28,568,384	28,114,266	28,670,113	30,325,214
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	9,950,842	9,529,694	9,813,791	11,294,811	11,084,707	11,988,514	13,834,346	14,564,413	14,628,498	16,656,856
Operating Grants and Contributions	5,097,290	6,121,970	7,610,126	8,198,440	7,424,447	7,156,254	8,004,250	6,036,172	5,970,326	5,679,054
Total Governmental Activities Program Revenues	15,048,132	15,651,664	17,423,917	19,493,251	18,509,154	19,144,768	21,838,596	20,600,585	20,598,824	22,335,910
Business-Type Activities:										
Charges for Services:										
Enterprise Funds	845,773	831,756	703,503	752,240	748,630	672,645	560,563	664,582	837,813	919,749
Operating Grants and Contributions	28,556	29,977	32,089	27,355	32,997	22,743	71,938	334,391	79,410	122,065
Total Business-Type Activities Program Revenues	874,329	861,733	735,592	779,595	781,627	695,388	632,501	998,973	917,223	1,041,814

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total District Program Revenues	\$ 15,922,461	\$ 16,513,397	\$ 18,159,509	\$ 20,272,846	\$ 19,290,781	\$ 19,840,156	\$ 22,471,097	\$ 21,599,558	\$ 21,516,047	\$ 23,377,724
Net (Expense)/Revenue:										
Governmental Activities	(6,437,382)	(7,373,729)	(7,951,271)	(6,791,238)	(7,406,013)	(7,217,265)	(6,011,035)	(6,479,526)	(7,451,350)	(7,180,544)
Business-Type Activities	81,497	26,196	(56,419)	(60,258)	19,895	62,737	(86,252)	(35,182)	297,284	233,054
Total District-Wide Net Expense	(6,355,885)	(7,347,533)	(8,007,690)	(6,851,496)	(7,386,118)	(7,154,528)	(6,097,287)	(6,514,708)	(7,154,066)	(6,947,490)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Tax Levy	6,351,286	6,351,286	6,351,286	6,351,286	6,351,286	6,351,286	6,351,286	6,351,286	6,426,286	6,501,286
Federal and State Aid not Restricted	720,276	718,955	729,129	728,406	649,307	638,150	638,128	637,858	637,841	637,957
Interest Earnings	4,063	11,714	27,608	26,244	26,348	10,100	1,842	2,909	31,765	15,807
Transfers	(16,761)	94,798	115	25,012		(5,064)		820	(701)	(1,198)
Unexpended Funds returned to County of Morris										
Capital Contribution to School District						45,500				
Contributed Capital	(3,258)									
County Improvement Authorization	2,061,000	601,000	116,000	1,048,000	2,627,440	516,210		25,445,995	1,076,000	8,022,749
County Improvement Authorization Cancelled		(23,694)	(923,134)							
Miscellaneous Income	72,190	97,722	118,024	152,354	177,678	118,619	264,120	232,826	374,045	563,889
Total Governmental Activities	9,188,796	7,851,781	6,419,028	8,331,302	9,832,059	7,674,801	7,255,376	32,671,694	8,544,038	15,741,688
Business-Type Activities:										
Transfers	17,000	(93,949)		(25,012)		5,064				
Contributed Capital	3,258									
Miscellaneous Income			12	14	210		9,120			
Deletion of Capital Assets, Net of Accumulated Depreciation									(6,594)	
Total Business-Type Activities	20,258	(93,949)	12	(24,998)	210	5,064	9,120		(6,594)	
Total District-Wide	9,209,054	7,757,832	6,419,040	8,306,304	9,832,269	7,679,865	7,264,496	32,671,694	8,537,444	15,741,688
Change in Net Position:										
Governmental Activities	2,751,414	478,052	(1,532,243)	1,540,064	2,426,046	457,536	1,244,341	26,192,168	1,092,688	8,561,144
Business-Type Activities	101,755	(67,753)	(56,407)	(85,256)	20,105	67,801	(77,132)	(35,182)	290,690	233,054
Total District	\$ 2,853,169	\$ 410,299	\$ (1,588,650)	\$ 1,454,808	\$ 2,446,151	\$ 525,337	\$ 1,167,209	\$ 26,156,986	\$ 1,383,378	\$ 8,794,198

Source: School District Financial Reports

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,766,786	\$ 3,122,283	\$ 3,109,566	\$ 3,402,751	\$ 1,756,187	\$ 2,348,045	\$ 3,522,713	\$ 2,779,880	\$ 2,139,141	\$ 2,892,438
Assigned	280,788	108,958	288,294	574,490	100,000	60,451	155,474	87,065	168,381	36,297
Unassigned	887,036	909,928	926,482	982,584	1,153,591	1,068,463	1,128,909	1,246,449	1,259,381	1,305,824
Total General Fund	<u>\$ 3,934,610</u>	<u>\$ 4,141,169</u>	<u>\$ 4,324,342</u>	<u>\$ 4,959,825</u>	<u>\$ 3,009,778</u>	<u>\$ 3,476,959</u>	<u>\$ 4,807,096</u>	<u>\$ 4,113,394</u>	<u>\$ 3,566,903</u>	<u>\$ 4,234,559</u>
All Other Governmental Funds										
Restricted						\$ 256,583	\$ 250,146	\$ 252,059	\$ 265,564	\$ 262,507
Committed	\$ 2,200,313	\$ 1,636,014	\$ 740,104	\$ 1,209,857	\$ 3,724,925	2,029,564	1,306,795	25,016,928	24,153,577	19,048,048
Total All Other Governmental Funds	<u>\$ 2,200,313</u>	<u>\$ 1,636,014</u>	<u>\$ 740,104</u>	<u>\$ 1,209,857</u>	<u>\$ 3,724,925</u>	<u>\$ 2,286,147</u>	<u>\$ 1,556,941</u>	<u>\$ 25,268,987</u>	<u>\$ 24,419,141</u>	<u>\$ 19,310,555</u>
Total All Governmental Funds										
Restricted	\$ 2,766,786	\$ 3,122,283	\$ 3,109,566	\$ 3,402,751	\$ 1,756,187	\$ 2,604,628	\$ 3,772,859	\$ 3,031,939	\$ 2,404,705	\$ 3,154,945
Committed	2,200,313	1,636,014	740,104	1,209,857	3,724,925	2,029,564	1,306,795	25,016,928	24,153,577	19,048,048
Assigned	280,788	108,958	288,294	574,490	100,000	60,451	155,474	87,065	168,381	36,297
Unassigned	887,036	909,928	926,482	982,584	1,153,591	1,068,463	1,128,909	1,246,449	1,259,381	1,305,824
Total All Governmental Funds	<u>\$ 6,134,923</u>	<u>\$ 5,777,183</u>	<u>\$ 5,064,446</u>	<u>\$ 6,169,682</u>	<u>\$ 6,734,703</u>	<u>\$ 5,763,106</u>	<u>\$ 6,364,037</u>	<u>\$ 29,382,381</u>	<u>\$ 27,986,044</u>	<u>\$ 23,545,114</u>

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	For Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
County Tax Levy	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,426,286	\$ 6,501,286
Tuition from LEA's	9,462,981	9,374,983	9,374,983	10,849,946	10,963,764	12,072,283	13,766,786	14,028,978	14,282,569	16,102,330
Other Tuition	487,861	492,339	438,808	449,416	468,861	339,504	408,102	409,319	345,929	380,864
Interest Earned on Capital Reserve Funds	1,475	4,161	10,778	26,185	26,185	9,827	1,669	2,683	31,441	15,482
Interest Earned on Maintenance Reserve Funds				59	163	273	173	226	324	325
Other Restricted Miscellaneous Revenue	75,528	107,154	134,854	152,678	179,710	118,619	92,724	126,116	189,292	173,662
Unrestricted Miscellaneous Revenue	2,786,118	3,072,492	3,537,683	4,055,086	4,192,036	4,061,446	254,470	237,826	351,766	568,489
State Sources							4,701,599	5,649,375	6,031,606	6,514,833
Federal Sources	1,391,840	1,546,750	1,523,814	1,403,244	1,689,398	1,603,051	1,680,655	2,143,709	2,115,905	1,860,920
Total Revenue	20,557,089	20,611,537	21,372,206	23,287,900	23,871,403	24,556,289	27,257,464	28,949,518	29,775,118	32,118,191
Expenditures:										
Instruction:										
Regular Instruction	4,642,339	4,832,218	4,844,904	5,649,803	6,053,025	7,247,915	8,031,622	8,795,904	9,295,911	9,668,817
Special Education Instruction	432,043	411,301	403,777	577,264	653,895	734,819	597,230	572,735	707,015	705,394
Vocational Education Instruction	3,038,607	3,014,179	3,020,720	2,847,837	2,581,107	2,715,682	2,943,510	3,219,389	3,216,556	3,303,968
School-Sponsored/Other Instruction	307,298	344,322	361,942	350,488	724,596	382,861	384,188	455,599	492,513	537,429
Support Services:										
Student and Instruction Related Services	2,200,507	2,400,740	2,552,870	2,870,038	3,115,828	2,915,167	3,241,127	3,506,737	3,462,149	3,644,792
General Administrative Services	527,100	608,332	522,608	549,049	586,471	539,919	571,997	558,618	561,640	558,879
School Administrative Services	791,065	762,568	698,542	751,852	947,878	990,095	1,008,627	1,059,232	1,043,366	1,074,067
Central Services	495,682	513,617	546,588	526,759	501,805	482,363	500,011	511,705	531,759	549,996
Administrative Information Technology	221,550	262,562	320,193	302,009	316,529	315,442	321,863	329,441	360,151	354,554
Plant Operations and Maintenance	1,960,469	1,726,021	1,858,580	1,859,883	1,720,530	1,675,703	1,566,512	1,946,780	1,966,772	2,022,696
Pupil Transportation	154,556	164,468	153,635	162,343	172,764	107,513	123,855	201,477	231,290	308,954
Unallocated Benefits	3,435,663	3,743,454	4,275,466	5,001,139	5,501,924	5,488,291	6,009,461	6,786,853	7,305,938	7,827,464
Special Schools	1,078,813	1,189,895	1,161,358	545,369	489,625	321,480	304,444	305,524	313,641	357,528
Capital Outlay	2,007,714	1,667,704	556,741	1,260,246	2,567,845	2,497,565	1,052,086	3,128,654	2,756,855	13,667,332
Total Expenditures	21,293,406	21,641,381	21,277,924	23,254,079	25,933,822	26,414,815	26,656,533	31,378,648	32,245,556	44,581,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	(736,317)	(1,029,844)	94,282	33,821	(2,062,419)	(1,858,526)	600,931	(2,429,130)	(2,470,438)	(12,463,679)

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED
(Continued)

	For Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses):										
County Improvement Authorizations	\$ 2,061,000	\$ 601,000	\$ 116,000	\$ 1,048,000	\$ 2,627,440	\$ 516,210	\$ 8,022,749	\$ 25,445,995	\$ 1,076,000	\$ 8,022,749
Transfers	(16,761)	94,798	115	23,415		(5,064)		820	(701)	
Unexpended Funds returned to County of Morris	(3,258)								(1,198)	
Capital Contribution to Food Service Fund										
Total Other Financing Sources (Uses)	2,040,981	672,104	(807,019)	1,071,415	2,627,440	511,146	8,022,749	25,446,815	1,074,101	8,022,749
Net Change in Fund Balances	\$ 1,304,664	\$ (357,740)	\$ (712,737)	\$ 1,105,236	\$ 565,021	\$ (1,347,380)	\$ 8,623,680	\$ 23,017,685	\$ (1,396,337)	\$ (4,440,930)
Debt Service as a Percentage of										
Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A Not Applicable										

Source: School District Financial Reports

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Miscellaneous	Total
2015	\$ 9,950,842	\$ 4,063	\$ 72,190	\$ 10,027,095
2016	9,529,694	11,714	97,722	9,639,130
2017	9,813,791	27,608	118,024	9,959,423
2018	11,299,362	26,244	152,354	11,477,960
2019	11,432,625	26,348	177,678	11,636,651
2020	12,411,787	10,100	118,619	12,540,506
2021	14,174,888	1,842	264,120	14,440,850
2022	14,438,297	2,909	232,826	14,674,032
2023	14,628,498	158,161	247,649	15,034,308
2024	16,483,194	15,807	563,889	17,062,890

Source: District records

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Agriculture	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2015	\$ 1,006,685,850	\$ 60,605,580,547	\$ 693,260,300	\$ 11,915,400	\$ 11,629,578,222	\$ 2,887,476,900	\$ 2,323,159,100	\$ 79,157,656,319	\$ 7,346,524,200	\$ 33,841,181	\$ 79,191,497,500	N/A	\$ 90,711,159,054
2016	1,010,650,100	59,960,359,430	590,134,200	8,695,260	12,000,529,422	2,747,812,600	2,344,932,900	78,663,093,912	7,319,296,950	34,501,222	82,168,381,134	N/A	91,741,656,968
2017	1,072,431,500	64,706,917,630	717,815,600	11,997,198	12,382,440,622	2,906,536,400	2,562,203,300	84,360,342,250	7,676,242,500	35,471,441	84,360,342,250	N/A	93,601,899,566
2018	1,005,122,600	65,323,458,030	725,499,400	11,723,198	12,561,614,852	2,902,959,800	2,601,846,400	85,132,224,280	7,821,158,050	33,523,397	85,165,747,677	N/A	94,755,062,034
2019	1,075,773,100	66,810,471,500	727,015,200	11,136,698	12,841,876,677	2,917,800,600	2,714,949,000	87,099,022,775	8,101,432,700	33,831,715	87,132,854,490	N/A	96,090,769,477
2020	1,032,813,400	67,338,472,700	725,724,400	11,110,938	12,950,047,377	2,943,198,200	2,743,305,100	87,744,672,115	8,086,071,400	34,178,563	87,778,850,678	N/A	96,974,806,796
2021	1,055,715,800	67,745,309,700	726,566,600	10,639,538	12,883,333,850	2,922,742,800	2,834,946,000	88,179,254,288	8,262,756,800	32,795,951	88,212,050,239	N/A	97,605,814,520
2022	1,033,384,900	68,774,652,800	750,831,700	10,349,338	12,875,575,950	3,032,754,000	2,972,522,000	89,450,070,688	8,389,424,200	32,343,117	89,482,413,805	N/A	101,012,308,075
2023	1,042,034,800	71,728,049,288	770,320,600	10,714,038	12,897,032,900	3,161,203,500	3,329,564,400	92,938,919,526	8,746,964,300	33,319,802	92,938,919,526	N/A	107,587,113,864

N/A - Not Applicable

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs in each municipality when ordered by the County Board of Taxation

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

Source: Morris County Board of Taxation

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS, COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2024		
	Taxable Assessed Value	Rank	% of Total County Net Valuation Taxable
Point View Campus, LLC	\$ 371,712,000	1	0.40%
Novartis Corporation	347,070,670	2	0.37%
Bayer Healthcare, LLC	155,670,300	3	0.17%
Rockaway Center Associates	150,000,000	4	0.16%
Oakwood Garden Associates, LLC	120,000,000	5	0.13%
Pondview Estates Inc.	122,398,400	6	0.13%
US Real Estate Holdings, LLC	102,459,700	7	0.11%
Sun Valley Plaza, LLC	111,329,800	8	0.12%
SDK Village Green, LLC	99,500,000	9	0.11%
KBS II 300-600 Camps Drive, LLC	93,517,700	10	0.10%
Total	<u>\$ 1,673,658,570</u>		<u>1.80%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Novartis Corporation	\$ 415,030,700	1	0.52%
Point View Campus LLC	358,026,000	2	0.45%
Rockaway Center Associates	170,000,000	3	0.21%
Bayer Healthcare, LLC	155,670,300	4	0.20%
Oakwood Garden Associates, LLC	99,500,000	5	0.13%
KBS II 300-600 Campus Drive, LLC	93,517,700	6	0.12%
MC NEIL-PPC, Inc.	86,464,000	7	0.11%
Saint Clare's	83,552,300	8	0.11%
Honeywell International, Inc.	81,992,400	9	0.10%
SDK Village Green, LLC	77,700,000	10	0.10%
	<u>\$ 1,621,453,400</u>		<u>2.05%</u>

Source: County of Morris

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
COUNTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 6,351,286	\$ 6,351,286	100.00%	-0-
2016	6,351,286	6,351,286	100.00%	-0-
2017	6,351,286	6,351,286	100.00%	-0-
2018	6,351,286	6,351,286	100.00%	-0-
2019	6,351,286	6,351,286	100.00%	-0-
2020	6,351,286	6,351,286	100.00%	-0-
2021	6,351,286	6,351,286	100.00%	-0-
2022	6,351,286	6,351,286	100.00%	-0-
2023	6,426,286	6,426,286	100.00%	-0-
2024	6,501,286	6,501,286	100.00%	-0-

^a School taxes are collected by the County Treasurer. Under New Jersey State Statute, a county is required to remit to the school district the entire property county tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District records.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities					Business- Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Bond Anticipation Notes (BANs)	Financed Purchases					
2015	-0-	-0-	\$ 55,828	-0-	\$ 7,401	\$ 63,229	0.0001%	\$ 0.13		
2016	-0-	-0-	30,385	-0-	4,839	35,224	0.0001%	0.07		
2017	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2018	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2019	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2020	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2021	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2022	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2023	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		
2024	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00		

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Morris County Per Capital Personal Income ^b</u>	<u>Total Morris County Personal Income</u>	<u>Unemployment Rate ^c</u>
2015	494,370	\$ 88,298	\$ 43,651,882,260	4.20%
2016	493,831	91,252	45,063,066,412	3.90%
2017	493,994	93,544	46,210,174,736	3.60%
2018	493,084	97,244	47,949,460,496	3.30%
2019	491,577	99,140	48,734,943,780	2.80%
2020	491,087	102,227	50,202,350,749	7.80%
2021	510,981	107,767	55,066,889,427	5.00%
2022	511,151	111,597	57,042,918,147	3.00%
2023	514,423	111,597 **	57,408,063,531 ***	3.70%
2024	514,423 *	111,597 **	57,408,063,531 ***	N/A

* - Latest population data available (2023) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Morris County per capita personal income (2022) was used for calculation purposes.

N/A - Information not available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the county population and per capita personal income presented

^c Per capita personal income by county estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2024		
	Employees	Rank (Optional)	Percentage of Total Employment
Atlantic Health System	10,552	1	4.53%
Novartis Corporation	6,500	2	2.79%
U.S. Army Armament Research and Development	6,000	3	2.58%
Barclays	3,374	4	1.45%
Bayer Healthcare, LLC	2,713	5	1.16%
Automatic Data Processing, Inc.	2,400	6	1.03%
Accenture	2,344	7	1.01%
PricewaterhouseCoopers	2,095	8	0.90%
Cigna	1,686	9	0.72%
Deloitte & Touche	1,646	10	0.71%
	<u>39,310</u>		<u>16.87%</u>
Total Employment	<u>262,719</u>		

Employer	2015		
	Employees	Rank (Optional)	Percentage of Total Employment
U.S. Army Armament Research and Development	5,841	1	2.27%
Novartis Corporation	5,035	2	1.96%
Atlantic Health Systems	4,463	3	1.74%
Automatic Data Processing, Inc.	2,060	4	0.80%
Bayer Healthcare, LLC	1,900	5	0.74%
County of Morris	1,674	6	0.65%
Wyndham Worldwide Corporation	1,653	7	0.64%
St. Clare's	1,642	8	0.64%
BASF Corporation	1,500	9	0.58%
Accenture	1,480	10	0.58%
	<u>27,248</u>		<u>10.60%</u>
Total Employment	<u>257,024</u>		

Source: County of Morris

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular	35.0	36.0	37.0	37.0	37.0	37.0	37.0	37.0	38.0	37.0
Special Education	6.0	5.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Vocational	24.5	24.0	27.0	27.0	28.5	26.0	26.5	27.0	27.0	27.5
Other Instruction	5.0	5.0	5.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0
Adult/Continuing Education Programs	76.0	52.0	67.0	69.0	59.0	45.0	56.0	54.0	63.0	45.0
Support Services:										
Student & Instruction Related Services	10.0	10.5	12.0	13.0	13.0	12.5	12.5	13.0	13.5	13.5
School Administrative Services	21.0	20.0	18.0	20.0	19.0	19.0	19.0	19.0	19.0	20.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Central Services	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	14.0	14.0	14.0	14.0	14.0	14.0	14.0	13.0	13.0	14.0
Total	201.5	176.5	193.0	199.0	188.5	171.5	183.0	182.0	192.5	176.0

Source: District Personnel Records

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	975.1	\$ 18,206,879	\$ 18,672	3.65%	70.5	1:13.80	975.1	933.1	0.35%	95.69%
2016	996.0	18,783,782	18,859	1.00%	70.0	1:13.80	996.0	955.0	2.14%	95.88%
2017	1,035.5	19,559,825	18,889	0.16%	72.0	1:14.30	1,035.6	991.3	3.97%	95.72%
2018	1,105.9	21,448,464	19,395	2.68%	73.0	1:14.30	1,105.9	1,068.5	6.79%	96.62%
2019	1,218.0	22,876,352	18,782	-3.16%	74.0	1:14.30	1,218.0	1,175.2	10.14%	96.49%
2020	1,358.3	23,595,770	17,372	-7.51%	73.0	1:14.30	1,358.3	1,319.9	11.52%	97.17%
2021	1,456.3	25,300,003	17,373	0.01%	72.5	1:20.08	1,456.3	1,414.9	7.21%	97.16%
2022	1,491.0	27,944,470	18,742	7.88%	74.0	1:20.08	1,543.5	1,480.1	5.99%	95.89%
2023	1,463.0	29,175,060	19,942	6.40%	75.0	1:20.8	1,463.3	1,403.1	-5.20%	95.89%
2024	1,486.0	30,557,010	20,563	3.12%	74.5	1:20.8	1,486.0	1,432.6	1.55%	96.41%

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service, capital outlay and special schools.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

Sources: School District records

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Buildings</u>										
School of Technology (1969)										
Square Feet	165,011	187,911	187,911	187,911	187,911	187,911	187,911	187,911	187,911	187,911
Capacity (students)	934	934	934	934	934	934	934	934	934	934
Enrollment	975.1	996.0	1,035.6	1,105.9	1,218.0	1,358.3	1,456	1,456	1,510	1,486

Number of Schools at June 30, 2024
 School of Technology = 1
 Off-site Academies = 5

Note: Year of original construction is shown in parentheses; Enrollment is based on the annual October district count.

Source: School District Facilities Office

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

Facility	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Morris County Vocational School*	\$ 589,085	\$ 447,707	\$ 695,927	\$ 728,711	\$ 597,387	\$ 544,005	\$ 527,221	\$ 686,855	\$ 647,520	\$ 631,279
Total School Facilities*	\$ 589,085	\$ 447,707	\$ 695,927	\$ 728,711	\$ 597,387	\$ 544,005	\$ 527,221	\$ 686,855	\$ 647,520	\$ 631,279

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

Source: School District records

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2024
UNAUDITED

Exhibit J-20
1 of 3

Morris County Insurance Fund
Chubb Insurance Company of New Jersey
Commercial Property

	Coverage	Deductible
Building/Personal Property	\$300,000,000 Building	\$100,000 Deductible
Business Income with Extra Expense	\$5,000,000	48 Hours Waiting Period
Accounts Receivable	\$1,000,000	Extended Period - Unlimited
Valuable Papers	\$1,000,000	
Fine Arts	\$1,500,000	
Business Income Loss of Utilities Overhead lines	\$250,000	
Additional Coverages - Specific Limits		
Street Signs	\$130,032	Deductible \$25,000
Traffic Lights	\$100,000	Deductible \$25,000
Bi-Lou Overhead Lines	\$250,000	72 Hours Waiting Period (Consecutive Hours)
Solar Panels Per SOV	\$19,605,795	Deductible \$25,000
Mobile Equipment	\$7,231,594	Deductible \$25,000
Personal Property in Transit	\$100,000	Deductible \$25,000
Blanket Limits - Covered Premises	\$250,000	
Accounts Receivable		
Electronic Data Processing Property		
Fine Arts Leasehold		
Leasehold Interest - Undamaged		
Tenants Improvements & Betterments		
Non-Owned Detached Trailers		
Outdoor Trees, shrubs, Plants or Lawns		
Pair and Set		
Personal Property of Employees		
Public Safety Services Charges		
Research and Development Property		
Valuable Papers		
Newly Acquired		
Newly Acquired Premises or Newly Acquired or Constructed Property		
Building	\$2,500,000	
Personal Property	\$1,000,000	
Personal Property at Existing Premises	\$100,000	
Electronic Data Processing Equipment	\$1,000,000	
Communication Property	\$50,000	
Fine Arts	\$25,000	
Business Income Coverage		
Any Other Location	\$25,000	
Contractual Penalties	\$10,000	
Dependent Business Premises		
Exhibition, Fair or Trade Show	\$10,000	
Preparation of Loss Fees	\$10,000	
Loss of Utilities	\$15,000	
Pollutant Clean Up or Removal	\$10,000	
Ingress & Egress	\$25,000	
Newly Acquired Premises -- Business Income	\$100,000	
Ocean Cargo Coverage		
Goods in Transit	\$50,000	
Prohibition of Access		
Per Occurrence Limit	\$50,000	
Annual Aggregate Limit	\$100,000	
Live Animals Additional Coverage		
Live Animals per Occurrence Limit of Insurance	\$200,000	\$25,000
Earthquake		
Policy Annual Aggregate Limit of Insurance	\$10,000,000	
Premises Annual Aggregate Limit of Insurance	\$10,000,000	
Per Occurrence Limit of Insurance	\$10,000,000	
Property Damage per Premises/Per Occurrence Dollar Deductible		Deductible \$100,000
Waiting Period Per Premises/Per Occurrence (Consecutive Hours)		48 Hours

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2024
UNAUDITED

Exhibit J-20
2 of 3

Flood (Inundation, Back-Up and Mud Flow Included)

Policy Annual Aggregate Limit of Insurance	\$10,000,000	
Premises Annual Aggregate Limit of Insurance	\$5,000,000	
Per Occurrence Limit of insurance	\$5,000,000	
Per Occurrence Dollar Deductible		\$500,000 Deductible

Safety National Casualty Corporation

Commercial General Liability

General Aggregate Limit	\$5,000,000	Self-Insured Retained Limit \$500,000
Products/Completed Operations Aggregate Limit	\$5,000,000	
Each Occurrence Limit	\$5,000,000	
Damages to Premises Rented to You Limit	\$500,000	

Employee Benefits Liability

Aggregate Limit	\$5,000,000	Self-Insured Retained Limit \$500,000
Each Employee Limit	\$5,000,000	
Retroactive Date: 1/1/2009		

Auto Liability

Employee Benefits Annual Aggregate	\$5,000,000	SIR - Auto Liability - \$500,000
Each Occurrence	\$5,000,000	

Law Enforcement Liability

Each Occurrence	\$5,000,000	SIR - Auto Liability - \$500,000
Law Enforcement Liability Aggregate	\$5,000,000	

Public Officials and Employment Practices Liability

Each Wrongful Act Public Officials and Employment Practices Liability Aggregate	\$5,000,000	SIR - Auto Liability - \$500,000
	\$5,000,000	

Educators Legal Liability & Employment Practices

Annual Aggregate Limit	\$5,000,000	Each Wrongful Act (including LAE)- \$500,000
Each Wrongful Act		Retroactive Date: 1/1/2009

Excess Liability – Lexington

Premium - \$315,000

General Aggregate Limit	\$5,000,000
Each Occurrence Limit	\$5,000,000
Products and Completed Operations Aggregate	\$5,000,000

Underlying Insurance

General Liability
Commercial Automobile Liability
Public Officials Liability
Law Enforcement Liability Coverage
Educators Legal Liability

Ironshore Specialty Insurance Co.

Site Pollution Incident Legal Liability

Policy Aggregate Limit	\$5,000,000	
Coverage A. Third Party Claims for BI, PD or Remediation Expenses:		
Each Incident Limit \$5,000,000 & \$5,000,000		
Coverage Aggregate Limit		\$100,000 Deductible Each Incident
Coverage B. First Party Remediation Expenses: \$5,000,000		
Each Incident Limit - \$5,000,000 Coverage Aggregate Limit		\$100,000 Deductible Each Incident
Coverage C. emergency Response Expenses: \$5,000,000		
Each Incident Limit- \$5,000,000 Coverage Aggregate Limit		\$100,000 Deductible Each Incident
Business Interruption: 365 BI (Days)		
Limit - Business Interruption Limit \$5,000,000		Deductible Each Incident 14 days
Coverage Aggregate Limit 180 Days/\$1,000,000		
Disinfection event expenses de \$100,000 Each incident \$250,000		
Cover Aggregate \$250,000		

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2024
UNAUDITED

Exhibit J-20
3 of 3

Crum & Forster

Storage Tank Liability

Policy Aggregate Limit	\$1,000,000	Deductible \$250,000
Each confirmed Release Limit	\$1,000,000	Each Confirmed Lease
Defense expense Aggregate Limit	\$250,000	

Great American Insurance Company

Crime

Employee Dishonesty	\$5,000,000	Ded. \$50,000
Forgery or Alteration	\$5,000,000	Ded. \$50,000
Inside the Premises	\$10,000	Ded. \$2,500
Outside the Premises	\$10,000	Ded. \$2,500
Computer Fraud	\$5,000,000	Ded. \$50,000
Money Orders & Counterfeit Paper Currency	\$5,000,000	Ded. \$50,000
Funds Transfer Fraud	\$5,000,000	Ded. \$50,000
Fraudulently Induced Transfers	\$250,000	Ded. \$50,000

Chubb (ACE American Ins)

Cyber

Media Content	\$1,000,000	\$150,000
Security and Privacy	\$1,000,000	\$150,000
Network Interruption	\$1,000,000	\$150,000
Event Management	\$1,000,000	\$150,000
Cyber Extortion	\$1,000,000	\$150,000

Global Aerospace Inc

Drone Liability

Medical Services Each Occurrence	\$5,000	
Aviation Personal and Advertising Injury Liability	\$1,000,000	
Fire Legal Liability	\$100,000	
Any Unmanned Aircraft Owned and Operated by the Named Insured	\$1,000,000 Liability Limit	
	\$1,000,000 Third Party War Limit	
	\$1,000,000 Personal Injury Limit	
	\$5,000 Medical Limit	
Non Owned Liability and Unmanned Aircraft System that does not exceed 55lbs in Weight	\$1,000,000 Liability Limit	
	\$1,000,000 Third Party War Limit	
	\$1,000,000 Personal Injury Limit	
	\$5,000 Medical Limit	

SINGLE AUDIT

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Morris County Vocational School District, in the County of Morris (the "District") as of and for the fiscal 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 September 24, 2024.

Report on Internal Control Over Financial Reporting

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

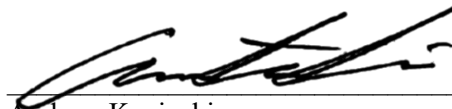
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 24, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Morris County Vocational School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

The Honorable President and Members
of the Board of Education
Morris County Vocational School District
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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 federal and 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 Uniform Guidance and New Jersey's OMB Circular 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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

September 24, 2024
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
	U.S. Department of Education:												
	Passed-through State Department of Education:												
	Special Revenue Fund:												
	Student Financial Aid Cluster:												
	Federal Pell Grant												
84.063	Federal Direct Student Loans (Direct Loan):	P063P064434	9/1/23-8/31/24	\$ 76,894				\$ 76,894	\$ (76,894)				
84.268	Stafford Loans - Subsidized	N/A	9/1/23-8/31/24	57,649				57,649	(57,649)				
84.268	Stafford Loans - Unsubsidized	N/A	9/1/23-8/31/24	64,826				64,826	(64,826)				
	Total Student Financial Aid Cluster							199,369	(199,369)				
	Elementary and Secondary Education Act:												
84.367	Title IIA	ESEA336524	7/1/23-9/30/24	54,800				54,409	(54,409)				
	Subtotal Title IIA							54,409	(54,409)				
	Special Education Cluster:												
84.027	ID.E.A. Part B, Basic	IDEA336524	7/1/23-9/30/24	309,425				164,632	(232,751)	\$ 4	\$ (68,119)		
84.027	ID.E.A. Part B, Basic	IDEA336523	7/1/22-9/30/23	276,715	\$ (64,297)			64,293					
84.027X	COVID-19 - ARP - I.D.E.A. Part B, Basic	IDEA336524	3/13/20-9/30/24	52,315	(1)			228,936	(232,751)	4	(68,119)		
	Total Special Education Cluster				(64,298)								
84.048	Carl D. Perkins Secondary	PERK336524	7/1/23-6/30/24	410,746				403,822	(404,725)		(903)		
84.048	Carl D. Perkins Secondary	PERK336523	7/1/22-6/30/23	387,297	(4,518)			4,518					
84.048	Carl D. Perkins Secondary	PERK336521	7/1/20-6/30/21	391,223	(786)						(786)		
84.048	Carl Perkins Secondary - Reserve	PERK336524	7/1/23-6/30/24	68,004				68,004	(67,907)			\$ 97	
84.048	Carl Perkins Secondary - Reserve	PERK336523	7/1/22-6/30/23	61,605	(396)			396					
	Subtotal Carl D. Perkins				(5,700)			476,740	(472,632)		(1,689)		97
	Education Stabilization Fund:												
84.425D	COVID-19 - CRRSA Learning Acceleration	S425D200027	3/13/20-9/30/23	25,000	(100)			100					
84.425U	COVID-19 - ARP - ESSER III	N/A	3/13/20-9/30/24	476,178	(41,431)			116,083	(124,636)		(49,984)		
84.425U	COVID-19 - ARP - Accelerated Learning Coach and Educator Support	N/A	3/13/20-9/30/24	142,601	(19,450)			28,073	(8,623)				
84.425U	COVID-19 - ARP - NJTSS Mental Health Support Staffing	N/A	3/13/20-9/30/24	45,000		\$ 6,332		13,818	(20,150)				
84.425U	COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	N/A	3/13/20-9/30/24	40,000	(5,250)			5,250	(14,980)		(14,980)		
	Total Education Stabilization Fund				(66,231)	6,332		163,324	(168,389)		(64,964)		
	Total U.S. Department of Education				(136,229)	6,332		1,122,768	(1,127,550)	4	(134,772)		97
	Passed thru State Department of Labor and Workforce Development:												
	Consolidated Adult Basic Skills and Integrated English Literacy and Civics Education							550,581	(718,813)		(168,232)		
84.002	Consolidated Adult Basic Skills and Integrated English Literacy and Civics Education	ABS-23-07-31	7/1/23-6/30/24	861,604									
84.002	Consolidated Adult Basic Skills and Integrated English Literacy and Civics Education	ABS-22-07-31	7/1/22-6/30/23	898,711	(13,312)			13,312		2,810			2,810
84.002	Consolidated Adult Basic Skills and Integrated English Literacy and Civics Education	ABS-21-07-31	7/1/21-6/30/22	859,721	(84,863)			84,863					
	Subtotal Consolidated Adult Basic Skills				(98,175)			648,756	(718,813)	2,810	(168,232)		2,810
	Total Special Revenue Fund				\$ (234,404)	\$ 6,332		\$ 1,771,524	\$ (1,846,363)	\$ 2,814	\$ (303,004)	\$ -0-	\$ 2,907

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024					
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Adjust- ments	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Amount Provided to Subrecipients
U.S. Department of Agriculture:													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
	10.555	N/A	7/1/23-6/30/24	\$ 21,117		\$ 2,314	\$ 21,117	\$ (16,852)			\$ 4,265		
	10.555	N/A	7/1/22-6/30/23	21,852				(2,314)					
	10.555	N/A	7/1/23-6/30/24	30,481			25,544	(30,481)		\$ (4,937)			
	10.555	N/A	7/1/22-6/30/23	33,206	\$ (1,978)		1,978						
	10.555	N/A	7/1/22-6/30/24	64,019		41,042	29,876	(67,619)			3,299		
	10.553	N/A	7/1/23-6/30/24	1,316			1,046	(1,316)		(270)			
	10.553	N/A	7/1/22-6/30/23	499	(33)		33						
					(2,011)	43,356	79,594	(118,582)		(5,207)	7,564		
					(2,011)	43,356	79,594	(118,582)		(5,207)	7,564		
Total U.S. Department of Agriculture													
U.S. Department of Treasury													
Passed-through County of Morris:													

N/A - Not Available/Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Adjustments	Balance at June 30, 2024			Cumulative Total Expenditures
				Budgetary Deferred Revenue	Budgetary Accounts Receivable	Due to Grantor		GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	
NJ Department of Education:											
General Fund State Aid:											
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 73,419							\$ (7,109)	\$ 73,419
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	1,177,979							(114,066)	1,177,979
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	90,697							(8,782)	90,697
Adjustment Aid	24-495-034-5120-085	7/1/23-6/30/24	474,062							(45,904)	474,062
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	73,419								73,419
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	998,664								998,664
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	90,697								90,697
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	474,062								474,062
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	620,365					\$ (30,270)		(30,270)	620,365
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	588,274								588,274
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	842,033								842,033
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	3,058,966								3,058,966
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	34,886								34,886
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	1,430								1,430
Total General Fund State Aid					(188,463)			(30,270)		(206,131)	8,598,953
Enterprise Fund:											
Food Service Fund:											
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	3,482					(265)		(265)	3,482
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	1,962								1,962
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	1								1
Total Enterprise Fund State Aid					(109)			(265)		(265)	5,444
Total NJ Department of Education					(188,572)			(30,535)		(206,396)	9,717,454
Special Revenue Fund State Aid (Cont'd)											
NJ Schools Development Authority:											
School Development Authority - Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	47,946						\$ 29,985		17,961
School Development Authority - Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	48,039	\$ 12,111					12,111		35,928
School Security	22E00098	9/1/21-8/31/22	93,869	1			\$ (1)				93,868
Total NJ Department of Labor and Workforce Development				12,112			(1)		42,096		147,552
NJ Department of Education:											
Carl D. Perkins Post Secondary	24-100-034-5062-032	7/1/23-6/30/24	129,161								128,538
Carl D. Perkins Post Secondary	23-100-034-5062-032	7/1/22-6/30/23	122,381			\$ 896					128,538
Carl D. Perkins Post Secondary	22-100-034-5062-032	7/1/21-6/30/22	119,625			708					128,538
Total NJ Department of Education						1,604					128,538
Total Special Revenue Fund State Aid				12,112		1,604			42,096		1,389,147
Total State Awards Subject to Single Audit Determination				\$ 12,112	\$ (188,572)	\$ 1,604	\$ (1)	\$ (30,535)	\$ 42,096	\$ (206,396)	\$ 9,993,544
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	(842,033)								\$ 842,033
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(3,058,966)								3,058,966
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	(34,886)								34,886
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(1,430)								1,430
Subtotal - On-Behalf TPAF Pension System Contributions											3,937,315
Total State Awards Subject to Single Audit Major Program Determination											\$ (2,586,504)
N/A - Not Available											

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) includes the federal and state grant activity of the Morris County Vocational School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$17,932) for the General Fund and \$26,986 for the Special Revenue 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.

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,355,905	\$ 6,355,905
Special Revenue Fund	\$ 1,860,920	158,928	2,019,848
Enterprise Funds (Food Service Fund)	<u>118,582</u>	<u>3,483</u>	<u>122,065</u>
Total Federal and State Awards	<u>\$ 1,979,502</u>	<u>\$6,518,316</u>	<u>\$ 8,497,818</u>

NOTE 5. 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 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2024. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

MORRIS COUNTY VO TECH
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 on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____	X	No
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Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
COVID-19 - American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Funds	21.027	3/3/21	12/31/24	\$ 15,297,498	\$ 8,098,550
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	_____	Yes		_____	X
					No

MORRIS COUNTY VO TECH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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State Awards

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

Internal control over major programs:

1.) Material weakness identified? Yes X No
2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	\$ 73,419	\$ 73,419
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	1,177,979	1,177,979
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	90,697	90,697
Adjustment Aid	24-495-034-5120-085	7/1/23	6/30/24	474,062	474,062

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year audit findings.