

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF  
CUMBERLAND COUNTY BOARD OF  
VOCATIONAL EDUCATION  
VINELAND, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Prepared by  
Cumberland County Board of Vocational Education  
Finance Department**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR**

**INTRODUCTORY SECTION**

	<u>Page</u>
Letter of Transmittal	
Roster of Officials	
Consultants and Advisors	
Organizational Chart	

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	1-3
-------------------------------------	-----

**Required Supplementary Information - Part I  
Management's Discussion and Analysis**

**Basic Financial Statements**

A.	District/Charter School-Wide Financial Statements:	
	A-1 Statement of Net Position	4
	A-2 Statement of Activities	5
B.	Fund Financial Statements:	
	Governmental Funds:	
	B-1 Balance Sheet	6
	B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	7
	B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	8
	Proprietary Funds:	
	B-4 Statement of Net Position	9
	B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	10
	B-6 Statement of Cash Flows	11
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	12
	B-8 Statement of Changes in Fiduciary Net Position	13
	<b>Notes to Financial Statements</b>	14-39

**Required Supplementary Information – Part II**

C.	Budgetary Comparison Schedules:	
	C-1 Budgetary Comparison Schedule – General Fund	40-52
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
	C-1b Education Jobs Fund Program – Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule – Special Revenue Fund	53
	<b>Notes to the Required Supplementary Information – Part II</b>	
	C-3 Budget-to-GAAP Reconciliations	54

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR  
(Continued)**

		<u>Page</u>
<b>Required Supplementary Information – Part III</b>		
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1	Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	55
L-2	Schedule of District’s Contributions – PERS and TPAF	56
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	57
<b>Notes to the Required Supplementary Information – Part III</b>		
L-4	Notes to Pension Schedules	58
<b>Required Supplementary Information – Part IV</b>		
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1	Schedule of the District’s Proportionate Share of Net OPEB Liability	59
M-2	Schedule of the District’s Contribution	60
<b>Notes to the Required Supplementary Information – Part IV</b>		
M-3	Notes to OPEB Schedules	61
<b>Other Supplementary Information</b>		
D.	School Based Budget Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated By Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	62-63
E-2	Pre-School Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	64
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	65
F-2(a)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roof and HVAC Repairs and Upgrades, Door, and Hardware Upgrades	66
F-2(b)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Water Well System	67
F-2(c)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status–Budgetary Basis–New Cumberland County Technical Education Bldg.	68

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR  
(Continued)**

		<u>Page</u>
G.	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Combining Schedule of Net Position	69-70
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	71
	G-3 Combining Schedule of Cash Flows	72
	Internal Service Fund:	
	G-4 Combining Schedule of Net Position	73
	G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	74
	G-6 Combining Schedule of Cash Flows	75
H.	Fiduciary Fund:	
	H-1 Combining Statement of Fiduciary Net Position	76
	H-2 Combining Statement of Changes in Fiduciary Net Position	77
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	78
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	79
I.	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

**Statistical Section**

**Financial Trends**

	J-1 Net Position by Component	80
	J-2 Changes in Net Position	81-82
	J-3 Fund Balances – Governmental Funds	83
	J-4 Changes in Fund Balances – Governmental Funds	84-85
	J-5 General Fund Other Local Revenue by Source	86

**Revenue Capacity**

	J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
	J-7 Direct and Overlapping Property Tax Rates	N/A
	J-8 Principal Property Taxpayers*	N/A
	J-9 Property Tax Levies and Collections	87

**Debt Capacity**

	J-10 Ratios of Outstanding Debt by Type	N/A
	J-11 Ratios of Net General Bonded Debt Outstanding	N/A
	J-12 Direct and Overlapping Governmental Activities Debt	N/A
	J-13 Legal Debt Margin Information	N/A

**Demographic and Economic Information**

	J-14 Demographic and Economic Statistics	88
	J-15 Principal Employers	N/A

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**OUTLINE OF CAFR**  
(Continued)

	<u>Page</u>
<b>Operating Information</b>	
J-16 Full-Time Equivalent District/Charter School Employees by Function/Program	89
J-17 Operating Statistics	90
J-18 School Building Information	91
J-19 Schedule of Required Maintenance Expenditures by School Facility	92
J-20 Insurance Schedule	93

**SINGLE AUDIT SECTION**

K-1 Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	94-95
K-2 Report on Compliance For Each Major Program; Report on Internal Control Over Compliance	96-97
K-3 Schedule of Expenditures of Federal Awards, Schedule A	98-99
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	100-101
K-5 Notes to the Schedules of Awards and Financial Assistance	102-103
K-6 Schedule of Findings and Questioned Costs	104-105
K-7 Summary Schedule of Prior Audit Findings	106

## **INTRODUCTORY SECTION**



February 14, 2019

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
Cumberland County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Cumberland County Board of Vocational Education for the fiscal year ended June 30, 2018, 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 Cumberland County Board of Vocational Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revisions of 1996 and the U.S. Office of Management and Budget; the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with acceptable laws and regulations and findings and recommendations are included in the single audit section of this report.

- 1.) **REPORTING ENTITY AND ITS SERVICES:** Cumberland County Board of Vocational Education is a component of Cumberland County within the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cumberland County Board of Vocational Education and all its schools constitute the District's reporting entity.

The district delivers full time career and college readiness curriculum for secondary students within the county. In addition, the district provides a self-contained special education program for students (STRIVE) with a curriculum focused on occupational programs.

CCTEC Enrollment History													
YEAR	Bridgeton		CRHS		Millville		Vineland		Other		HSTOT	Adult	Total
	FT	ST	FT	ST	FT	ST	FT	ST	STRIVE	other			
08-09	5	46	8	77	8	107	6	192	9	7	465	195	660
09-10	7	73	5	105	8	125	7	235	9	8	582	340	922
10-11	9	71	6	129	8	140	5	290	9	7	674	291	965
11-12	10	57	7	132	8	90	4	234	13	47	602	179	781
12-13	10	79	7	130	13	91	3	248	7	52	640	155	795
13-14	9	85	5	124	15	100	4	301	8	42	693	105	798
14-15	8	81	9	112	20	91	3	270	15	37	646	103	749
15-16	7	67	7	71	16	78	2	182	17	46	493	114	607
16-17	45	33	45	62	38	53	92	130	13	65	576	50	626
17-18	75	13	80	33	61	8	217	46	7	67	607	0	607

2.) **ECONOMIC CONDITION AND OUTLOOK:** As our third school year has started we welcomed the class of 2022. The new freshmen have joined the inaugural class of 2020 to bring enrollment to over 700 full time students.

We continue to see high enrollment in all Health Science and Medicine Programs. The County as a whole has seen significant investment by the medical community thereby creating these types of jobs. The County has recently approved a \$23 million Health Science and Medicine addition to the existing building to meet the needs of the County.

3.) **MAJOR INITIATIVES:** CCTEC embarked on a number of educational initiatives during the fiscal year. They include:

- a. The continuation of partnerships with Cumberland County College, Rutgers University, Rowan University and Ohio Technical College that enhance career pathways for all students.
- b. The continuation of STRIVE's extended year program with a strong On the Job Training Program as a major component of the curriculum.
- c. The collaboration with CTE professionals to assist in the development of curriculum.
- d. The successful recruitment of teaching and support staff to facilitate the entrance of the class of 2022.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of



the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

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

- 7.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2018 and the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percent of Totals	Increase/ (Decrease) from 2018	Percent of Increase/ (Decrease)
Local Sources	\$ 6,393,125.	52.76%	\$ 1,100,040.	20.78%
State Sources	5,255,904.	43.38%	(151,750.)	-2.81%
Federal Sources	467,605.	3.86%	52,213.	12.57%
<b>Total</b>	<b>\$12,116,634.</b>	<b>100.00%</b>	<b>\$1,000,503.</b>	<b>9.00%</b>

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2017 and the percentage of increases and decreases in relation to prior year amounts.

Expenditure	Amount	Percent of Total	Increase/ (Decrease) from 2018	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 4,589,807.	38.41%	\$1,013,060.	28.32%
Undistributed Expenditures	7,039,790.	58.92%	653,514.	10.23%
Capital Outlays	284,526.	2.38%	121,852.	74.91%
Special Schools	34,391.	0.29%	(492,258.)	-93.47%
<b>Total</b>	<b>\$ 11,948,514.</b>	<b>100.00%</b>	<b>\$1,296,168.</b>	<b>12.17%</b>

- 8.) **DEBT ADMINISTRATION:** All bond indebtedness on behalf of the District is held by the Cumberland County Board of Chosen Freeholders and the Cumberland County Improvement Authority.
- 9.) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit 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.
- 10.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 11.) **OTHER INFORMATION:**
- A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos & Delp, CPA’s LLC was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was also designed to meet the requirements the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.
- 12.) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cumberland County Board of Vocational Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dina Rossi, Ed. D.  
Superintendent



Megan Duffield  
Business Administrator/Board Secretary

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**

**2017-2018  
ROSTER OF OFFICIALS**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Carlos Villar, Vice President	2018
Sheila McCann	2018
Ruth Hands, Vice President	2019
Scott Groff	2020
John Redden	2021
Peggy Nicolosi, Interim Executive County Superintendent	Permanent

**Other Officials**

Dina Rossi, Ed. D., Superintendent

Gene Mercoli, Board Secretary/Business Administrator

Mario Olsen, Assistant Superintendent

Megan Duffield, Assistant Business Administrator

Christopher Russo, Ed. D., Treasurer

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**

**Consultants and Advisors**

**AUDIT FIRM**

Triantos & Delp, C.P.A.'s, LLC  
645 South Main Road  
Vineland, NJ 08360

**ARCHITECT**

Garrison Architects  
713 Creek Road.  
Bellmawr, NJ 08031

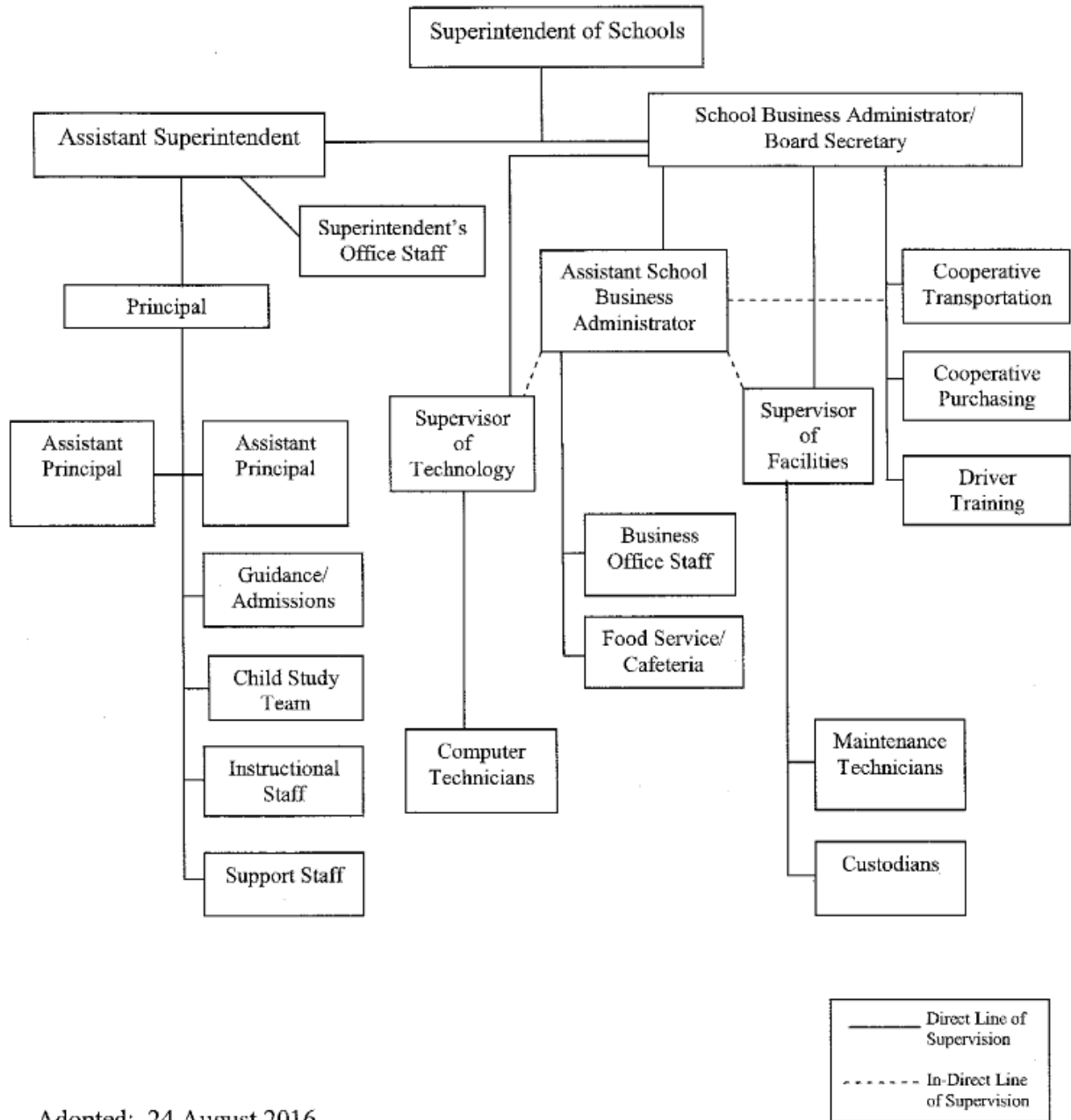
**OFFICIAL DEPOSITORY**

OceanFirst Bank  
Delsea Drive  
Vineland, NJ 08360

**BOARD SOLICITOR**

Mitchell H. Kizner, Esq.  
Flaster/Greenberg, P.C.  
Commerce Center, Third Floor  
1810 Chapel Avenue West  
Cherry Hill, NJ 08002-4609

## ORGANIZATIONAL CHART



Adopted: 24 August 2016

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

### **Report on Financial Statements**

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 Board of Education of the Cumberland County Board of Vocational Education the County of Cumberland, in the State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT

(Continued)

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pension, Schedule Relating to Accounting and Reporting for Other Post Employment Benefits, and Notes to the Required Supplemental Information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland County Board of Vocational Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance)*, and schedule of expenditures of state awards as required by New Jersey OMB's 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. The accompanying introductory information, statistical sections, combining and individual non-major fund financial statements are also presented for purposes of additional analysis and are not a required part of the basic financial statements.



INDEPENDENT AUDITOR'S REPORT  
(Continued)

The accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule of expenditure of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2019 on our consideration of the Cumberland County Board of Vocational Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 Cumberland County Board of Vocational Education's internal control over financial reporting and compliance.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

February 14, 2019

**REQUIRED SUPPLEMENTARY INFORMATION–PART I**

# **MANAGEMENT'S DECISION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland County Board of Vocational Education's (CCBOVE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. 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 like 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 of the district operates *like business*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. 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 reasonable.

# Major Features of District-Wide and Fund Financial Statements

	Fund Financial Statements			
	<b>District-Wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire district (except fiduciary funds)	the activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets statements -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, 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 or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; CCBOVE's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

## 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 assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position - the difference between the District's assets and deferred outflow of resources and liabilities and deferred inflow of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building 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 cost for certain services it provides. The District's food services program is 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 (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- ***Governmental Fund*** - 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, we provide additional information with the governmental funds statements that explains the relationship (or differences 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.
  - In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
  - *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).
  - *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)**

**Net position.** The District's *combined* net position is \$73,086 on June 30, 2018. The majority of the total net position, is attributed to governmental activities (99%).

Table A-1  
Cumberland County Board of Vocational Education's Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>201</u>	<u>2017</u>	<u>2018</u>	<u>2017-2018</u>
Current Assets	\$ 10,424.	\$ 8,152.	\$ 562.	\$ 831.	\$ 10,986.	\$ 8,983.	-18.2%
Capital Assets	68,332.	68,658.	0.	58.	68,332.	68,716.	0.6%
<b>Total Assets</b>	<u>\$ 78,756.</u>	<u>\$ 76,810.</u>	<u>\$ 562.</u>	<u>\$ 889.</u>	<u>\$ 79,318.</u>	<u>\$ 77,699.</u>	<u>-2.0%</u>
Deferred Outflow of Resources	\$ 1,917.	\$ 1,266.	\$ 0.	\$ 121.	\$ 1,917.	\$ 1,387.	0.0%
Current Liabilities	\$ 414.	\$ 343.	\$ 128.	\$ 119.	\$ 542.	\$ 462.	-14.8%
Noncurrent Liabilities	5,796.	4,079.	0.	315.	5,796.	4,394.	-24.2%
<b>Total Liabilities</b>	<u>\$ 6,210.</u>	<u>\$ 4,422.</u>	<u>\$ 128.</u>	<u>\$ 434.</u>	<u>\$ 6,338.</u>	<u>\$ 4,856.</u>	<u>-23.4%</u>
Deferred Inflow of Resources	\$ 192.	\$ 1,049.	\$ 0.	\$ 95.	\$ 192.	\$ 1,144.	0.0%
Net Position							
Invested in Capital Assets Net of Related Debt	\$ 68,332.	\$ 68,658.	\$ 0.	\$ 58.	\$ 68,332.	\$ 68,716.	0.6%
Restricted	9,703.	7,753.	0.	0.	9,703.	7,753.	-20.1%
Unrestricted	(3,764.)	(3,806.)	434.	423.	(3,330.)	(3,383.)	1.6%
<b>Total Net Position</b>	<u>\$ 74,271.</u>	<u>\$ 72,605.</u>	<u>\$ 434.</u>	<u>\$ 481.</u>	<u>\$ 74,705.</u>	<u>\$ 73,086.</u>	<u>-2.2%</u>

**Changes in net position.** The District's total revenues are \$14,629 for the fiscal period ending June 30, 2018, Property taxes and state formula aid accounted for 48% of the District's revenue. 21% is derived from state and federal aid for specific programs, and the remainder, 27% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 50%. The purely administrative activities of the District accounted for 12% of total costs. Total expenses surpassed revenues, decreasing net position approximately \$1,619 from last year, primarily in governmental type activities.

### Governmental Activities

Revenues for the District's governmental activities amounted to \$13,951. Total expenses amounted to \$15,617. The decrease in net position in governmental activities was \$1,666 for 2018. Included in this decrease is a transfer of \$92 from governmental activities to business-type activities.

### Business-Type Activities

Revenues of the District's business-type activities amounted to \$678, including the transfer of \$92 from governmental activities, and expenses were \$631. Factors contributing to these results included:

- Increase operations in the food service (Cafeteria) program.
- Transfer of \$56 from the general fund to cover deficit in the food service program.

Table A-2  
Cumberland County Board of Vocational Education's  
Changes in Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2017	2018	2017	2018	2017	2018	2017-2018
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 926.	\$ 6.	\$ 168.	\$ 447.	\$ 1,094.	\$ 453.	-58.6%
Federal & State Categorical Grants	2,292.	3,063.	67.	136.	2,359.	3,199.	35.6%
General Revenues							
Property Taxes	2,310.	2,420.	0.	0.	2,310.	2,420.	4.8%
State Formula Aid	4,942.	4,634.	0.	0.	4,942.	4,634.	-6.2%
Other	2,051.	3,828.	551.	95.	2,602.	3,923.	50.8%
<b>Total Revenues</b>	<u>\$12,521.</u>	<u>\$13,951.</u>	<u>\$ 786.</u>	<u>\$ 678.</u>	<u>\$13,307.</u>	<u>\$14,629.</u>	<u>9.9%</u>
<b>Expenses</b>							
Instruction - Related	\$ 4,818.	\$ 6,004.	\$ 0.	\$ 0.	\$ 4,818.	\$ 6,004.	24.6%
Student Support Services	948.	957.	322.	631.	1,270.	1,588.	25.0%
Maintenance & Operations	1,505.	1,628.	0.	0.	1,505.	1,628.	8.2%
Transportation	43.	37.	0.	0.	43.	37.	-14.0%
Administration	1,679.	1,796.	0.	0.	1,679.	1,796.	7.0%
Other	5,613.	5,195.	0.	0.	5,613.	5,195.	-7.4%
<b>Total Expenses</b>	<u>\$14,606.</u>	<u>\$15,617.</u>	<u>\$ 322.</u>	<u>\$ 631.</u>	<u>\$14,928.</u>	<u>\$16,248.</u>	<u>8.8%</u>
<b>Increase/ (decrease) in Net Position</b>	<u>\$ (2,085.)</u>	<u>\$ (1,666.)</u>	<u>\$ 464.</u>	<u>\$ 47.</u>	<u>\$ (1,621.)</u>	<u>\$ (1,619.)</u>	<u>-0.1%</u>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUND (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$7,964. Miscellaneous revenue fees fell short of the amounts anticipated in the 2018 budget. The District charged tuition for secondary high school students.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$1,684 in fund balance and \$27 of prior year encumbrances to fund the appropriation plan for this fiscal period. The general fund balance increased by \$84.

Actual expenditures for capital outlay amounted to \$164 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$120 was from the Special Revenue Fund and \$2,024 from the Capital Project Fund for the purpose of the New High School Project



## CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

### Capital Assets

By the end of 2018, the District had invested \$78,498 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (More detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$1,885 while building improvements and additions to equipment and furniture amounted to \$2,289. Additions to construction in progress was \$0.

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2016-2017
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Land	\$ 1,343.	\$ 1,343.	\$ 0.	\$ 0.	\$ 1,343.	\$ 0.	-100.0%
Site Improvements	140.	2,023.	0.	0.	140.	0.	-100.0%
Buildings & Improvements	64,457.	63,046.	0.	0.	64,457.	0.	-100.0%
Machinery & Equipment	2,324.	2,246.	68.	57.	2,392.	114.	-95.2%
<b>Total</b>	<u>\$68,264.</u>	<u>\$68,658.</u>	<u>\$ 68.</u>	<u>\$ 57.</u>	<u>\$68,332.</u>	<u>\$ 114.</u>	<u>-99.8%</u>

### Long-Term Debt

The District does not have the authority to issue bonds. Any long-term debt is approved and issued by the County of Cumberland and is not a liability of the District.

### 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 school district is heavily dependent on State Aid. It is anticipated that the Governor and State Legislature will continue to adjust the State School Aid Formula to address school funding issues State wide. Anticipated changes to the school funding formula always causes great anxiety amount school officials due to the uncertainty. The District is hopeful that we realize only positive funding changes due to increasing enrollment.
- The District continues to monitor industry needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Center for Workforce and Economic Development (CWED), and Cumberland County College, and industry partners, the Cumberland County Board of Vocational Education will continue to work with industry leaders in Cumberland County to identify trends and enhance our training programs.

- In October 2018, the Cumberland County Board of Chosen Freeholders approved a \$23 million bond ordinance with the State of New Jersey incurring 72.1% of the cost of to construct a 55,000 sq. ft. expansion of the current facility that will be home to our Health Science and Medicine Program. Historically, Health Science and Medicine has been the most enrolled program. Currently there are four applicants for every one seat. This consistent enrollment, coupled with a health system that serves Cumberland County's top employer, provides the rationale for the expansion that will serve as an anchor for quality medical training for a variety of populations.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, please contact Megan Duffield, School Business Administrator, Cumberland County Board of Vocational Education, 3400 College Drive, Vineland, NJ 08360.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,029,789.	\$ 761,600.	\$ 5,791,389.
Receivables, Net	3,122,566.	62,721.	3,185,287.
Inventory	0.	6,525.	6,525.
Capital Assets, Net	68,657,775.	57,768.	68,715,543.
Total Assets	<u>76,810,130.</u>	<u>888,614.</u>	<u>77,698,744.</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>1,266,064.</u>	<u>120,862.</u>	<u>1,386,926.</u>
<b>LIABILITIES:</b>			
Accounts Payable	63,354.	25,740.	89,094.
Interfund Payable	(73,181.)	73,181.	0.
Pension Account Payable	160,568.	11,815.	172,383.
Unearned Revenue	192,214.	8,125.	200,339.
Noncurrent Liabilities:			
Due in More than One Year	127,863.	5,813.	133,676.
Net Pension Liability	3,951,079.	308,945.	4,260,024.
Total Liabilities	<u>4,421,897.</u>	<u>433,619.</u>	<u>4,855,516.</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,049,277.</u>	<u>95,168.</u>	<u>1,144,445.</u>
<b>NET POSITION</b>			
Invested in Capital Assets, net of related debt	68,657,775.	57,768.	68,715,543.
Restricted for:			
Capital Projects	3,715,261.	0.	3,715,261.
Other Purposes	4,037,723.	0.	4,037,723.
Unrestricted	(3,805,739.)	422,921.	(3,382,818.)
Total Net Position	<u>\$ 72,605,020.</u>	<u>\$ 480,689.</u>	<u>\$ 73,085,709.</u>

See Accompanying Notes to the Basic Financial Statements

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
Instruction:							
Regular	\$ 3,517,355.	\$ 0.	\$ 0.	\$ 0.	\$ (3,517,355.)	\$ 0.	\$ (3,517,355.)
Special education	401,853.	0.	0.	0.	(401,853.)	0.	(401,853.)
Vocational	2,019,425.	0.	0.	0.	(2,019,425.)	0.	(2,019,425.)
Other instruction	65,197.	0.	0.	0.	(65,197.)	0.	(65,197.)
<b>Support services:</b>							
Student & instruction related services	956,995.	0.	0.	0.	(956,995.)	0.	(956,995.)
School administrative services	605,111.	0.	0.	0.	(605,111.)	0.	(605,111.)
General and business administrative services	555,544.	0.	0.	0.	(555,544.)	0.	(555,544.)
Central services	391,254.	0.	0.	0.	(391,254.)	0.	(391,254.)
Admin info tech	243,812.	0.	0.	0.	(243,812.)	0.	(243,812.)
Plant operations and maintenance	1,627,896.	0.	0.	0.	(1,627,896.)	0.	(1,627,896.)
Pupil transportation	36,873.	0.	0.	0.	(36,873.)	0.	(36,873.)
Employee benefits	4,952,619.	0.	3,062,733.	0.	(1,889,886.)	0.	(1,889,886.)
Special schools	34,391.	0.	0.	0.	(34,391.)	0.	(34,391.)
Internal service fund	300.	6,000.	0.	0.	5,700.	0.	5,700.
Unallocated depreciation	188,535.	0.	0.	0.	(188,535.)	0.	(188,535.)
NJ Debt service assessment	19,288.	0.	0.	0.	(19,288.)	0.	(19,288.)
<b>Total governmental activities</b>	<b>15,616,448.</b>	<b>6,000.</b>	<b>3,062,733.</b>	<b>0.</b>	<b>(12,547,715.)</b>	<b>0.</b>	<b>(12,547,715.)</b>
<b>Business-type activities:</b>							
Enterprise funds	631,404.	446,555.	136,043.	0.	0.	(48,806.)	(48,806.)
Total business-type activities	631,404.	446,555.	136,043.	0.	0.	(48,806.)	(48,806.)
<b>Total primary government</b>	<b>\$ 16,247,852.</b>	<b>\$ 452,555.</b>	<b>\$ 3,198,776.</b>	<b>\$ 0.</b>	<b>(12,547,715.)</b>	<b>\$ (48,806.)</b>	<b>\$ (12,596,521.)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net					\$ 2,420,000.	\$ 0.	\$ 2,420,000.
Federal and State aid not restricted					4,070,120.	0.	4,070,120.
Federal and State aid restricted					563,463.	0.	563,463.
Tuition received					3,910,820.	0.	3,910,820.
Investment Earnings					20,245.	3,281.	23,526.
Miscellaneous Income					48,573.	0.	48,573.
Transfers					(92,233.)	92,233.	0.
Fixed Asset Retirements					(9,696.)	0.	(9,696.)
Refund of Prior Year grant					(50,000.)	0.	(50,000.)
Total general revenues, special items, extraordinary items and transfers					10,881,292.	95,514.	10,976,806.
Change in Net Position					(1,666,423.)	46,708.	(1,619,715.)
<b>Net Position—beginning, restated</b>					<b>74,271,443.</b>	<b>433,981.</b>	<b>74,705,424.</b>
<b>Net Position—ending</b>					<b>\$ 72,605,020.</b>	<b>\$ 480,689.</b>	<b>\$ 73,085,709.</b>

See Accompanying Notes to the Basic Financial Statements

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS**



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,621,793.	\$ (153,309.)	\$ 1,561,305.	\$ 0.	\$ 5,029,789.
Due from other funds	1,965,538.	0.	0.	0.	1,965,538.
Receivables from other governments	398,848.	209,206.	2,553,637.	0.	3,161,691.
Other	2,400.	0.	0.	0.	2,400.
<b>Total assets</b>	<b>\$ 5,988,579.</b>	<b>\$ 55,897.</b>	<b>\$ 4,114,942.</b>	<b>\$ 0.</b>	<b>\$ 10,159,418.</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 63,354.	\$ 0.	\$ 0.	\$ 0.	\$ 63,354.
Interfund payable	37,245.	0.	1,902,637.	0.	1,939,882.
Unearned revenue	100,000.	55,897.	36,317.	0.	192,214.
<b>Total liabilities</b>	<b>200,599.</b>	<b>55,897.</b>	<b>1,938,954.</b>	<b>0.</b>	<b>2,195,450.</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus-current year	1,026,253.	0.	0.	0.	1,026,253.
Excess surplus -- designated for subsequent year's expenditures	1,926,553.	0.	0.	0.	1,926,553.
Maintenance reserve	827,134.	0.	0.	0.	827,134.
Capital reserve	1,539,273.	0.	0.	0.	1,539,273.
<b>Committed to:</b>					
Other purposes	257,783.	0.	0.	0.	257,783.
<b>Assigned to:</b>					
Capital projects	0.	0.	2,175,988.	0.	2,175,988.
<b>Unassigned:</b>					
General fund	210,984.	0.	0.	0.	210,984.
<b>Total Fund balances</b>	<b>5,787,980.</b>	<b>0.</b>	<b>2,175,988.</b>	<b>0.</b>	<b>7,963,968.</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,988,579.</b>	<b>\$ 55,897.</b>	<b>\$ 4,114,942.</b>	<b>\$ 0.</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$78,497,748. and the accumulated depreciation is \$9,839,973 (See Note 5).	\$ 68,657,775.
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(127,863.)
Internal service fund net position	6,000.
<b>Pension related items:</b>	
Deferred outflow of items	\$ 1,266,064.
Deferred inflow of items	(1,049,277.)
Pension account payable	(160,568.)
Net pension liability	(3,951,079.)
<b>Total pension related items</b>	<b>(3,894,860.)</b>
<b>Net assets of governmental activities</b>	<b>\$ 72,605,020.</b>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,420,000.	\$ 0.	\$ 0.	\$ 0.	\$ 2,420,000.
Tuition charges	3,910,820.	0.	0.	0.	3,910,820.
Interest earned	13,732.	0.	6,513.	0.	20,245.
Miscellaneous-unrestricted	47,287.	1,286.	0.	0.	48,573.
Total local sources	6,391,839.	1,286.	6,513.	0.	6,399,638.
State sources	5,160,046.	95,858.	0.	0.	5,255,904.
Federal sources	0.	467,605.	0.	0.	467,605.
Total revenues	11,551,885.	564,749.	6,513.	0.	12,123,147.
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	2,103,332.	0.	0.	0.	2,103,332.
Special education instruction	103,758.	298,095.	0.	0.	401,853.
Vocational instruction	2,019,425.	0.	0.	0.	2,019,425.
Other instruction	65,197.	0.	0.	0.	65,197.
Support services:					
Student & instruction related services	824,244.	57,336.	0.	0.	881,580.
Other administrative services	480,129.	0.	0.	0.	480,129.
School administrative services	491,989.	0.	0.	0.	491,989.
Central services	391,254.	0.	0.	0.	391,254.
Admin info tech	243,812.	0.	0.	0.	243,812.
Plant operations and maintenance	1,609,042.	0.	0.	0.	1,609,042.
Pupil transportation	36,873.	0.	0.	0.	36,873.
Employee benefits	2,815,980.	89,131.	0.	0.	2,905,111.
Capital outlay	164,339.	120,187.	2,023,562.	0.	2,308,088.
Special schools	34,391.	0.	0.	0.	34,391.
Total expenditures	11,383,765.	564,749.	2,023,562.	0.	13,972,076.
Excess (deficiency) of revenues over exp.	168,120.	0.	(2,017,049.)	0.	(1,848,929.)
<b>OTHER FINANCING SOURCES (USES):</b>					
Refund of Prior Year Grant	(50,000.)	0.	0.	0.	(50,000.)
Transfers in	6,513.	0.	32,324.	0.	38,837.
Transfers out	(56,000.)	0.	(38,837.)	0.	(94,837.)
Total other financing sources and uses	(99,487.)	0.	(6,513.)	0.	(106,000.)
Net change in fund balance	68,633.	0.	(2,023,562.)	0.	(1,954,929.)
Fund balance - July 1	5,719,347.	0.	4,199,550.	0.	9,918,897.
Fund balance - June 30	\$ 5,787,980.	\$ 0.	\$ 2,175,988.	\$ 0.	\$ 7,963,968.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

Total net changes in fund balances - governmental funds (from B-2)		\$ (1,954,929.)
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 exceeded depreciation in the period.		
	Depreciation expense	\$ (1,885,364.)
	Capital outlays	403,436.
		<u>2,288,800.</u>
Disposition of fixed assets		(9,696.)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		0.
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		0.
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(12,238.)
Decrease in net assets - internal service fund		(30,533.)
Increase in pension expense		(950,218.)
Increase in on behalf pension payments		<u>887,755.</u>
Change in net assets of governmental activities		<u>\$ (1,666,423.)</u>

See Accompanying Notes to the Basic Financial Statements

## **PROPRIETARY FUNDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2018

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$ 761,600.	\$ 0.
Accounts receivable:		
Federal	11,207.	0.
State	215.	0.
Interfund	49,182.	0.
Other receivables	1,567.	6,000.
Other asset	550.	0.
Inventory	6,525.	0.
Total current assets	<u>830,846.</u>	<u>6,000.</u>
Noncurrent assets:		
Furniture, machinery & equipment	149,806.	0.
Less accumulated depreciation	<u>(92,038.)</u>	<u>0.</u>
Total noncurrent assets	<u>57,768.</u>	<u>0.</u>
Total assets	<u>\$ 888,614.</u>	<u>\$ 6,000.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 120,862.</u>	<u>\$ 0.</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts payable	\$ 25,740.	\$ 0.
Pension account payable	11,815.	0.
Interfund payable	73,181.	0.
Prepaid lunches	3,154.	0.
Prepaid benefits	4,971.	0.
Total current liabilities	<u>118,861.</u>	<u>0.</u>
Noncurrent liabilities		
Compensated absence	5,813.	0.
Net pension liability	<u>308,945.</u>	<u>0.</u>
Total noncurrent liabilities	<u>314,758.</u>	<u>0.</u>
Total liabilities	<u>433,619.</u>	<u>0.</u>
DEFERRED INFLOW OF RESOURCES:	<u>\$ 95,168.</u>	<u>\$ 0.</u>
<b>NET POSITION:</b>		
Invested in capital assets net of related debt	57,768.	0.
Unrestricted	422,921.	6,000.
Total net position	<u>\$ 480,689.</u>	<u>\$ 6,000.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2018

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
Operating revenues:		
Changes for services:		
Daily sales - Reimbursable	\$ 76,379.	\$ 0.
Daily Sales - Non-reimbursable	131,742.	0.
Fees	238,434.	6,000.
Total operating revenues	<u>446,555.</u>	<u>6,000.</u>
Operating expenses		
Cost of Sales - Reimbursable	102,856.	0.
Cost of Sales - Nonreimbursable	62,995.	0.
Salaries	248,641.	0.
Payroll taxes and fringe benefits	100,751.	0.
Management Fee	27,523.	0.
Other purchased services	36,559.	300.
General supplies	21,688.	0.
Depreciation	10,503.	0.
Miscellaneous	19,889.	0.
Total operating expenses	<u>631,405.</u>	<u>300.</u>
Operating income/(loss)	<u>(184,850.)</u>	<u>5,700.</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,644.	0.
Federal sources:		
National school breakfast program	26,988.	0.
National school lunch program	102,949.	0.
USDA commodities	3,462.	0.
Interest	3,281.	0.
Total nonoperation revenues (expenses)	<u>139,324.</u>	<u>0.</u>
Operating transfer in/(out):		
Operating transfer in from Internal Service Fund	36,233.	0.
Operating transfer (out) to Enterprise	0.	(36,233.)
Operating transfer in/(out)	56,000.	0.
Total operating transfers in/out	<u>92,233.</u>	<u>(36,233.)</u>
Change in net position	46,708.	(30,533.)
Total net position - beginning	<u>433,981.</u>	<u>36,533.</u>
Total net position - ending	<u>\$ 480,689.</u>	<u>\$ 6,000.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR YEAR ENDED JUNE 30, 2018

	Total Enterprise Fund	Total Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACCT.</b>		
Receipts from customers	\$ 532,458.	\$ 101,776.
Payments to employees	(126,200.)	0.
Payment for employee benefits	(77,124.)	0.
Payments to suppliers	(449,167.)	(204,984.)
Net cash provided by (used for) operating account	<u>(120,033.)</u>	<u>(103,208.)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACT.</b>		
State Sources	2,430.	0.
Federal Sources	123,147.	0.
Interfund	322,481.	(265,947.)
Net cash provided by (used for) non-capital financing activities	<u>448,058.</u>	<u>(265,947.)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest of investment	3,281.	0.
Net cash provided by financing activities	<u>3,281.</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	331,306.	(369,155.)
Balances - beginning of year	430,294.	369,155.
Balances - end of year	<u>\$ 761,600.</u>	<u>\$ 0.</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (184,850.)	\$ 5,700.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	10,503.	0.
Federal commodities	3,462.	0.
(Increase)/decrease in accts receivables, net	49,448.	95,776.
(Increase)/decrease in interfund receivables	21,825.	0.
(Increase)/decrease in inventories	(1,498.)	0.
(Increase)/decrease in deferred outflow of resources	50,862.	0.
Increase/(decrease) in prepaid benefits	149.	0.
Increase/(decrease) in accounts payable	(23,667.)	(204,684.)
Increase/(decrease) in interfund payable	(3,572.)	0.
Increase/(decrease) in pension accounts payable	132.	0.
Increase/(decrease) in prepaid lunches	1,534.	0.
Increase/(decrease) in deferred inflow of resources	91,447.	0.
Increase/(decrease) in net pension liability	(135,808.)	0.
Total adjustments	<u>64,817.</u>	<u>(108,908.)</u>
Net cash provided by (used for) oper activities	<u>\$ (120,033.)</u>	<u>\$ (103,208.)</u>

See Accompanying Notes to the Basic Financial Statements

## **FIDUCIARY FUNDS**



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2018

	Unemployment Compensation Trust	Payroll/Agency Fund	Student Activity
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 39,596.	\$ 7,791.	\$ 91,474.
Due from Agency	3,481.	0.	0.
Total Assets	<u>43,077.</u>	<u>7,791.</u>	<u>91,474.</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	<u>0.</u>	<u>0.</u>	<u>0.</u>
<b>LIABILITIES:</b>			
Due to Student Groups	0.	0.	91,006.
Interfund Payable	0.	1,188.	468.
Payroll Deductions and Withholdings	0.	3,122.	0.
Due to Unemployment	0.	3,481.	0.
Total Liabilities	<u>0.</u>	<u>7,791.</u>	<u>91,474.</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>	<u>0.</u>	<u>\$0</u>	<u>\$0</u>
<b>NET POSITION:</b>			
Held in trust for unemployment claims	<u>\$ 43,077.</u>		

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 11,322.
Board Contribution	45,000.
Total Contributions	<u>56,322.</u>
Investment Earnings:	
Interest	78.
Net Investment Earnings	<u>78.</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	19,501.
Total Deductions	<u>19,501.</u>
Change in Net Assets	36,899.
NET POSITION, JULY 1	<u>6,178.</u>
NET POSITION, JUNE 30	<u><u>\$ 43,077.</u></u>

## **NOTES TO FINANCIAL STATEMENTS**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

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

The Cumberland County Board of Vocational Education is a component unit of the County of Cumberland. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

**A. Reporting Entity**

The Cumberland County Board of Vocational Education is a Type I district located in the County of Cumberland, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The board is comprised of seven (7) members elected to four (4) year terms, appointed by the Board of Chosen Freeholders, and the County Superintendent of Schools as an ex-officio member. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 9<sup>th</sup> to 12<sup>th</sup> for vocational programs and operate the adult and continuing education programs. The Cumberland County Board of Vocational Education had an enrollment at June 30, 2018 of 553 students.

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

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

The following organizations are considered component units; however, the School District has determined that they are not significant and, therefore, have not been included in the basic financial statements;

Cumberland County Technical Education Center Foundation, Inc.  
3400 College Drive  
Vineland, NJ 08360

Requests for information should be addressed to the organization listed above.

**B. Basic Financial Statements – Governmental Wide Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, and capital projects activities are classified as governmental activities. The District's various enterprise and internal service funds are classified as business-type activities.

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**B. Basic Financial Statements – Governmental Wide Financial Statements** – (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

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

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

**C. Basic Financial Statements – Fund Financial Statements**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

1. Governmental Funds:

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

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

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

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**C. Basic Financial Statements – Fund Financial Statements** – (Continued)

- b. Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.
  
- c. Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
  
- d. Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs. As a Type I school district there is no debt service fund.

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

2. Proprietary Funds:

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

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**C. Basic Financial Statements – Fund Financial Statements** – (Continued)

- b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District’s internal service fund comprised of the Joint Transportation Consortium and Shared Service of Technology. During the 2016-17 fiscal year, the Joint Transportation Consortium was transferred by mutual agreement to another local school district. The “Drive to the Future” Program was transferred to the Enterprise Fund.

3. Fiduciary Funds:

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

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

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

**D. Basis of Accounting**

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

1. Accrual:

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

2. Modified Accrual:

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

**E. Financial Statement Amounts**

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public funds in public depositories protected from loss under the provisions of the Government 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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**E. Financial Statement Amounts** – (Continued)

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

2. Investments:

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

3. Inventories:

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.

On district-wide financial statements and in the 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, 2018.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

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

5. Revenues:

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

6. Expenditures:

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



**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**E. Financial Statement Amounts** – (Continued)

7. **Compensated Absences:**

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

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

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

8. **Interfund Activity:**

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

9. **Budgets/Budgetary Control:**

Annual appropriation budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

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

10. **Tuition Receivables:**

Tuition charges were established by the Boards of Education based on estimated costs.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**E. Financial Statement Amounts** – (Continued)

11. Tuition Payable:

The District had no tuition expenditures.

12. Use of Estimates:

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

13. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

14. Pensions

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

**F. New Accounting Standards**

The district adopted the following GASB statements:

- *GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions:* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The adoption of GASB 75, will impact the financial statements of the School District.
- *GASB No. 85 – Omnibus 2017:* The objective of the Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. The adoption of GASB 85, will impact the financial statements of the School District.
- *GASB No. 86 – Certain Debt Extinguishment Issues:* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. The adoption of GASB 86, did not impact the financial statements of the School District.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**F. New Accounting Standards** – (Continued)

- GASB No. 83 – *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of Statement will effective for reporting periods beginning after June 15, 2018. Management is evaluating the potential impact of the adoption of GASB 83 on the School District’s financial statements.
  
- GASB No. 84 – *Fiduciary Activities*: The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefits arrangements that are fiduciary activities. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 84 on the School District’s financial statements.
  
- GASB No. 87 – *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the connect. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government’s leasing activities. The requirements of Statement will be effective for reporting periods beginning after periods beginnings after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 87 on the School District’s financial statements.

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2018, the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:**

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS** – (Continued)

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2018, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking account	<u>\$ 5,932,906.</u>
TOTAL	<u>\$ 5,932,906.</u>

**Custodial Credit Risk:**

Custodial credit presents a risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District’s formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2018, the District’s bank balance of \$6,455,144 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000.
Collateralized under GUDPA	<u>6,205,144.</u>
TOTAL	<u>\$ 6,455,144.</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**NOTE 3 - CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$9,983,000 as shown in the approved LRFP.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 3 - CAPITAL RESERVE ACCOUNT** – (Continued)

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 1,536,773.
Interest earnings	2,500.
Deposits	
Approved in 2017/2018 Budget	0.
Board Resolution	0.
Withdrawals	
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2018	\$ 1,539,273.

**NOTE 4 - MAINTENANCE RESERVE**

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 year is as follows:

Beginning Balance July 1, 2017	\$ 327,134.
Deposits – BOE Resolution	500,000.
Withdrawals	0.
Ending Balance June 30, 2018	\$ 827,134.

The June 30, 2018 maximum maintenance reserve amount is \$ 1,867,134.

**NOTE 5 - FIXED ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets that are not Being Depreciated:					
Land	\$1,342,963.	\$ 0.	\$ 0.	\$ 0.	\$1,342,963.
Construction in progress	0.	0.	0.	0.	0.
Total Capital Assets not being Depreciated	1,342,963.	0.	0.	0.	1,342,963.
Bldg & Bldg Improvements	69,674,723.	0.	0.	0.	69,674,723.
Site Improvements	780,528.	2,023,562.	0.	0.	2,804,090.
Machinery & Equipment	4,420,430.	265,238.	(9,696.)	0.	4,675,972.
Totals at Historical Cost	74,875,681.	2,288,800.	(9,696.)	0.	77,154,785.
Less: Accum. Deprec. for:					
Bldg & Bldg Improvements	(5,218,004.)	(1,411,666.)	0.	0.	(6,629,670.)
Site Improvements	(641,279.)	(139,483.)	0.	0.	(780,762.)
Machinery & Equipment	(2,095,326.)	(344,215.)	0.	0.	(2,429,541.)
Total Accum. Depreciation	(7,954,609.)	(1,885,364.)	0.	0.	(9,839,973.)
Total Capital Assets being depreciated net of Accum. Depreciation	66,921,072.	403,436.	(9,696.)	0.	67,314,812.
<b>Government Activities Capital Assets, net</b>	\$ 68,264,035.	\$ 403,436.	\$ (9,696.)	\$ 0.	\$ 68,657,775.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 5 - FIXED ASSETS** – (Continued)

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
<b>Business-type Activities:</b>					
Enterprise Fund:					
Equipment	\$ 0.	\$ 0.	\$ 0.	\$ 149,806.	\$ 149,806.
Less Accum. Deprec. for:					
Equipment	0.	(10,503.)	0.	(81,535.)	(92,038.)
Total Enterprise Fund	0.	(10,503.)	0.	68,271.	57,738.
Internal Service Fund:					
Equipment	\$ 149,806.	\$ 0.	\$ 0.	\$ (149,806.)	\$ 0.
Less Accum. Deprec. for:					
Equipment	(81,535.)	0.	0.	81,535.	0.
Total Internal Service Fund	68,271.	0.	0.	(68,271.)	0.
<b>Business-type Activities</b>					
<b>Capital Assets, net</b>	<b>\$ 68,271.</b>	<b>\$ (10,503.)</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 57,768.</b>

**\*Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:	
Regular	\$ (1,414,023.)
Support Services:	
Student & Instruction Related Services	(75,415.)
School Administration	(113,122.)
General and Business Administrative Services	(75,415.)
Plant Operations and Maintenance	(18,854.)
Unallocated Depreciation	(188,535.)
Total Depreciation Expense	<u>\$ (1,885,364.)</u>

**NOTE 6 - OPERATING LEASES**

During the year ended June 30, 2018, the District was leasing various office equipment under operating leases. The leases are for various terms. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2019	\$ 34,410.
June 30, 2020	29,805.
June 30, 2021	13,389.
June 30, 2022	11,896.
June 30, 2023	11,896.
TOTAL	<u>\$ 101,396.</u>

The total operating lease payments made during the year ended June 30, 2018 were \$ 45,910.

**NOTE 7 - GENERAL LONG-TERM DEBT**

Type of Debt	Balance at 6/30/17	Issued	Retired	Balance at 6/30/18	Amounts Due Within 1 Year
Governmental Activities:					
Compensated Absences					
Payable	\$ 115,625.	\$ 12,238.	\$ 0.	\$ 127,863.	\$ 0.
Total	<u>\$ 115,625.</u>	<u>\$ 12,238.</u>	<u>\$ 0.</u>	<u>\$ 127,863.</u>	<u>\$ 0.</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State laws by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 7 - GENERAL LONG-TERM DEBT** (Continued)

As a Type I school district, all bonds are issued by the County of Cumberland.

**B. Capital Leases Payable:**

The District had no capital leases in force during the 2017-2018 year.

**NOTE 8 – PENSION PLANS**

**A. Public Employees’ Retirement System (PERS)**

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2018, the School District reported a liability of \$4,260,024 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District’s proportion of the net pension liability was based on the School District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2017. The School District’s proportion measured as of June 30, 2017, was .0183003286%, which was a decrease of .0448753052% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$238,629 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience	\$ 100,309.	\$ 0.
Changes of assumptions	858,248.	855,102.
Net difference between projected and actual earnings on pension plan investments	29,008.	0.
Changes in proportion and difference between School District contributions and proportionate share of contributions	57,445.	289,343.
School District contributions subsequent to the measurement date	341,916.	0.
 Total	 \$ 1,386,926.	 \$ 1,144,445.

\$341,916 was reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	(75,280.)
2020	(113,600.)
2021	(68,835.)
2022	91,551.
2023	66,729.
Total	\$ (99,435.)

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:



**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

Inflation rate	2.25 %
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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 rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. 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 the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the School District’s proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
School District’s proportionate share of the net pension liability	\$ 5,284,849.	\$ 4,260,024.	\$ 3,406,218.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
June 30, 2018	\$ 169,533.	100%
June 30, 2017	170,216.	100%
June 30, 2016	164,371.	100%

B. Teacher’s Pension and Annuity (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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

The following represents the membership tiers for TPAF:

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

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State’s pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State’s proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$19,457,456. The School District’s proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State’s proportionate share of the net pension liability associated with the District was based on projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .0288585222%, which a decrease of .01751167446% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$1,347,914 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

Inflation rate	2.25%
Salary increases:	
2012-2021	Varied based on experience
Thereafter	Varied based on experience
Investment rate of return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. 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 the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s 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:

	<u>At 1% Decrease (3.25%)</u>	<u>At current discount rate (4.25%)</u>	<u>At 1% Increase (5.25%)</u>
State of New Jersey’s Proportionate Share of Net Pension Liability associated with School District	\$ 23,200,616.	\$ 19,457,456.	\$ 16,503,618.

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

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

Year <u>Funding</u>	Pension <u>Contribution</u>	Post-Retirement Medical (PRM) <u>Contribution</u>	Long-Term Disability <u>Insurance</u>	Total <u>Contribution</u>
June 30, 2018	\$ 460,159.	\$ 297,208.	\$ 497.	\$ 757,864.
June 30, 2017	342,602.	270,467.	670.	595,739.
June 30, 2016	235,171.	280,023.	0.	515,194.

During the fiscal years ended June 30, 2018, 2017 and 2016, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$332,062; \$285,003; and \$221,236; during the same fiscal years for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a taxsheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 – PENSION PLANS** – (Continued)

C. **Defined Contribution Plan (DCRP)** (Continued)

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees’ Retirement System (PERS) or Teachers’ Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2018, employee contributions totaled \$3,258, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,768.

**NOTE 9 - POST RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 st. seq. Rules governing the operation and administration of program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Employees covered by benefit terms:*

At June 30, 2017, the following employees were covered by the benefits terms:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 9 - POST RETIREMENT BENEFITS** (Continued)

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contribution to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraph 193 and 203 and 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate: 2.50%

Discount Rate: The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after 8 years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

Salary Scale: The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

Pre-retirement Healthy Mortality: RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 9 - POST RETIREMENT BENEFITS** (Continued)

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

Balance at 6/30/16	\$ 57,831,784,184.
Changes for the year:	
Service Cost	2,391,878,884.
Interest	1,699,441,736.
Changes in assumptions or other inputs	(7,086,599,129.)
Contributions: Member	45,748,749.
Benefits payment	(1,242,412,566.)
	(4,191,942,326.)
Net Changes	(4,191,942,326.)
Balance at 6/30/17	\$ 53,639,841,858.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

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

The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school boards would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	\$ 63,674,362,200.	\$ 53,639,841,858.	\$ 45,680,364,953.

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

The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560.	\$ 53,639,841,858.	\$ 66,290,599,457.

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

For the year ended June 30, 2018, the board of education recognized on-behalf OPEB expense and revenue of \$1,085,052 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Cumberland County Board of Vocational Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:



**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 9 - POST RETIREMENT BENEFITS** (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0.	\$ 0.
Changes of assumptions	0.	6,343,769,032.
Net difference between projected and actual earnings on pension plan investments	0.	0.
Changes in proportion and difference between District contributions and proportionate share of contributions	0.	0.
Contributions subsequent to the measurement date	1,190,373,242.	0.
Total	\$ 1,190,373,242.	\$ 6,343,769,032.

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

Year ended June 30:	
2019	\$ (742,830,097.)
2020	(742,830,097.)
2021	(742,830,097.)
2022	(742,830,097.)
2023	(742,830,097.)
Thereafter	(2,629,618,547.)
Total	\$ (6,343,769,032.)

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

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

**NOTE 10 - COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, a liability existed for compensated absences in the Internal Service Fund in the amount of \$5,813.

**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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 11 - DEFERRED COMPENSATION** – (Continued)

GWN Marketing  
Life of the Southwest  
Lincoln Investment Planning  
Brighthouse Financial (MetLife)

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various types of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

**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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous three years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 45,000.	\$ 11,322.	\$ 78.	\$ 19,501.	\$ 43,077.
2016-2017	5,000.	11,280.	102.	59,553.	6,178.
2015-2016	0.	7,990.	218.	24,327.	49,349.

**NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,928,293.	\$ 0.
Capital Projects Fund	0.	1,902,637.
Enterprise Fund	49,182.	73,181.
Fiduciary Fund	0.	1,657.
	<u>\$ 1,977,475.</u>	<u>\$ 1,977,475.</u>

The balance due to the general fund from the capital projects fund represents funds from the general fund used for working capital in advance of the receipt of bond proceeds being held by Cumberland County Improvement Authority. These amounts will be repaid when the funds are received from Cumberland County Improvement Authority during a subsequent year.

General Fund advanced cash to various Enterprise Funds periodically to alleviate cash flow problems in the Enterprise Fund.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur;
2. Transactions are recorded in the accounting system; and
3. Payments between funds are made.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS** – (Continued)

	Transfer To	Transfer From
General Fund	\$ 6,512.	\$ 56,000.
Capital Projects Fund	0.	6,512.
Enterprise Funds	92,233.	0.
Internal Service Fund	0.	36,233.
Total	\$ 98,745.	\$ 98,745.

The General Fund transferred \$56,000 to the Enterprise Fund (Cafeteria) to cover deficit in operations.

The Capital Projects Fund transferred \$6,512 to the General Fund to transfer interest earned in the Capital Projects Fund to the General Fund.

The Internal Service Fund transferred \$36,233 to the Enterprise Fund to separate the “Drive to the Future” program from the Joint Pupil Transportation program and reclassify the “Drive to the Future” program as an Enterprise Fund.

**NOTE 14 - CONTINGENT LIABILITIES**

**GRANT PROGRAM**

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

**LITIGATION**

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

**NOTE 15 - TAX ABATEMENTS**

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

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

**NOTE 16 - 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 Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2018 is \$2,952,806.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 17 - DEFICIT FUND BALANCES**

The District has a deficit fund balances of \$0 in the General Fund and \$0 in the Special Revenue Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment 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 June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0 is equal to (or) is less than the last state aid payments.

**NOTE 18 - FUND BALANCE**

**NONSPENDABLE**

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2018.

**RESTRICTED**

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus: In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$2,952,866; \$1,926,553 has been restricted and designated for utilization in the 2018-2019 budget.

Capital Reserve Account: As of June 30, 2018, the balance in the capital reserve account is \$1,539,273. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2018, the balance in the maintenance reserve account is \$827,134. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c.73 (S1701).

**COMMITTED**

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2018, the School District had \$257,783 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 18 - FUND BALANCE** – (Continued)

**ASSIGNED**

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$0 of general fund balance and \$0 of capital project fund balance.

**UNASSIGNED**

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund:

As of June 30, 2018, the unassigned fund balance of the general fund was \$210,984.

Capital Projects:

Of the \$2,175,988 Capital Project Fund balance at June 30, 2018; \$0 has been encumbered.

**NOTE 19 – Other Information – Refund of Prior Year Grant**

During the fiscal year ended June 30, 2012 the District received and expended a grant from Delta Dental. During the fiscal year ended June 30, 2018 Delta Dental requested and was repaid \$50,000 of the grant proceeds.

**NOTE 20 – Other Information – Sale of Old Building**

On July 1, 2018 the District entered into a contract to sell its old school building to the Cumberland County Improvement Authority for one dollar (\$1). The contract contains provisions for the District to receive possible future payments depending on the Cumberland County Improvement Authority's disposition of the property.

**NOTE 21 - SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2017 through February 14, 2019; the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and except for Note 20 above, no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION–PART II**

## **BUDGETARY COMPARISON SCHEDULES**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,420,000.	\$ 0.	\$ 2,420,000.	\$ 2,420,000.	\$ 0.
Tuition	4,115,772.	0.	4,115,772.	3,910,820.	(204,952.)
Interest Earned	2,500.	0.	2,500.	13,732.	11,232.
Miscellaneous	25,000.	0.	25,000.	47,287.	22,287.
Total Local Sources	6,563,272.	0.	6,563,272.	6,391,839.	(171,433.)
State Sources:					
Equalization Aid	3,730,817.	120,517.	3,851,334.	3,851,334.	0.
Special Education Aid	165,041.	0.	165,041.	165,041.	0.
Security Aid	22,808.	0.	22,808.	22,808.	0.
Parcc Readiness Aid	3,730.	0.	3,730.	3,730.	0.
Per Pupil Growth Aid	3,730.	0.	3,730.	3,730.	0.
Professional Learning Community Aid	2,550.	0.	2,550.	2,550.	0.
Adult Education Program Aid	0.	36,627.	36,627.	36,627.	0.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	757,864.	757,864.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	332,062.	332,062.
Total State Sources	3,928,676.	157,144.	4,085,820.	5,175,746.	1,089,926.
Total Revenues	10,491,948.	157,144.	10,649,092.	11,567,585.	918,493.



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current Expense:					
Regular Programs:					
Grades 9-12 - Instruction:					
Salaries of Teachers	\$ 1,578,345.	\$ (20,000.)	\$ 1,558,345.	\$ 1,550,709.	\$ 7,636.
Purchased Professional Service - Educational Services	0.	19,146.	19,146.	19,146.	0.
Other Purchased Services	604,900.	(65,796.)	539,104.	210,040.	329,064.
General Supplies	267,400.	43,001.	310,401.	251,558.	58,843.
Textbooks	76,200.	(5,000.)	71,200.	70,247.	953.
Other Objects	0.	250.	250.	92.	158.
Home Instruction:					
Other Purchased Services	20,000.	0.	20,000.	1,540.	18,460.
General Supplies	500.	0.	500.	0.	500.
Textbooks	500.	0.	500.	0.	500.
Total Regular Programs - Instruction	2,547,845.	(28,399.)	2,519,446.	2,103,332.	416,114.
Special Education-Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 60,015.	\$ 45,000.	\$ 105,015.	\$ 103,758.	\$ 1,257.
Total Resource Room/Resource Center:	60,015.	45,000.	105,015.	103,758.	1,257.
Total Special Education - Instruction	60,015.	45,000.	105,015.	103,758.	1,257.
Basic Skills/Remedial-Instruction:					
Purchased Professional Service - Educational Services	15,000.	0.	15,000.	0.	15,000.
Total Basic Skills/Remedial-Instruction:	15,000.	0.	15,000.	0.	15,000.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Vocational Programs:</b>					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 1,352,252.	\$ (65,000.)	\$ 1,287,252.	\$ 1,265,576.	\$ 21,676.
Purchased Professional Service - Educational Services	0.	10,247.	10,247.	10,247.	0.
Other Purchased Services	72,000.	9,753.	81,753.	47,295.	34,458.
General Supplies	307,242.	(10,000.)	297,242.	163,862.	133,380.
Textbooks	40,900.	0.	40,900.	31,107.	9,793.
Other Objects	1,500.	0.	1,500.	264.	1,236.
<b>Total Regular Vocational Programs - Instruction</b>	<b>1,773,894.</b>	<b>(55,000.)</b>	<b>1,718,894.</b>	<b>1,518,351.</b>	<b>200,543.</b>
<b>Special Vocational Programs - Instruction:</b>					
Salaries of Teachers	356,150.	5,000.	361,150.	360,105.	1,045.
Other Salaries for Instruction	98,627.	3,000.	101,627.	101,552.	75.
Purchased Professional Service - Educational Services	0.	22,208.	22,208.	22,208.	0.
Other Purchased Services	13,000.	(7,616.)	5,384.	5,384.	0.
General Supplies	25,500.	(4,789.)	20,711.	10,149.	10,562.
Textbooks	16,000.	(14,592.)	1,408.	1,407.	1.
Other Objects	500.	0.	500.	269.	231.
<b>Total Special Vocational Programs- Instruction</b>	<b>509,777.</b>	<b>3,211.</b>	<b>512,988.</b>	<b>501,074.</b>	<b>11,914.</b>
<b>Total Vocational Programs</b>	<b>2,283,671.</b>	<b>(51,789.)</b>	<b>2,231,882.</b>	<b>2,019,425.</b>	<b>212,457.</b>
<b>School Sponsored Cocurricular Activities- Instruction:</b>					
Salaries	26,880.	0.	26,880.	25,670.	1,210.
Purchased Services	50,700.	0.	50,700.	33,431.	17,269.
Supplies and Materials	10,600.	0.	10,600.	4,016.	6,584.
Transfer to Cover Deficit	1,500.	0.	1,500.	0.	1,500.
<b>Total School Sponsored Cocurricular Activities</b>	<b>89,680.</b>	<b>0.</b>	<b>89,680.</b>	<b>63,117.</b>	<b>26,563.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School Sponsored Athletics - Instruction:					
Salaries	\$ 6,720.	\$ 0.	\$ 6,720.	\$ 1,680.	\$ 5,040.
Purchased Services	1,500.	0.	1,500.	400.	1,100.
Supplies and Materials	5,500.	0.	5,500.	0.	5,500.
Transfer to Cover Deficit	500.	0.	500.	0.	500.
Total School Sponsored Athletics	14,220.	0.	14,220.	2,080.	12,140.
Total Instruction	5,010,431.	(35,188.)	4,975,243.	4,291,712.	683,531.
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	48,164.	2,113.	50,277.	50,277.	0.
Purchased Professional and Technical Services	2,000.	(1,000.)	1,000.	0.	1,000.
Other Purchased Services	17,825.	1,000.	18,825.	18,131.	694.
Supplies and Materials	4,500.	(1,354.)	3,146.	3,146.	0.
Other Objects	1,500.	(759.)	741.	0.	741.
Total Attendance and Social Work Services	73,989.	0.	73,989.	71,554.	2,435.
Health Services:					
Salaries	130,588.	2,897.	133,485.	133,485.	0.
Purchased Professional and Technical Services	11,000.	(2,897.)	8,103.	4,505.	3,598.
Other Purchased Services	6,100.	0.	6,100.	4,033.	2,067.
Supplies and Materials	7,510.	0.	7,510.	4,402.	3,108.
Other Objects	1,100.	0.	1,100.	149.	951.
Total Health Services	156,298.	0.	156,298.	146,574.	9,724.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Speech, OT, PT & Related Services:					
Purchased Professional - Educational Services	\$ 36,500.	\$ 0.	\$ 36,500.	\$ 23,481.	\$ 13,019.
Supplies and Materials	1,000.	0.	1,000.	890.	110.
Other Objects	500.	0.	500.	0.	500.
Total Speech, OT, PT & Related Services:	38,000.	0.	38,000.	24,371.	13,629.
Guidance:					
Salaries of Other Professional Staff	74,590.	45,000.	119,590.	118,880.	710.
Salaries of Sec. And Clerical Assistants	44,434.	0.	44,434.	43,561.	873.
Unused Vac pymt to Term/Ret Staff	0.	2,323.	2,323.	2,323.	0.
Other Purchased Services	1,750.	1,250.	3,000.	2,917.	83.
Supplies and Materials	8,700.	(1,250.)	7,450.	6,664.	786.
Other Objects	1,250.	0.	1,250.	0.	1,250.
Total Guidance	130,724.	47,323.	178,047.	174,345.	3,702.
Child Study Teams:					
Salaries of Other Prof. Staff	193,412.	(45,000.)	148,412.	135,384.	13,028.
Purchased Professional - Educational Services	35,000.	(750.)	34,250.	8,718.	25,532.
Other Purchased Services	8,350.	750.	9,100.	8,066.	1,034.
Supplies and Materials	3,000.	0.	3,000.	1,134.	1,866.
Other Objects	1,500.	0.	1,500.	100.	1,400.
Total Child Study Teams	241,262.	(45,000.)	196,262.	153,402.	42,860.
Improvement of Instructional Services:					
Salaries of Other Prof. Staff	69,656.	5,000.	74,656.	66,485.	8,171.
Other Salaries	18,000.	(14,000.)	4,000.	126.	3,874.
Purchased Professional Educational Services	2,500.	0.	2,500.	0.	2,500.
Supplies and Materials	2,500.	0.	2,500.	0.	2,500.
Total Improvement of Instructional Services	92,656.	(9,000.)	83,656.	66,611.	17,045.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Educational Media Services/School Library:					
Salaries of Technology Coordinators	\$ 100,457.	\$ 0.	\$ 100,457.	\$ 91,184.	\$ 9,273.
Other Purchased Services	8,750.	0.	8,750.	700.	8,050.
Supplies and Materials	35,500.	0.	35,500.	42.	35,458.
Other Objects	1,600.	0.	1,600.	1,070.	530.
Total Educational Media Services/School Library	146,307.	0.	146,307.	92,996.	53,311.
Instructional Staff Training Services:					
Salaries of Other Professional Staff	69,656.	4,700.	74,356.	72,148.	2,208.
Salaries of Secretarial and Clerical Assistant	40,000.	(13,950.)	26,050.	0.	26,050.
Other Salaries	0.	10,000.	10,000.	9,224.	776.
Purchased Professional/Educational Services	3,000.	0.	3,000.	2,500.	500.
Other Purchased Services	10,500.	0.	10,500.	8,036.	2,464.
Supplies and Materials	3,000.	0.	3,000.	793.	2,207.
Other Objects	2,500.	0.	2,500.	1,690.	810.
Total Instructional Staff Training Services	128,656.	750.	129,406.	94,391.	35,015.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services-General Administration:					
Salaries	\$ 261,540.	\$ 0.	\$ 261,540.	\$ 246,910.	\$ 14,630.
Salaries of Attorneys	27,986.	1,424.	29,410.	29,410.	0.
Legal Services	32,500.	43,576.	76,076.	73,279.	2,797.
Audit Fees	26,750.	500.	27,250.	26,900.	350.
Architectural/Engineering Services	10,000.	(10,000.)	0.	0.	0.
Other Purchased Professional Services	14,750.	3,941.	18,691.	4,490.	14,201.
Purchased Technical Services	13,000.	0.	13,000.	1,500.	11,500.
Communications/Telephone	36,800.	0.	36,800.	23,396.	13,404.
BOE Other Purchased Services	8,600.	0.	8,600.	955.	7,645.
Other Purchased Services	104,972.	(35,000.)	69,972.	44,998.	24,974.
General Supplies	7,500.	0.	7,500.	5,578.	1,922.
BOE In-House Training / Meeting Supplies	1,200.	0.	1,200.	915.	285.
Judgements Against Schools	2,500.	0.	2,500.	595.	1,905.
Miscellaneous Expenditures	5,500.	65.	5,565.	4,570.	995.
BOE Membership Dues & Fees	21,950.	0.	21,950.	16,633.	5,317.
Total Support Services General Administration	575,548.	4,506.	580,054.	480,129.	99,925.
Support Services School Administration:					
Salaries of Principals	323,356.	1,000.	324,356.	324,144.	212.
Salaries of Sec. and Clerical Assistants	135,783.	(235.)	135,548.	135,548.	0.
Other Purchased Services	11,600.	5,500.	17,100.	13,622.	3,478.
Supplies and Materials	17,000.	(1,750.)	15,250.	13,068.	2,182.
Other Objects	5,250.	485.	5,735.	5,607.	128.
Total Support Services School Administration	492,989.	5,000.	497,989.	491,989.	6,000.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Central Services:					
Salaries	\$ 356,250.	\$ 0.	\$ 356,250.	\$ 350,202.	\$ 6,048.
Unused Vac pymt to Term/Ret Staff	0.	3,722.	3,722.	3,722.	0.
Purchased Professional Services	5,500.	0.	5,500.	2,500.	3,000.
Purchased Technical Services	34,000.	(1,500.)	32,500.	19,467.	13,033.
Miscellaneous Purchased Services	10,500.	0.	10,500.	4,547.	5,953.
Supplies and Materials	7,500.	1,500.	9,000.	8,479.	521.
Miscellaneous Expenditures	3,250.	0.	3,250.	2,337.	913.
Total Central Services	417,000.	3,722.	420,722.	391,254.	29,468.
Admin Info Technology:					
Salaries	94,197.	250.	94,447.	94,426.	21.
Purchased Technical Services	93,000.	0.	93,000.	92,836.	164.
Miscellaneous Purchased Services	59,820.	252.	60,072.	54,424.	5,648.
Supplies and Materials	15,000.	0.	15,000.	2,126.	12,874.
Miscellaneous Expenditures	1,500.	0.	1,500.	0.	1,500.
Total Admin Info Technology	263,517.	502.	264,019.	243,812.	20,207.
Required Maintenance for School Facilities:					
Salaries	198,177.	10,000.	208,177.	175,641.	32,536.
Cleaning, Repair and Maintenance Services	111,000.	14,000.	125,000.	3,070.	121,930.
Lead Testing of Drinking Water	0.	1,500.	1,500.	1,500.	0.
General Supplies	10,000.	(500.)	9,500.	6,897.	2,603.
Total Required Maintenance for School Facilities	319,177.	25,000.	344,177.	187,108.	157,069.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Custodial Services:</b>					
Salaries	\$ 336,710.	\$ (1.)	\$ 336,709.	\$ 308,550.	\$ 28,159.
Purchased Professional and Technical Services	7,500.	0.	7,500.	4,620.	2,880.
Cleaning, Repair and Maintenance of Services	82,700.	(12,080.)	70,620.	21,713.	48,907.
Other Purchased Property Services	18,600.	11,300.	29,900.	27,682.	2,218.
Insurance	95,509.	0.	95,509.	85,686.	9,823.
Miscellaneous Purchased Services	1,250.	3,700.	4,950.	4,904.	46.
General Supplies	65,500.	10,480.	75,980.	68,987.	6,993.
Energy (Natural Gas)	222,617.	0.	222,617.	169,438.	53,179.
Energy (Electricity)	537,100.	(17,500.)	519,600.	363,740.	155,860.
<b>Total Custodial Services</b>	<b>1,367,486.</b>	<b>(4,101.)</b>	<b>1,363,385.</b>	<b>1,055,320.</b>	<b>308,065.</b>
<b>Care and Upkeep of Grounds:</b>					
Salaries	19,209.	0.	19,209.	3,076.	16,133.
Purchased Professional and Technical Services	2,500.	0.	2,500.	0.	2,500.
Cleaning Repair and Maintenance	75,000.	0.	75,000.	58,951.	16,049.
General Supplies	5,000.	0.	5,000.	1,636.	3,364.
Other Objects	1,000.	0.	1,000.	100.	900.
<b>Total Care and Upkeep of Grounds</b>	<b>102,709.</b>	<b>0.</b>	<b>102,709.</b>	<b>63,763.</b>	<b>38,946.</b>
<b>Security:</b>					
Salaries	246,281.	2,900.	249,181.	249,181.	0.
Cleaning Repair and Maintenance	52,450.	(2,000.)	50,450.	48,193.	2,257.
General Supplies	8,500.	(3,400.)	5,100.	3,457.	1,643.
Other Objects	0.	2,500.	2,500.	2,020.	480.
<b>Total Security</b>	<b>307,231.</b>	<b>0.</b>	<b>307,231.</b>	<b>302,851.</b>	<b>4,380.</b>
<b>Total Operation and Maintenance of Plant Service</b>	<b>2,096,603.</b>	<b>20,899.</b>	<b>2,117,502.</b>	<b>1,609,042.</b>	<b>508,460.</b>



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Students Transportation Services:					
Salaries (Other than Between Home/School)	\$ 7,500.	\$ 378.	\$ 7,878.	\$ 7,878.	\$ 0.
Cleaning, Repair & Maintenance Services	5,200.	9,500.	14,700.	10,799.	3,901.
Contracted Services(Not Home/School) Vendors	70,500.	(9,500.)	61,000.	1,568.	59,432.
Miscellaneous Purchased Services-Trans	18,600.	0.	18,600.	15,657.	2,943.
Supplies and Materials	2,500.	(378.)	2,122.	419.	1,703.
Miscellaneous Expenditures	500.	55.	555.	552.	3.
<b>Total Student Transportation Services</b>	<b>104,800.</b>	<b>55.</b>	<b>104,855.</b>	<b>36,873.</b>	<b>67,982.</b>
Allocated Benefits:					
Central Services:					
Other Retirement Contributions-PERS	4,864.	(4,864.)	0.	0.	0.
Tuition Reimbursement	2,100.	(2,100.)	0.	0.	0.
Total Support Services - General Administration	6,964.	(6,964.)	0.	0.	0.
<b>Total Allocated Benefits</b>	<b>6,964.</b>	<b>(6,964.)</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>
Unallocated Benefits:					
Social Security Contributions	122,500.	4,332.	126,832.	126,832.	0.
Other Retirement Contribution - PERS	184,091.	10,260.	194,351.	185,602.	8,749.
Other Retirement Contribution - Regular	3,000.	0.	3,000.	1,736.	1,264.
Unemployment Compensation	45,000.	0.	45,000.	45,000.	0.
Workmen's Compensation	83,306.	0.	83,306.	83,133.	173.
Health Benefits	1,599,108.	(74,902.)	1,524,206.	1,191,579.	332,627.
Tuition Reimbursement	10,000.	2,100.	12,100.	6,715.	5,385.
Other Employee Benefits	76,600.	8,857.	85,457.	85,457.	0.
<b>Total Unallocated Benefits</b>	<b>2,123,605.</b>	<b>(49,353.)</b>	<b>2,074,252.</b>	<b>1,726,054.</b>	<b>348,198.</b>
<b>Total Personal Service - Employee Benefits</b>	<b>2,130,569.</b>	<b>(56,317.)</b>	<b>2,074,252.</b>	<b>1,726,054.</b>	<b>348,198.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
On Behalf TPAF Pension Contribution (Non-Budgeted)	\$ 0.	\$ 0.	\$ 0.	\$ 757,864.	\$ (757,864.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	332,062.	(332,062.)
Total Undistributed Expenditures	7,088,918.	(27,560.)	7,061,358.	6,893,323.	168,035.
Total General Current Expense	12,099,349.	(62,748.)	12,036,601.	11,185,035.	851,566.
<b>CAPITAL OUTLAY:</b>					
Undistributed Expenditures:					
Admin Info Tech.	12,000.	(9,600.)	2,400.	2,351.	49.
Custodial Services	15,000.	(12,079.)	2,921.	2,875.	46.
Care and Upkeep of Grounds	30,000.	62,500.	92,500.	25,495.	67,005.
Student Trans.- Non-Inst. Equipment	0.	114,330.	114,330.	114,330.	0.
Total Equipment	57,000.	155,151.	212,151.	145,051.	67,100.
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	19,288.	0.	19,288.	19,288.	0.
Total Facilities Acquisition and Const. Services	19,288.	0.	19,288.	19,288.	0.
Total Capital Outlay Expenditures	76,288.	155,151.	231,439.	164,339.	67,100.
Post-Secondary Vocational Programs - Instruction:					
Salaries of Teachers	0.	33,315.	33,315.	33,314.	1.
Other Purchased Services	0.	1,230.	1,230.	615.	615.
General Supplies	0.	924.	924.	462.	462.
Total Post-Secondary Vocational Program - Instruction	0.	35,469.	35,469.	34,391.	1,078.
Total Post-Secondary Programs	0.	35,469.	35,469.	34,391.	1,078.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Total Special Schools	\$ 0.	\$ 35,469.	\$ 35,469.	\$ 34,391.	\$ 1,078.
Total Expenditures	12,175,637.	127,872.	12,303,509.	11,383,765.	919,744.
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,683,689.)	29,272.	(1,654,417.)	183,820.	1,838,237.
Other Financing Sources:					
Operating Transfer In:					
Transfer to/from Food Service Fund	0.	(56,000.)	(56,000.)	(56,000.)	0.
Operating Transfer Out:					
Transfer to/from Capital Projects Fd	0.	0.	0.	6,513.	6,513.
Refund of Prior Year Grant		0.	0.	(50,000.)	(50,000.)
Total Other Financing Sources:	0.	(56,000.)	(56,000.)	(99,487.)	(43,487.)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,683,689)	(26,728)	(1,710,417)	84,333	1,794,750

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Fund Balance, July 1	\$ 6,110,293.	\$ 0.	\$ 6,110,293.	\$ 6,110,293.	\$ 0.
Fund Balance, June 30	<u>\$ 4,426,604.</u>	<u>\$ (26,728.)</u>	<u>\$ 4,399,876.</u>	<u>\$ 6,194,626.</u>	<u>\$ 1,794,750.</u>

Recapitulation:

Restricted Fund Balance:	\$ 1,539,273.
Capital Reserve	827,134.
Maintenance Reserve	1,926,553.
Excess Surplus Designated for Subsequent Year's Expenditures	1,026,253.
Excess Surplus - Current Year	
Committed Fund Balance:	257,783.
Year-End Encumbrances	
Assigned Fund Balance:	0.
Designated for subsequent year's expenditures	617,630.
Unassigned Fund Balance	<u>6,194,626.</u>

Reconciliation to Governmental Funds Statements (GAAP):

Less: State Aid Payments Not Recognized on GAAP Basis	(406,646.)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,787,980.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$ 13,805.	0.	\$ 13,805.	\$ 13,798.	\$ (7.)
State Sources	85,858.	10,000.	95,858.	95,858.	0.
Federal Sources	483,985.	0.	483,985.	456,640.	(27,345.)
<b>Total Revenues</b>	<b>583,648.</b>	<b>10,000.</b>	<b>593,648.</b>	<b>566,296.</b>	<b>(27,352.)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	190,633.	0.	190,633.	164,362.	26,271.
Other Salaries for Instruction	32,388.	0.	32,388.	32,388.	0.
Purchased Professional - Educational Services	7,893.	0.	7,893.	7,229.	664.
Other Purchased Services	8,895.	0.	8,895.	8,702.	193.
General Supplies	58,287.	0.	58,287.	64,810.	(6,523.)
Other Objects	1,500.	0.	1,500.	3,038.	(1,538.)
<b>Total Instruction</b>	<b>299,596.</b>	<b>0.</b>	<b>299,596.</b>	<b>280,529.</b>	<b>19,067.</b>
Support Services:					
Other Salaries	39,955.	0.	39,955.	39,955.	0.
Personal Services - Employee Benefits	89,064.	0.	89,064.	89,131.	(67.)
Purchased Professional - Educational Services	9,226.	10,000.	19,226.	16,753.	2,473.
Other Purchased Services	19,055.	0.	19,055.	16,726.	2,329.
Supplies & Materials	2,048.	0.	2,048.	3,015.	(967.)
<b>Total Support Services</b>	<b>159,348.</b>	<b>10,000.</b>	<b>169,348.</b>	<b>165,580.</b>	<b>3,768.</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment	124,704.	0.	124,704.	120,187.	4,517.
<b>Total Facilities Acquisition and Construction Services</b>	<b>124,704.</b>	<b>0.</b>	<b>124,704.</b>	<b>120,187.</b>	<b>4,517.</b>
<b>Total Expenditures</b>	<b>583,648.</b>	<b>10,000.</b>	<b>593,648.</b>	<b>566,296.</b>	<b>27,352.</b>
<b>Total Outflows</b>	<b>583,648.</b>	<b>10,000.</b>	<b>593,648.</b>	<b>566,296.</b>	<b>27,352.</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION – Part II**

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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) "revenues from the budgetary comparison schedules	\$ 11,567,585.	\$ 566,296.
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrance	0.	53,056.
Current Year Encumbrance	0.	(54,603.)
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	390,946.	0.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(406,646.)	0.
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 11,551,885.	\$ 564,749.
Uses/Outflow of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 11,383,765.	\$ 566,296.
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.		
Prior Year Encumbrance Paid	0.	53,056.
Current Year Encumbrance	0.	(54,603.)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	0.	0.
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,383,765.	\$ 564,749.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**



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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERS

Last Five Fiscal Years

	Measurement Date Ending June 30,				
	2016	2015	2014		
	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01830033%	0.01916015%	0.01911887%	0.01854872%	0.02042816%
District's proportionate share of the net pension liability (asset)	\$ 4,260,024.	\$ 5,674,686.	\$ 4,291,803.	\$ 3,472,828.	\$ 3,904,227.
District's covered-employee payroll	\$ 1,195,910.	\$ 1,230,908.	\$ 1,345,470.	\$ 1,309,954.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	356.22%	461.02%	318.98%	265.11%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	52.08%	52.08%	48.72%

SOURCE: GASB 68 report on Public Employee's Retirement System; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
Last Five Fiscal Years

PERS

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 169,533.	\$ 170,216.	\$ 164,371.	\$ 152,913.	\$ 153,922.
Contributions in relation to the contractually required contribution	(169,533.)	(170,216.)	(164,371.)	(152,913.)	(153,922.)
Contribution deficiency (excess)	0.	0.	0.	0.	0.
District's covered-employee payroll	\$ 1,195,910.	\$ 1,230,908.	\$ 1,345,470.	\$ 1,309,954.	N/A
Contributions as a percentage of covered-employee payroll	14.18%	13.83%	12.22%	11.67%	N/A

TPAF

	Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 4,563,961.	\$ 3,749,888.	\$ 2,946,088.	\$ 2,921,655.	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

SOURCE: GASB 68 report on Public Employee's Retirement System/Teachers' Pension and Annuity Fund;  
 District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period.  
 Additional years will be presented as they become available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TPAF

Last Five Fiscal Years

	Measurement Date Ending June 30,				
	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 19,457,456.	\$ 23,106,586.	\$ 18,062,268.	\$ 14,193,837.	\$ 14,701,809.
Total	<u>\$ 19,457,456.</u>	<u>\$ 23,106,586.</u>	<u>\$ 18,062,268.</u>	<u>\$ 14,193,837.</u>	<u>\$ 14,701,809.</u>
District's covered-employee payroll	\$ 4,563,961.	\$ 3,749,888.	\$ 2,946,088.	\$ 2,921,655.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

SOURCE: GASB 68 report on Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION – Part III**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
JUNE 30, 2018**

**Note 1. Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefits terms.* The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vented 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 member's accounts.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvement for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Note 2. Public Employees' Retirement System (PERS)**

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

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF**

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART IV**

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



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERS AND TPAF  
Last Two Fiscal Years

	Measurement Date	
	Ending June 30,	
	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate share of the net OPEB liability (asset)	\$ 0.	\$ 0.
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>20,540,485.</u>	<u>22,300,967.</u>
Total	<u>\$ 20,540,485.</u>	<u>\$ 22,300,967.</u>
District's covered payroll	\$ 5,759,871.	\$ 4,980,796.
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
State's proportionate share of OPEB associated with the District:		
Service Cost	\$ 915,929.	
Interest Cost	650,773.	
Changes in Assumptions	(2,713,695.)	
Member Contributions	17,519.	
Benefit Payments	<u>(475,761.)</u>	
Changes in Total OPEB Liability	(1,605,235.)	
State's proportionate share of the net OPEB liability (asset) associated with the District -		
Beginning Balance	<u>22,145,720.</u>	
Ending Balance	<u>\$ 20,540,485.</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	356.61%	

SOURCE: GASB 75 report on State of New Jersey Health Benefits Program; District Records

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OPEB CONTRIBUTIONS  
PERS AND TPAF  
Last Two Fiscal Years

	<u>Fiscal Year Ending June 30,</u>	
	<u>2017</u>	<u>2016</u>
District's proportion of the OPEB Contribution	0.00%	0.00%
District's proportionate of the OPEB Contribution	\$ 0.	\$ 0.
State's proportionate share of the OPEB contribution associated with the District	<u>1,085,052.</u>	<u>1,581,571.</u>
Total	<u>1,085,052.</u>	<u>1,581,571.</u>
District's covered payroll	\$ 5,759,871.	\$ 4,980,796.
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

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

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

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION – Part IV**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
OPEB SCHEDULES  
JUNE 30, 2018

**Note 1. State Health Benefit Local Education Retired Employees OPEB Plan**

Benefit Changes

None

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

## **OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL BASED BUDGET SCHEDULES**

**N/A**

**SPECIAL REVENUE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Title I, Part A	Title II, Part A	Title IV	I.D.E.A. Part B, Basic	REAP	Perkins Vocational Post-Secondary
<b>Revenues:</b>						
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
State Sources	0.	0.	0.	0.	0.	0.
Federal Sources	196,917.	19,305.	10,000.	98,558.	30,920.	14,036.
<b>Total Revenues</b>	<b>\$ 196,917.</b>	<b>\$ 19,305.</b>	<b>\$ 10,000.</b>	<b>\$ 98,558.</b>	<b>\$ 30,920.</b>	<b>\$ 14,036.</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 123,676.	\$ 14,681.	\$ 0.	\$ 0.	\$ 19,331.	\$ 0.
Other Salaries for Instruction	0.	0.	0.	32,388.	0.	0.
Purchased Professional - Educational Services	0.	0.	0.	0.	2,400.	1,475.
Other Purchased Services	0.	0.	0.	0.	8,702.	0.
General Supplies	0.	0.	2,000.	853.	0.	12,561.
Other Objects	0.	0.	0.	3,038.	0.	0.
<b>Total Instruction</b>	<b>123,676.</b>	<b>14,681.</b>	<b>2,000.</b>	<b>36,279.</b>	<b>30,433.</b>	<b>14,036.</b>
<b>Support Services:</b>						
Other Salaries	0.	0.	0.	39,955.	0.	0.
Personal Services - Employee Benefits	73,241.	4,624.	0.	10,779.	487.	0.
Purchased Professional - Educational Services	0.	0.	0.	3,603.	0.	0.
Other Purchased Services	0.	0.	2,669.	259.	0.	0.
Supplies & Materials	0.	0.	2,832.	183.	0.	0.
<b>Total Support Services</b>	<b>73,241.</b>	<b>4,624.</b>	<b>5,501.</b>	<b>54,779.</b>	<b>487.</b>	<b>0.</b>
<b>Facilities Acquisition and Const. Service:</b>						
Instructional Equipment	0.	0.	2,499.	7,500.	0.	0.
<b>Total Facilities Acquisition and Const. Service</b>	<b>0.</b>	<b>0.</b>	<b>2,499.</b>	<b>7,500.</b>	<b>0.</b>	<b>0.</b>
<b>Total Expenditures</b>	<b>\$ 196,917.</b>	<b>\$ 19,305.</b>	<b>\$ 10,000.</b>	<b>\$ 98,558.</b>	<b>\$ 30,920.</b>	<b>\$ 14,036.</b>



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Perkins Vocational Secondary	Perkins Vocational Sec-Reserve	Apprentice Coordinator	21st Century	NJSBAIG Safety Grant	Totals 2018
<b>Revenues:</b>						
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 13,798.	\$ 13,798.
State Sources	0.	85,858.	10,000.	0.	0.	95,858.
Federal Sources	80,084.	0.	0.	6,820.	0.	456,640.
<b>Total Revenues</b>	<b>\$ 80,084.</b>	<b>\$ 85,858.</b>	<b>\$ 10,000.</b>	<b>\$ 6,820.</b>	<b>\$ 13,798.</b>	<b>\$ 566,296.</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 0.	\$ 0.	\$ 0.	\$ 6,674.	\$ 0.	\$ 164,362.
Other Salaries for Instruction	0.	0.	0.	0.	0.	32,388.
Purchased Professional - Educational Services	3,354.	0.	0.	0.	0.	7,229.
Other Purchased Services	0.	0.	0.	0.	0.	8,702.
General Supplies	35,809.	13,441.	0.	146.	0.	64,810.
Other Objects	0.	0.	0.	0.	0.	3,038.
<b>Total Instruction</b>	<b>39,163.</b>	<b>13,441.</b>	<b>0.</b>	<b>6,820.</b>	<b>0.</b>	<b>280,529.</b>
<b>Support Services:</b>						
Other Salaries	0.	0.	0.	0.	0.	39,955.
Personal Services - Employee Benefits	0.	0.	0.	0.	0.	89,131.
Purchased Professional - Educational Services	3,150.	0.	10,000.	0.	0.	16,753.
Other Purchased Services	0.	0.	0.	0.	13,798.	16,726.
Supplies & Materials	0.	0.	0.	0.	0.	3,015.
<b>Total Support Services</b>	<b>3,150.</b>	<b>0.</b>	<b>10,000.</b>	<b>0.</b>	<b>13,798.</b>	<b>165,580.</b>
<b>Facilities Acquisition and Const. Service:</b>						
Instructional Equipment	37,771.	72,417.	0.	0.	0.	120,187.
<b>Total Facilities Acquisition and Const. Service</b>	<b>37,771.</b>	<b>72,417.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>120,187.</b>
<b>Total Expenditures</b>	<b>\$ 80,084.</b>	<b>\$ 85,858.</b>	<b>\$ 10,000.</b>	<b>\$ 6,820.</b>	<b>\$ 13,798.</b>	<b>\$ 566,296.</b>

## **CAPITAL PROJECTS FUND**

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2018

<u>Description</u>	<u>Revised</u> Appropriations	Prior Year	Current Year	Adjustment	Unexpended Balance June 30, 2018
Roof and HVAC repairs and upgrades, door and hardware upgrades	\$ 2,938,112.	\$ 2,246,325.	\$ 0.	\$ 0.	\$ 691,787.
Water well system	465,996.	229,720.	0.	0.	236,276.
New Cumberland County technical education building	68,604,770.	64,837,723.	2,023,562.	0.	1,743,485.
<b>Total</b>	<b>\$ 72,008,878.</b>	<b>\$ 67,313,768.</b>	<b>\$ 2,023,562.</b>	<b>\$ 0.</b>	<b>\$ 2,671,548.</b>

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2018

Revenues:	
State sources - SCC Grant	\$ 0.
Interest	6,513.
	<u>6,513.</u>
Total revenues	<u>6,513.</u>
Expenditures:	
Purchased professional and technical services	38,051.
Construction services	1,985,511.
	<u>2,023,562.</u>
Total expenditures	<u>2,023,562.</u>
Excess (deficiency) or revenues over (under) expenditures	(2,017,049.)
Other financing sources and uses:	
Transfer from Cumberland County Improvement Authority	32,324.
Transfer to County of Cumberland	(32,324.)
Transfer to General Fund	(6,513.)
	<u>32,324.</u>
Excess (deficiency) or revenues and other financing sources over/ (under) expenditures and other financing uses	(2,023,562.)
Fund balance-July 1	<u>4,695,110.</u>
Fund balance-June 30	<u>\$ 2,671,548.</u>

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF AND HVAC REPAIRS AND UPGRADES, DOOR AND HARDWARE UPGRADES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 2,071,663.	\$ 0.	\$ 2,071,663.	\$ 2,071,663.
Bond proceeds-County of Cumberland	866,449.	0.	866,449.	866,449.
<b>Total revenues</b>	<b>2,938,112.</b>	<b>0.</b>	<b>2,938,112.</b>	<b>2,938,112.</b>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	215,781.	0.	215,781.	255,000.
Construction services	2,030,544.	0.	2,030,544.	2,683,112.
<b>Total expenditures</b>	<b>2,246,325.</b>	<b>0.</b>	<b>2,246,325.</b>	<b>2,938,112.</b>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<b>\$ 691,787.</b>	<b>\$ 0.</b>	<b>\$ 691,787.</b>	<b>\$ 0.</b>

Additional project information:	
SDA Project Number	0995-030-09-GOXL
Grant Date	5/12/2011
Grant Amount	\$ 2,071,663.
Bond Authorization Date	2/22/2011
Bonds Authorized	\$ 866,449.
Bonds Issued	\$ 866,449.
Original Authorized Cost	\$ 2,938,112.
Additional Authorized Cost	\$0
Revised Authorized Cost	\$ 2,938,112.
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	Unknown

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WATER WELL SYSTEM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland	\$ 465,996.	\$ 0.	\$ 465,996.	\$ 465,996.
Total revenues	465,996.	0.	465,996.	465,996.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,876.	0.	8,876.	50,000.
Construction services	220,844.	0.	220,844.	415,996.
Total expenditures	229,720.	0.	229,720.	465,996.
Excess (deficiency) or revenues over (under) expenditures	\$ 236,276.	\$ 0.	\$ 236,276.	\$ 0.
Additional project information:				
Additional project information:				
Project Number	0995-030-04-1000			
Grant Date	N/A			
Grant Amount	\$ 0.			
Bond Authorization Date	2/4/2004			
Bonds Authorized	\$ 465,996.			
Bonds Issued	\$ 465,996.			
Original Authorized Cost	\$ 465,996.			
Additional Authorized Cost	\$ 0			
Revised Authorized Cost	\$ 465,996.			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	Unknown			

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
NEW CUMBERLAND COUNTY TECHNICAL EDUCATION BUILDING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland Improvement Authority	\$ 68,604,770.	\$ 0.	\$68,604,770.	\$ 68,604,770.
Total revenues	68,604,770.	0.	68,604,770.	68,604,770.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	7,543,663.	38,051.	7,581,714.	4,069,249.
Land acquisition	1,236,795.	0.	1,236,795.	1,330,000.
Site construction	1,682,155.	0.	1,682,155.	4,690,000.
Building construction	52,776,791.	1,985,511.	54,762,302.	46,611,550.
Furniture, fixtures, equipment	1,512,935.	0.	1,512,935.	5,654,129.
Other	85,384.	0.	85,384.	6,249,842.
Total expenditures	64,837,723.	2,023,562.	66,861,285.	68,604,770.
Excess (deficiency) or revenues over (under) expenditures	\$ 3,767,047.	\$ (2,023,562.)	\$ 1,743,485.	\$ 0.

## Additional project information:

SDA Project Number	0995-030-13-1000
Grant Date	N/A
Grant Amount	N/A
Bond Authorization Date	3/25/2014
Bonds Authorized	\$ 68,604,770.
Bonds Issued	\$ 68,604,770.
Original Authorized Cost	\$ 68,604,770.
Additional Authorized Cost	\$0
Revised Authorized Cost	\$ 68,604,770.
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	97.46%

## **PROPRIETARY FUNDS**



**ENTERPRISE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Drive to the Future	Total
<b>ASSETS:</b>							
Current assets:							
Cash and cash equivalents	\$ (21,130.)	\$ 33,028.	\$ 14,776.	\$ 25,097.	\$ 23,022.	\$ 686,807.	\$ 761,600.
Accounts receivable:							
Federal	0.	11,207.	0.	0.	0.	0.	11,207.
State	0.	215.	0.	0.	0.	0.	215.
Interfund	19,565.	847.	0.	5,339.	0.	23,431.	49,182.
Other	0.	912.	0.	655.	0.	0.	1,567.
Other asset	0.	0.	0.	0.	0.	550.	550.
Inventory	0.	6,525.	0.	0.	0.	0.	6,525.
<b>Total current assets</b>	<b>(1,565.)</b>	<b>52,734.</b>	<b>14,776.</b>	<b>31,091.</b>	<b>23,022.</b>	<b>710,788.</b>	<b>830,846.</b>
Fixed assets:							
Vehicle	0.	0.	0.	0.	0.	144,485.	144,485.
Equipment	0.	0.	0.	0.	0.	5,321.	5,321.
Accumulated depreciation	0.	0.	0.	0.	0.	(92,038.)	(92,038.)
<b>Total fixed assets</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>57,768.</b>	<b>57,768.</b>
<b>Total assets</b>	<b>\$ (1,565.)</b>	<b>\$ 52,734.</b>	<b>\$ 14,776.</b>	<b>\$ 31,091.</b>	<b>\$ 23,022.</b>	<b>\$ 768,556.</b>	<b>\$ 888,614.</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 120,862.</b>	<b>120,862.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Drive to the Future	Total
<b>LIABILITIES</b>							
Current liabilities:							
Interfund payable	\$ 11,700.	\$ 237.	\$ 61,244.	\$ 0.	\$ 0.	\$ 0.	\$ 73,181.
Accounts payable	0.	25,729.	0.	0.	0.	11.	25,740.
Prepaid lunches	0.	3,154.	0.	0.	0.	0.	3,154.
Pension account payable	0.	0.	0.	0.	0.	11,815.	11,815.
Prepaid benefits	0.	0.	0.	0.	0.	4,971.	4,971.
<b>Total current liabilities</b>	<b>11,700.</b>	<b>29,120.</b>	<b>61,244.</b>	<b>0.</b>	<b>0.</b>	<b>16,797.</b>	<b>118,861.</b>
Noncurrent liabilities:							
Compensated absence	0.	0.	0.	0.	0.	5,813.	5,813.
Net pension liability	0.	0.	0.	0.	0.	308,945.	308,945.
<b>Total noncurrent liabilities</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>314,758.</b>	<b>314,758.</b>
<b>Total liabilities</b>	<b>11,700.</b>	<b>29,120.</b>	<b>61,244.</b>	<b>0.</b>	<b>0.</b>	<b>331,555.</b>	<b>433,619.</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 95,168.</b>	<b>\$ 95,168.</b>
<b>NET POSITION:</b>							
Investments in fixed assets	0.	0.	0.	0.	0.	57,768.	57,768.
Unrestricted	(13,265.)	23,614.	(46,468.)	31,091.	23,022.	404,927.	422,921.
<b>Total net position</b>	<b>\$ (13,265.)</b>	<b>\$ 23,614.</b>	<b>\$ (46,468.)</b>	<b>\$ 31,091.</b>	<b>\$ 23,022.</b>	<b>\$ 462,695.</b>	<b>\$ 480,689.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Drive to the Future	Total
<b>OPERATING REVENUES:</b>							
Daily sales - Reimbursable	\$ 0.	\$ 76,379.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 76,379.
Daily Sales - Non-reimbursable	0.	117,772.	0.	13,970.	0.	0.	131,742.
Fees	0.	7,602.	0.	0.	0.	230,832.	238,434.
Total operating revenues	0.	201,753.	0.	13,970.	0.	230,832.	446,555.
<b>OPERATING EXPENSE:</b>							
Cost of Sales - Reimbursable	0.	102,856.	0.	0.	0.	0.	102,856.
Cost of Sales - Nonreimbursable	0.	53,450.	0.	9,545.	0.	0.	62,995.
Supplies	0.	20,773.	0.	0.	915.	0.	21,688.
Salaries	0.	121,579.	0.	329.	12,355.	114,378.	248,641.
Fringe Benefits	0.	29,603.	0.	24.	0.	64,491.	94,118.
Pension Expense	0.	0.	0.	0.	0.	6,633.	6,633.
Miscellaneous	0.	19,889.	0.	0.	0.	0.	19,889.
Management Fee	0.	27,523.	0.	0.	0.	0.	27,523.
Purchased Services	0.	1,590.	0.	0.	0.	34,969.	36,559.
Depreciation	0.	0.	0.	0.	0.	10,503.	10,503.
Total operating expenses	0.	377,263.	0.	9,898.	13,270.	230,974.	631,405.
Operating income/(loss)	0.	(175,510.)	0.	4,072.	(13,270.)	(142.)	(184,850.)
<b>NON-OPERATING REVENUES/EXPENSES:</b>							
State sources:							
State school lunch program	0.	2,644.	0.	0.	0.	0.	2,644.
Federal sources:							
National school breakfast program	0.	26,988.	0.	0.	0.	0.	26,988.
National school lunch program	0.	102,949.	0.	0.	0.	0.	102,949.
USDA commodities	0.	3,462.	0.	0.	0.	0.	3,462.
Interest	0.	299.	0.	0.	0.	2,982.	3,281.
Total non-operating revenue/expenses	0.	136,342.	0.	0.	0.	2,982.	139,324.
Operating transfer in/(out):							
Operating transfer in from Internal Service Fund	0.	0.	0.	0.	0.	324,667.	324,667.
Operating transfer in from Internal Service Fund	0.	0.	0.	0.	0.	(288,433.)	(288,433.)
Pension items	0.	0.	0.	0.	0.	0.	0.
Operating transfer in	0.	56,000.	0.	0.	0.	0.	56,000.
Total operating transfers in/out	0.	56,000.	0.	0.	0.	36,234.	92,234.
Change in net position	0.	16,832.	0.	4,072.	(13,270.)	39,074.	46,708.
<b>NET POSITION - JULY 1</b>	(13,265.)	6,782.	(46,468.)	27,019.	36,292.	423,621.	433,981.
<b>NET POSITION - JUNE 30</b>	\$ (13,265.)	\$ 23,614.	\$ (46,468.)	\$ 31,091.	\$ 23,022.	\$ 462,695.	\$ 480,689.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Drive to the Future	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipt from customers	0.	\$ 204,865.	0.	\$ 16,560.	\$ 47,130.	\$ 263,903.	\$ 532,458.
Payments to employees	0.	0.	0.	0.	(12,355.)	(113,845.)	(126,200.)
Payments to employees' benefits	0.	0.	0.	0.	0.	(77,124.)	(77,124.)
Payment to suppliers	0.	(401,512.)	0.	(11,782.)	(915.)	(34,958.)	(449,167.)
Net cash provided (used) by operating activities	0.	(196,647.)	0.	4,778.	33,860.	37,976.	(120,033.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
State sources	0.	2,430.	0.	0.	0.	0.	2,430.
Federal sources	0.	123,147.	0.	0.	0.	0.	123,147.
Interfund	0.	56,000.	0.	0.	0.	266,481.	322,481.
Net cash provided by noncapital financing activities	0.	181,577.	0.	0.	0.	266,481.	448,058.
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Interest of investment	0.	299.	0.	0.	0.	2,982.	3,281.
Net cash provided by financing activities	0.	299.	0.	0.	0.	2,982.	3,281.
Net increase/(decrease) in cash and cash equivalents	0.	(14,771.)	0.	4,778.	33,860.	307,439.	331,306.
Cash and cash equivalents - July 1	(21,130.)	47,799.	14,776.	20,319.	(10,838.)	379,368.	430,294.
Cash and cash equivalents - June 30	\$ (21,130.)	\$ 33,028.	\$ 14,776.	\$ 25,097.	\$ 23,022.	\$ 686,807.	\$ 761,600.
<b>Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:</b>							
Operating income/(loss)	\$ 0.	\$ (175,510.)	\$ 0.	\$ 4,072.	\$ (13,270.)	\$ (142.)	\$ (184,850.)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Federal commodities	0.	3,462.	0.	0.	0.	0.	3,462.
Depreciation expense	0.	0.	0.	0.	0.	10,503.	10,503.
Change in assets and liabilities:							
(Increase)/decrease in accounts receivable	0.	(272.)	0.	2,590.	47,130.	20,822.	49,448.
(Increase)/decrease in interfund receivable	0.	1,003.	0.	0.	0.	0.	21,825.
(Increase)/decrease in inventory	0.	(1,498.)	0.	0.	0.	0.	(1,498.)
(Increase)/decrease in deferred outflows	0.	(3,572.)	0.	0.	0.	50,862.	50,862.
Increase/(decrease) in interfund payable	0.	(21,794.)	0.	(1,884.)	0.	11.	(3,572.)
Increase/(decrease) in accounts payable	0.	0.	0.	0.	0.	149.	(23,667.)
Increase/(decrease) in prepaid benefits	0.	0.	0.	0.	0.	132.	149.
Increase/(decrease) in pension accounts payable	0.	0.	0.	0.	0.	(135,808.)	(135,808.)
Increase/(decrease) in net pension liability	0.	0.	0.	0.	0.	91,447.	91,447.
Increase/(decrease) in deferred inflows	0.	1,534.	0.	0.	0.	0.	1,534.
Increase/(decrease) in prepaid lunches	0.	0.	0.	0.	0.	0.	0.
Net cash provided/(used) by operating activities	\$ 0.	\$ (196,647.)	\$ 0.	\$ 4,778.	\$ 33,860.	\$ 37,976.	\$ (120,033.)

## **INTERNAL SERVICE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018

	Transportation Internal Service Fund	Purchasing Service Internal Service Fund	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 0.	\$ 0.	\$ 0.
Accounts receivable	0.	6,000.	6,000.
Total current assets	0.	6,000.	6,000.
Fixed assets			
Vehicle	0.	0.	0.
Equipment	0.	0.	0.
Accumulated depreciation	0.	0.	0.
Total fixed assets	0.	0.	0.
Total assets	0.	6,000.	6,000.
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
	\$ 0.	\$ 0.	\$ 0.
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	\$ 0.	\$ 0.	\$ 0.
Pension account payable	0.	0.	0.
Prepaid benefits	0.	0.	0.
Total current liabilities	0.	0.	0.
Noncurrent liabilities:			
Compensated absence	0.	0.	0.
Net pension liability	0.	0.	0.
Total Noncurrent liabilities	0.	0.	0.
Total liabilities	0.	0.	0.
<b>DEFERRED INFLOW OF RESOURCES:</b>			
	0.	0.	0.
<b>NET POSITION:</b>			
Investments in fixed assets	0.	0.	0.
Unrestricted	0.	6,000.	6,000.
Total net position	\$ 0.	\$ 6,000.	\$ 6,000.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Transportation Internal Service Fund	Purchasing Service Internal Service Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 0.	\$ 6,000.	\$ 6,000.
Total operating revenues	0.	6,000.	6,000.
OPERATING EXPENSES:			
Other purchased services	300.	0.	300.
Depreciation	0.	0.	0.
Total operating expenses	300.	0.	300.
Operating income/(loss)	(300.)	6,000.	5,700.
NON-OPERATING REVENUES/EXPENSES:			
Interest	0.	0.	0.
Total non-operating revenues/expenses	0.	0.	0.
Transfer in/(out):			
Transfer out to Enterprise	(324,666.)	0.	(324,666.)
Transfer out to Enterprise/Pension Items	288,433.	0.	288,433.
Total operating transfers in/out	(36,233.)	0.	(36,233.)
Change in net position	(36,533.)	6,000.	(30,533.)
NET POSITION - beginning	36,533.	0.	36,533.
NET POSITION - ending	\$ 0.	\$ 6,000.	\$ 6,000.



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Transportation Internal Service Fund	Purchasing Service Internal Service Fund	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 101,776.	\$ 0.	\$ 101,776.
Payment to suppliers	(204,984.)	0.	(204,984.)
Net cash provided (used) by operating activities	(103,208.)	0.	(103,208.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund	(265,947.)	0.	(265,947.)
Net cash provided by noncapital financing activities	(265,947.)	0.	(265,947.)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interest of investment	0.	0.	0.
Net cash provided by financing activities	0.	0.	0.
Net increase/decrease in cash and cash equivalents	(369,155.)	0.	(369,155.)
Cash and cash equivalents - July 1	369,155.	0.	369,155.
Cash and cash equivalents - June 30	\$ 0.	\$ 0.	\$ 0.
<b>Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:</b>			
Operating income (loss)	\$ (300.)	\$ 6,000.	\$ 5,700.
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	0.	0.	0.
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	101,776.	(6,000.)	95,776.
Increase/(decrease) in accounts payables	(204,684.)	0.	(204,684.)
Net cash provided (used in) operating activities	\$ (103,208.)	\$ 0.	\$ (103,208.)

## **FIDUCIARY FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2018

	Student Activity	Payroll	Unemployment Compensation Trust	Total
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 91,474.	\$ 7,791.	\$ 39,596.	\$ 138,861.
Due from Agency	0.	0.	3,481.	3,481.
<b>Total Assets</b>	<b>91,474.</b>	<b>7,791.</b>	<b>43,077.</b>	<b>142,342.</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>
<b>LIABILITIES:</b>				
Due to Student Groups	91,006.	0.	0.	91,006.
Interfund Payable	468.	1,188.	0.	1,656.
Payroll Deductions and Withholdings	0.	3,122.	0.	3,122.
Due to Unemployment	0.	3,481.	0.	3,481.
<b>Total Liabilities</b>	<b>91,474.</b>	<b>7,791.</b>	<b>0.</b>	<b>99,265.</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>
<b>NET POSITION:</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 43,077.</b>	<b>\$ 43,077.</b>

CUMBERLAND COUNTY BOARD OF VOACATIONAL EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 11,322.
Board Contribution	45,000.
Total Contributions	<u>56,322.</u>
Investment Earnings:	
Interest	78.
Net Investment Earnings	<u>78.</u>
Total Additions	<u>56,400.</u>
DEDUCTIONS:	
Unemployment Claims	19,501.
Total Deductions	<u>19,501.</u>
Change in Net Position	36,899.
NET POSITION, JULY 1	<u>6,178.</u>
NET POSITION, JUNE 30	<u><u>\$ 43,077.</u></u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Cash Balance July 1, 2017	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2018
Student Activities	\$ 34,596.	\$ 105,278.	\$ 48,868.	\$ 91,006.
Adult Student Account	835.	1,030.	1,397.	468.
Total	<u>\$ 35,431.</u>	<u>\$ 106,308.</u>	<u>\$ 50,265.</u>	<u>\$ 91,474.</u>

CUMBERLAND COUNTY OF VOCATIONAL EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 7,765.	\$ 7,223,922.	\$ 7,223,896.	\$ 7,791.
<b>Total Assets</b>	<b>\$ 7,765.</b>	<b>\$ 7,223,922.</b>	<b>\$ 7,223,896.</b>	<b>\$ 7,791.</b>
<b>LIABILITIES:</b>				
Net Payroll	\$ 0.	\$ 4,067,938.	\$ 4,067,938.	\$ 0.
Payroll Deductions and Withholdings	3,782.	3,155,298.	3,155,958.	3,122.
Interfund Payable	840.	348.	0.	1,188.
Due to Unemployment	3,143.	338.	0.	3,481.
<b>Total Liabilities</b>	<b>\$ 7,765.</b>	<b>\$ 7,223,922.</b>	<b>\$ 7,223,896.</b>	<b>\$ 7,791.</b>

**LONG-TERM DEBT**

**N/A**

## **STATISTICAL SECTION**



## **FINANCIAL TRENDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.	\$ 60,525,733.	\$ 68,332,306.	\$ 68,657,775.
Restricted	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.	18,900,941.	9,702,927.	7,752,984.
Unrestricted	480,550.	250,695.	346,268.	314,186.	488,848.	535,819.	(2,973,953.)	(3,070,324.)	(3,763,790.)	(3,805,739.)
<b>Total governmental activities net position</b>	<b>\$ 5,273,047.</b>	<b>\$ 4,589,046.</b>	<b>\$ 6,430,139.</b>	<b>\$ 8,926,257.</b>	<b>\$ 9,740,550.</b>	<b>\$ 10,184,253.</b>	<b>\$ 75,704,466.</b>	<b>\$ 76,356,350.</b>	<b>\$ 74,271,443.</b>	<b>\$ 72,605,020.</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 57,768.
Restricted	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
Unrestricted	68,195.	61,311.	78,298.	75,167.	76,655.	73,011.	4,300.	(30,291.)	433,981.	422,921.
<b>Total business-type activities net position</b>	<b>\$ 68,195.</b>	<b>\$ 61,311.</b>	<b>\$ 78,298.</b>	<b>\$ 75,167.</b>	<b>\$ 76,655.</b>	<b>\$ 73,011.</b>	<b>\$ 4,300.</b>	<b>\$ (30,291.)</b>	<b>\$ 433,981.</b>	<b>\$ 480,689.</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.	\$ 60,525,733.	\$ 68,332,306.	\$ 68,715,543.
Restricted	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.	18,900,941.	9,702,927.	7,752,984.
Unrestricted	548,745.	312,006.	424,566.	389,353.	565,503.	608,830.	(2,969,653.)	(3,100,615.)	(3,329,809.)	(3,382,818.)
<b>Total district net position</b>	<b>\$ 5,341,242.</b>	<b>\$ 4,650,357.</b>	<b>\$ 6,508,437.</b>	<b>\$ 9,001,424.</b>	<b>\$ 9,817,205.</b>	<b>\$ 10,257,264.</b>	<b>\$ 75,708,766.</b>	<b>\$ 76,326,059.</b>	<b>\$ 74,705,424.</b>	<b>\$ 73,085,709.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Instruction:										
Regular	0.	0.	0.	0.	0.	0.	0.	0.	2,434,245.	3,517,355.
Special Education	2,423,404.	2,703,218.	2,368,900.	2,607,264.	2,873,324.	2,942,506.	3,027,579.	2,759,056.	2,288,816.	2,019,425.
Vocational	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.	37,527.	65,197.
Other instruction										
Support Services:										
Student & instruction related services	642,562.	637,535.	659,426.	620,448.	605,368.	584,216.	783,790.	845,408.	947,806.	956,995.
School Administrative Services	361,598.	351,090.	360,132.	355,481.	395,229.	528,425.	424,343.	414,553.	518,000.	605,111.
General administration	931,618.	850,644.	916,706.	897,778.	914,784.	972,632.	957,898.	1,090,695.	1,160,712.	1,190,610.
Plant Operations and Maintenance	1,010,878.	1,036,960.	874,665.	779,643.	794,814.	911,892.	868,942.	752,161.	1,504,534.	1,627,896.
Pupil transportation	34,931.	25,868.	23,058.	25,913.	32,683.	29,359.	29,975.	33,653.	43,350.	36,873.
Employee benefits	1,502,200.	1,487,401.	1,545,225.	1,673,087.	1,895,653.	1,800,964.	2,571,914.	2,731,937.	4,117,943.	4,952,619.
Special Schools	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.	526,649.	34,391.
Internal Service Fund	6,911,155.	6,757,906.	6,071,991.	6,228,546.	6,172,874.	6,839,016.	7,093,537.	5,914,868.	783,485.	300.
Unallocated depreciation	0.	0.	0.	0.	0.	0.	0.	0.	165,535.	188,535.
NJ Debt Service Assessment	0.	0.	1,800.	1,047.	1,436.	19,288.	19,288.	19,288.	19,288.	19,288.
Total governmental activities expenses	14,946,109.	15,284,878.	14,109,135.	13,777,753.	14,265,947.	15,236,541.	16,398,292.	15,214,413.	14,606,763.	15,616,448.
Business-type activities:										
Enterprise Funds	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.	321,588.	631,404.
Total business-type activities expense	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.	321,588.	631,404.
<b>Total district expenses</b>	<b>\$ 14,979,529.</b>	<b>\$ 15,366,478.</b>	<b>\$ 14,139,683.</b>	<b>\$ 13,820,200.</b>	<b>\$ 14,302,549.</b>	<b>\$ 15,275,262.</b>	<b>\$ 16,544,257.</b>	<b>\$ 15,296,808.</b>	<b>\$ 14,928,351.</b>	<b>\$ 16,247,852.</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Internal Service Fund	6,973,150.	\$ 6,764,817.	\$ 6,078,614.	\$ 6,236,372.	\$ 6,306,124.	\$ 6,948,207.	\$ 7,300,788.	\$ 5,994,249.	\$ 567,132.	\$ 6,000.
Special Schools	684,655.	985,742.	1,051,401.	645,062.	601,107.	493,026.	549,142.	601,219.	358,911.	0.
Operating grants and contributions	432,365.	437,579.	414,620.	480,923.	607,184.	505,139.	1,225,670.	1,324,100.	2,292,277.	3,062,733.
Total governmental activities program revenues	8,090,170.	8,188,138.	7,544,635.	7,362,357.	7,514,415.	7,946,372.	9,075,600.	7,919,568.	3,218,320.	3,068,733.
Business-type activities:										
Charges for services:										
Enterprise Fund	\$ 18,369.	\$ 58,899.	\$ 31,598.	\$ 21,387.	\$ 21,009.	\$ 15,654.	\$ 33,476.	\$ 46,097.	\$ 168,036.	\$ 446,555.
Operating grants and contributions	16,731.	15,805.	15,916.	17,903.	17,061.	19,408.	21,859.	14,190.	66,947.	136,043.
Total business-type activities program revenues	35,100.	74,704.	47,514.	39,290.	38,070.	35,062.	55,335.	60,287.	234,983.	582,598.
<b>Total district program revenues</b>	<b>\$ 8,125,270.</b>	<b>\$ 8,262,842.</b>	<b>\$ 7,582,149.</b>	<b>\$ 7,401,647.</b>	<b>\$ 7,552,485.</b>	<b>\$ 7,981,434.</b>	<b>\$ 9,130,955.</b>	<b>\$ 7,979,855.</b>	<b>\$ 3,453,303.</b>	<b>\$ 3,651,331.</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (6,955,939.)	\$ (7,096,740.)	\$ (6,564,500.)	\$ (6,415,396.)	\$ (6,751,532.)	\$ (7,290,169.)	\$ (7,322,682.)	\$ (7,294,845.)	\$ (11,388,443.)	\$ (12,547,715.)
Business-type activities	1,680.	(6,896.)	16,966.	(3,157.)	1,468.	(3,659.)	(90,630.)	(22,108.)	(86,605.)	(48,806.)
<b>Total district-wide net expense</b>	<b>\$ (6,854,259.)</b>	<b>\$ (7,103,636.)</b>	<b>\$ (6,547,534.)</b>	<b>\$ (6,418,553.)</b>	<b>\$ (6,750,064.)</b>	<b>\$ (7,293,828.)</b>	<b>\$ (7,413,322.)</b>	<b>\$ (7,316,953.)</b>	<b>\$ (11,475,048.)</b>	<b>\$ (12,596,521.)</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,200,000.	\$ 2,310,000.	\$ 2,420,000.
Grants and contributions	4,201,203.	3,593,894.	4,275,379.	5,640,874.	4,254,057.	4,366,374.	4,499,670.	4,550,615.	4,942,304.	4,633,583.
Tuition Received	801,500.	928,084.	1,053,599.	1,080,854.	1,088,635.	1,152,625.	1,290,130.	1,061,040.	2,489,600.	3,910,820.
Investment earnings	45,633.	12,528.	32,495.	23,595.	27,459.	14,180.	18,161.	21,585.	23,062.	20,245.
Nonresident Fees	0.	0.	0.	81,000.	96,000.	76,000.	34,000.	76,000.	24,000.	0.
Miscellaneous income	58,744.	60,917.	38,094.	86,394.	99,974.	101,293.	169,394.	54,989.	97,370.	48,573.
Prior year adjustments	(960.)	(93.)	(291,398.)	(1,203.)	(300.)	0.	0.	0.	0.	(50,000.)
Bond proceeds from Cumberland County	0.	0.	1,332,445.	0.	0.	0.	68,604,770.	0.	0.	0.
Adjustment to carrying value of fixed assets per appraisal	(4,439.)	0.	(133,221.)	0.	0.	0.	0.	0.	0.	0.
Fixed asset retirement	0.	0.	0.	0.	0.	0.	0.	0.	(32,078.)	(9,696.)
Transfers	0.	0.	0.	0.	0.	23,400.	(21,906.)	(17,500.)	(550,722.)	(92,233.)
<b>Total governmental activities</b>	<b>7,333,481.</b>	<b>6,483,330.</b>	<b>8,407,393.</b>	<b>8,911,514.</b>	<b>7,565,825.</b>	<b>7,733,872.</b>	<b>76,594,219.</b>	<b>7,946,729.</b>	<b>9,303,536.</b>	<b>10,881,292.</b>
Business-type activities:										
Investment earnings	\$ 0.	\$ 12.	\$ 21.	\$ 26.	\$ 20.	\$ 15.	\$ 13.	\$ 17.	\$ 155.	\$ 3,281.
Transfers	0.	0.	0.	0.	0.	0.	21,906.	17,500.	550,722.	92,233.
Other	(9,606.)	0.	0.	0.	0.	0.	0.	(30,000.)	0.	0.
<b>Total business-type activities</b>	<b>(9,606.)</b>	<b>12.</b>	<b>21.</b>	<b>26.</b>	<b>20.</b>	<b>15.</b>	<b>21,919.</b>	<b>(12,483.)</b>	<b>550,877.</b>	<b>95,514.</b>
<b>Total district-wide</b>	<b>\$ 7,323,875.</b>	<b>\$ 6,483,342.</b>	<b>\$ 8,407,414.</b>	<b>\$ 8,911,540.</b>	<b>\$ 7,565,845.</b>	<b>\$ 7,733,887.</b>	<b>\$ 76,616,138.</b>	<b>\$ 7,934,246.</b>	<b>\$ 9,854,413.</b>	<b>\$ 10,976,806.</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 477,542.	\$ (613,410.)	\$ 1,842,893.	\$ 2,496,118.	\$ 814,293.	\$ 443,703.	\$ 69,271,527.	\$ 651,884.	\$ (2,084,907.)	\$ (1,666,423.)
Business-type activities	(7,926.)	(6,884.)	16,987.	(3,131.)	1,488.	(3,644.)	(68,711.)	(34,591.)	464,272.	46,708.
<b>Total district</b>	<b>\$ 469,616.</b>	<b>\$ (620,294.)</b>	<b>\$ 1,859,880.</b>	<b>\$ 2,492,987.</b>	<b>\$ 815,781.</b>	<b>\$ 440,059.</b>	<b>\$ 69,202,816.</b>	<b>\$ 617,293.</b>	<b>\$ (1,620,635.)</b>	<b>\$ (1,619,715.)</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,133,155.	\$ 1,579,480.	\$ 2,341,365.	\$ 2,876,974.	\$ 3,107,092.	\$ 3,725,317.	\$ 4,334,075.	\$ 5,286,761.	\$ 5,503,377.	\$ 5,576,996.
Unreserved	272,329.	53,198.	69,314.	61,753.	78,534.	41,276.	49,677.	25,227.	215,970.	210,984.
Total general fund	\$ 2,405,484.	\$ 1,632,678.	\$ 2,410,679.	\$ 2,938,727.	\$ 3,185,626.	\$ 3,766,593.	\$ 4,383,752.	\$ 5,311,988.	\$ 5,719,347.	\$ 5,787,980.
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Capital projects fund	265,000.	265,000.	1,247,737.	445,801.	432,503.	(556,117.)	54,676,410.	13,614,180.	4,199,550.	2,175,988.
Total all other governmental funds	\$ 265,000.	\$ 265,000.	\$ 1,247,737.	\$ 445,801.	\$ 432,503.	\$ (556,117.)	\$ 54,676,410.	\$ 13,614,180.	\$ 4,199,550.	\$ 2,175,988.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue										
Tax levy	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,200,000.	\$ 2,310,000.	\$ 2,420,000.
Tuition charges	801,500.	896,084.	1,007,999.	1,080,854.	1,088,635.	1,152,625.	1,290,130.	1,061,040.	2,489,600.	3,910,820.
Non-resident fees	36,000.	32,000.	45,600.	81,000.	96,000.	76,000.	34,000.	76,000.	24,000.	0.
Interest earnings	45,633.	12,528.	32,495.	17,930.	24,208.	12,382.	15,893.	19,276.	19,783.	20,245.
Miscellaneous	707,399.	1,046,659.	1,089,495.	731,456.	701,081.	594,319.	718,538.	656,208.	456,281.	48,573.
State sources	4,263,908.	2,865,825.	4,326,947.	5,669,978.	4,547,560.	4,519,210.	4,633,636.	4,830,202.	5,407,654.	5,255,904.
Federal sources	369,660.	1,165,648.	363,052.	451,819.	313,681.	352,303.	482,443.	456,843.	415,392.	467,605.
<b>Total Revenue</b>	<b>8,455,900</b>	<b>7,906,744</b>	<b>8,965,588</b>	<b>10,033,037</b>	<b>8,771,165</b>	<b>8,706,839</b>	<b>9,174,640</b>	<b>9,299,569</b>	<b>11,122,710</b>	<b>12,123,147</b>
Expenditures										
Instruction:										
Regular Instruction	0.	0.	0.	0.	0.	0.	0.	0.	1,191,669.	2,103,332.
Special education Instruction	0.	0.	0.	0.	0.	0.	0.	0.	58,735.	401,853.
Vocational Instruction	2,234,554.	2,486,108.	2,162,504.	2,320,900.	2,554,694.	2,640,681.	2,710,089.	2,418,770.	2,288,816.	2,019,425.
School sponsored/other instr.	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.	37,527.	65,197.
Support Services										
Student & inst. related services	633,675.	627,318.	649,713.	606,972.	590,374.	570,012.	768,849.	829,395.	881,535.	881,580.
General administration	399,354.	389,168.	440,971.	400,661.	405,219.	445,732.	389,990.	508,338.	495,370.	480,129.
School Administration services	348,267.	335,765.	345,563.	335,267.	372,737.	507,120.	401,932.	390,533.	418,594.	491,989.
Central Services	371,243.	313,915.	314,138.	324,153.	315,783.	324,276.	356,019.	381,556.	413,616.	391,254.
Admin info tech	152,134.	137,344.	151,884.	159,488.	178,788.	188,420.	196,948.	184,788.	185,455.	243,812.
Plant Operations and Maintenance	1,008,656.	1,034,406.	872,237.	776,274.	791,065.	908,342.	865,208.	748,159.	1,487,966.	1,609,042.
Pupil transportation	34,931.	25,868.	23,058.	25,913.	26,357.	29,359.	29,975.	33,653.	43,350.	36,873.
Other support services:										
Employee Benefits	1,440,203.	1,532,800.	1,535,502.	1,702,518.	1,895,653.	1,792,442.	1,991,963.	2,069,429.	2,460,390.	2,905,111.
Special schools	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.	526,649.	34,391.
Capital Outlay	384,812.	362,602.	461,295.	3,065,030.	827,112.	1,123,265.	13,575,818.	41,198,648.	9,525,208.	2,308,088.
<b>Total Expenditures</b>	<b>8,135,592.</b>	<b>8,679,550.</b>	<b>8,245,897.</b>	<b>10,305,722.</b>	<b>8,537,564.</b>	<b>9,137,892.</b>	<b>21,907,817.</b>	<b>49,416,063.</b>	<b>20,014,880.</b>	<b>13,972,076.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (Deficiency) of revenues over (under) expenditures	\$ 320,308.	\$ (772,806.)	\$ 719,691.	\$ (272,685.)	\$ 233,601.	\$ (431,053.)	\$ (12,733,177.)	\$ (40,116,494.)	\$ (8,892,170.)	\$ (1,848,929.)
Other Financing sources (uses)	0.	0.	1,332,445.	0.	0.	0.	68,604,770.	0.	0.	0.
Proceeds from sale of bonds	(960.)	0.	(26,398.)	(1,203.)	0.	0.	0.	0.	0.	0.
Prior Year Adjustment	0.	0.	(265,000.)	0.	0.	0.	0.	0.	0.	(50,000.)
Transfers/Cancellations	0.	0.	0.	0.	0.	23,400.	4,007.	6,337.	438,341.	38,837.
Transfers in	0.	0.	0.	0.	0.	0.	(25,914.)	(23,837.)	(553,442.)	(94,837.)
Transfers out	0.	0.	0.	0.	0.	0.	0.	(17,500.)	(115,101.)	(106,000.)
Total Other Financing sources (uses)	\$ (960.)	\$ 0.	\$ 1,041,047.	\$ (1,203.)	\$ 0.	\$ 23,400.	\$ 68,582,863.	\$ (17,500.)	\$ (115,101.)	\$ (106,000.)
Net Change in fund balance	\$ 319,348.	\$ (772,806.)	\$ 1,760,738.	\$ (273,888.)	\$ 233,601.	\$ (407,653.)	\$ 55,849,686.	\$ (40,133,994.)	\$ (9,007,271.)	\$ (1,954,929.)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30	Tuition	Non-Resident Fees	Interest on Investments	Fac./ Land Rent	Prior Years' Refunds	Adult and Evening Fees	Insurance Claim	Sale of Assets	E-Rate	Misc.	Total
2009	\$ 801,500.	\$ 36,000.	\$ 45,633.	\$ 8,000.	\$ 0.	\$ 684,655.	\$ 0.	\$ 0.	\$ 0.	\$ 14,744.	\$ 1,590,532.
2010	896,084.	32,000.	12,528.	8,000.	6,158.	985,742.	0.	0.	0.	41,566.	1,982,078.
2011	1,007,999.	45,600.	32,495.	8,000.	0.	1,051,401.	0.	9,985.	0.	20,109.	2,175,589.
2012	1,080,854.	81,000.	17,930.	17,000.	22,009.	645,062.	0.	0.	23,853.	23,532.	1,911,240.
2013	1,088,635.	96,000.	24,208.	0.	65.	601,107.	0.	0.	26,803.	18,521.	1,855,339.
2014	1,152,625.	76,000.	12,382.	0.	35,976.	493,026.	0.	0.	2,027.	61,275.	1,833,311.
2015	1,290,130.	34,000.	11,896.	12,000.	0.	549,142.	102,416.	0.	40,086.	9,146.	2,048,816.
2016	1,061,040.	76,000.	12,939.	12,000.	0.	601,219.	0.	0.	32,293.	8,083.	1,803,574.
2017	2,489,600.	24,000.	19,783.	0.	0.	358,911.	0.	0.	31,601.	65,769.	2,989,664.
2018	3,910,820.	0.	13,732.	3,628.	0.	0.	0.	22,251.	20,846.	562.	3,971,839.

Source: District records



## **REVENUE CAPACITY**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levies For and Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2009	\$ 2,231,800.	\$ 2,231,800.	100.00%	
2010	1,888,000.	1,888,000.	100.00%	
2011	2,100,000.	2,100,000.	100.00%	
2012	2,000,000.	2,000,000.	100.00%	
2013	2,000,000.	2,000,000.	100.00%	
2014	2,000,000.	2,000,000.	100.00%	
2015	2,000,000.	2,000,000.	100.00%	
2016	2,200,000.	2,200,000.	100.00%	
2017	2,310,000.	2,310,000.	100.00%	
2018	2,420,000.	2,420,000.	100.00%	

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

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipal is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the the school year.

## **DEBT CAPACITY**

**N/A**

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATION EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income ( c )	Unemployment Rate (d)
2008	156,784	\$ 5,006,897,040.	\$ 31,935.	8.00%
2009	157,745	5,117,090,055.	32,439.	12.70%
2010	157,155	5,215,660,140.	33,188.	13.30%
2011	157,570	5,398,663,340.	34,262.	13.40%
2012	157,677	5,387,823,090.	34,170.	14.10%
2013	156,977	5,382,113,422.	34,286.	12.20%
2014	157,099	5,571,987,332.	35,468.	9.90%
2015	155,854	5,650,175,062.	36,253.	8.70%
2016	153,797	5,746,317,311.	37,363.	7.50%
2017	152,538	N/A	N/A	7.00%

**Source:**

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the N.J. Dept. of Labor and Workforce Development

## **OPERATING INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction:										
Regular	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.00	28.00
Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.85	11.85
Vocational	43.00	45.40	40.00	40.00	43.00	38.20	41.00	42.00	14.00	14.00
Support Services:										
General Administrative Services	9.00	9.00	9.00	9.00	8.00	8.00	9.00	10.00	10.00	9.00
School Administrative Services	10.00	10.00	10.00	10.00	9.07	9.00	8.00	9.00	14.10	15.10
Other Administrative Services	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	5.00	5.00
Administrative Information Technology	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	1.00	1.00
Plant Operations and Maintenance	6.50	6.00	6.00	6.00	6.75	6.75	6.75	6.75	9.52	10.52
Special Schools Fund 13	12.70	10.60	10.00	10.00	8.00	8.00	6.50	7.00	4.80	0.00
Food Service	1.50	1.50	1.50	1.50	1.10	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>88.70</b>	<b>88.50</b>	<b>82.50</b>	<b>82.50</b>	<b>80.92</b>	<b>74.95</b>	<b>75.25</b>	<b>78.75</b>	<b>87.27</b>	<b>94.47</b>

Source: District Personnel Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	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
						CTEC					
2009	465	\$ 7,750,780.	\$ 16,668.	7.21%	38.0	12.24	413.7	372.2	(10.61)%	89.97%	
2010	582	8,316,948.	14,290.	(14.27)%	31.0	18.77	301.7	283.0	(27.07)%	93.80%	
2011	657	7,784,602.	11,848.	(17.09)%	32.0	20.53	342.2	321.8	13.42%	94.04%	
2012	601	7,240,692.	12,048.	1.69%	23.0	26.13	309.3	284.3	(9.61)%	91.90%	
2013	640	7,710,452.	12,048.	0.00%	24.0	25.00	305.8	281.1	(1.13)%	91.92%	
2014	652	8,014,627.	12,292.	2.02%	30.0	25.40	321.9	297.8	5.26%	92.51%	
2015	591	8,331,999.	14,099.	14.70%	31.0	24.53	318.2	293.4	(1.16)%	92.21%	
2016	493	8,217,415.	16,668.	18.22%	36.0	13.69	266.0	249.0	(16.40)%	93.60%	
2017	504	10,489,672.	20,813.	24.87%	38.0	13.26	503.8	481.0	89.40%	95.47%	
2018	553	11,663,988.	21,092.	1.34%	49.0	11.29	548.1	520.6	8.80%	94.98%	

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.  
 Enrollment does not include adult enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4.
- 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).



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other										
CCTEC (1969)										
Square Feet	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330
Capacity (Students)	505	505	505	505	505	505	505	505	505	505
Enrollment	465	546	657	601	640	652	591	493	0	0
High School										
CCTEC (2017)										
Square Feet									202,000	202,000
Capacity (Students)									1200	1200
Enrollment									504	553

Number of Schools at June 30, 2018:  
 High School = 1  
 Other = 1  
 Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

\*School Facilities

Project #(s)	Bridgeton Avenue	College Drive	Total
2009	\$ 288,243.	\$ 0.	\$ 288,243.
2010	303,393.	0.	303,393.
2011	183,934.	0.	183,934.
2012	206,159.	0.	206,159.
2013	165,379.	0.	165,379.
2014	247,836.	0.	247,836.
2015	259,331.	0.	259,331.
2017	50,000.	112,989.	162,989.
2018	50,000.	137,108.	187,108.
<b>Total School Facilities</b>	<b>\$ 1,754,275.</b>	<b>\$ 250,097.</b>	<b>\$ 2,004,372.</b>

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

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSBAIG		
Property-Blanket Building & Contents	\$ 500,000,000.	\$ 5,000.
Comprehensive General Liability	11,000,000.	
Comprehensive Automobile Liability	11,000,000.	
Blanket Extra Expense	50,000,000.	5,000.
Blanket Valuable Papers & Records	10,000,000.	5,000.
Business Income/Tuition	1,000,000.	5,000.
Earthquake	50,000,000.	
Terrorism	1,000,000.	
All Flood Zones	75,000,000.	10,000.
Limited Builders Risk	110,000,000.	5,000.
Computers and Scheduled Equipment		
Data Processing Equipment	1,050,000.	1,000.
Boiler and Machinery		
Property Damage	100,000,000.	5,000.
Errors & Omissions		
Errors & Omissions Policy Coverage A	11,000,000.	5,000.
Errors & Omissions Policy Coverage B	100,000.	5,000.
Public Officials Bond		
Christopher Russo, Treasurer	187,000.	1,000.
Gene Mercoli, Business Administrator	175,000.	1,000.
Public Employee Dishonesty	100,000.	500.
Forgery & Alteration	100,000.	500.
Money & Securities	100,000.	500.
Counterfeit	100,000.	500.
Computer Fraud	100,000.	500.
Workers Compensation - NJSBAIG	2,000,000.	
Student Accident: Basic	1,000,000.	
Catastrophic	500,000.	
Real Estate Environmental Liability	1,000,000.	250,000.

## **SINGLE AUDIT SECTION**

K-1

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 Auditor's Report

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Cumberland County Board of Vocational Education's basic financial statements, and have issued our report thereon dated February 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cumberland County Board of Vocational Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cumberland County Board of Vocational Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cumberland County Board of Vocational Education'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Board of Vocational Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

February 14, 2019

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS, AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE  
AWARDS, REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Cumberland County Board of Vocational Education's major state programs for the year ended June 30, 2018. Cumberland County Board of Vocational Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cumberland County Board of Vocational Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Cumberland County Board of Vocational Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Cumberland County Board of Vocational Education's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Cumberland County Board of Vocational Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cumberland County Board of Vocational Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance, and the New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland County Board of Vocational Education's internal control over compliance.

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

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

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 Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments
U.S. Department of Education Passed										
Through State Department of Education:										
Special Revenue Fund:										
Title I, Part A	84.010	S010A50030	NCLB-099518	\$ 197,461.	7/1/17 - 6/30/18	\$ 0.	0.	\$ 101,057.	\$ (196,917.)	\$ 0.
Title I, Part A	84.010	S010A50030	NCLB-099517	199,543.	7/1/16 - 6/30/17	(82,630.)	0.	82,630.	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099518	193,056.	7/1/17 - 6/30/18	0.	0.	0.	(19,305.)	0.
Title II, Part A	84.168	S367A150029	NCLB-099517	5,233.	7/1/16 - 6/30/17	(5,233.)	0.	5,233.	0.	0.
Title IV	84.424	S424A170031	NCLB-099518	10,000.	7/1/17 - 6/30/18	0.	0.	3,349.	(10,000.)	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099518	90,252.	7/1/17 - 6/30/18	0.	0.	54,112.	(98,558.)	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099517	101,885.	7/1/16 - 6/30/17	(53,640.)	0.	53,640.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099518	80,084.	7/1/17 - 6/30/18	0.	0.	75,936.	(80,084.)	0.
Perkins-Secondary Reserve	84.048	V048A140030	PERK-099518	14,036.	7/1/17 - 6/30/18	0.	0.	14,036.	(14,036.)	0.
REAP	84.358A	S358B150030		38,449.	7/1/17 - 9/30/18	0.	0.	16,791.	(15,502.)	0.
REAP	84.358A	S358B150030		36,282.	7/1/16 - 9/30/17	(20,864.)	0.	36,282.	(15,418.)	0.
Passed-through County of Cumberland:										
21st Century	84.287	S287C150030	6820		7/1/17 - 6/30/18		0.	6,820.	(6,820.)	0.
Total Special Revenue Fund						(162,367.)	0.	449,886.	(456,640.)	0.
U.S. Department of Agriculture Passed Through										
State Department of Education										
Enterprise Fund:										
Food Distribution Program	10.550	16161NJ304N1099	N/A	3,462.	7/1/17 - 6/30/18	0.	0.	3,462.	(3,450.)	0.
Food Distribution Program	10.550	16161NJ304N1099	N/A	7,293.	7/1/16 - 6/30/17	244.	0.	0.	(244.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	26,988.	7/1/17 - 6/30/18	0.	0.	24,141.	(26,988.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7,689.	7/1/16 - 6/30/17	(899.)	0.	899.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	102,949.	7/1/17 - 6/30/18	0.	0.	94,589.	(102,949.)	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	50,809.	7/1/16 - 6/30/17	(3,439.)	0.	3,439.	0.	0.
Total Enterprise Fund						(4,094.)	0.	126,530.	(133,631.)	0.
Total Federal Financial Awards						\$ (166,461.)	\$ 0.	\$ 576,416.	\$ (590,271.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Repayment of Prior Years' Bal.	Balance at June 30, 2018		Note Reference
							Accounts Receivable	Deferred Revenue	
Through State Department of Education:									
Special Revenue Fund:									
Title I, Part A	84.010	S010A50030	NCLB-099518	\$ 197,461.	7/1/17 - 6/30/18	\$ 0.	\$ (95,860.)	\$ 0.	0.
Title I, Part A	84.010	S010A50030	NCLB-099517	199,543.	7/1/16 - 6/30/17	0.	0.	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099518	193,056.	7/1/17 - 6/30/18	0.	(19,305.)	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099517	5,233.	7/1/16 - 6/30/17	0.	0.	0.	0.
Title IV	84.424	S424A170031	NCLB-099518	10,000.	7/1/17 - 6/30/18	0.	(6,651.)	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099518	90,252.	7/1/17 - 6/30/18	0.	(44,446.)	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099517	101,685.	7/1/16 - 6/30/17	0.	0.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099518	80,084.	7/1/17 - 6/30/18	0.	(4,148.)	0.	0.
Perkins-Secondary Reserve	84.048	V048A140030	PERK-099518	14,036.	7/1/17 - 6/30/18	0.	0.	0.	0.
REAP	84.358A	S358B150030		38,449.	7/1/17 - 9/30/18	0.	0.	1,289.	0.
REAP	84.358A	S358B150030		36,282.	7/1/16 - 9/30/17	0.	0.	0.	0.
Passed-through County of Cumberland:									
21st Century	84,287	S287C150030	6820		7/1/17 - 6/30/18	0.	0.	0.	0.
Total Special Revenue Fund						0.	(170,410.)	1,289.	0.
U.S. Department of Agriculture Passed Through									
State Department of Education									
Enterprise Fund:									
Food Distribution Program	10.550	16161NJ304N1099	N/A	3,462.	7/1/17 - 6/30/18	0.	0.	12.	0.
Food Distribution Program	10.550	16161NJ304N1099	N/A	7,293.	7/1/16 - 6/30/17	0.	0.	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	26,988.	7/1/17 - 6/30/18	0.	(2,847.)	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	7,689.	7/1/16 - 6/30/17	0.	0.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	102,949.	7/1/17 - 6/30/18	0.	(8,360.)	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	50,809.	7/1/16 - 6/30/17	0.	0.	0.	0.
Total Enterprise Fund						0.	(11,207.)	12.	0.
Total Federal Financial Awards						\$ 0.	\$ (181,617.)	\$ 1,301.	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances
			From	To	Deferred Revenue (Accts Rec.)	Due to Grantor			
State Department of Education:									
General Fund:									
Equalization Aid	18-495-034-5120-078	\$ 3,851,334.	07/01/17	- 06/30/18	\$ 0.	\$ 0.	\$ 3,851,334.	\$ (3,851,334.)	\$ 0.
Special Education Categorical Aid	18-495-034-5120-089	165,041.	07/01/17	- 06/30/18	0.	0.	165,041.	(165,041.)	0.
Security Aid	18-495-034-5120-084	22,808.	07/01/17	- 06/30/18	0.	0.	22,808.	(22,808.)	0.
PARCC Readiness Aid	18-495-034-5120-098	3,730.	07/01/17	- 06/30/18	0.	0.	3,730.	(3,730.)	0.
Per Pupil Growth Aid	18-495-034-5120-097	3,730.	07/01/17	- 06/30/18	0.	0.	3,730.	(3,730.)	0.
Professional Learning Community Aid	18-495-034-5120-101	2,550.	07/01/17	- 06/30/18	0.	0.	2,550.	(2,550.)	0.
Adult Education Program Aid	18-100-034-5120-510	36,627.	07/01/17	- 06/30/18	0.	0.	36,627.	(36,627.)	0.
On Behalf TPAF Post Retirement	18-495-034-5095-001	297,208.	07/01/17	- 06/30/18	0.	0.	297,208.	(297,208.)	0.
On Behalf TPAF Long-term disability	18-495-034-5095-004	497.	07/01/17	- 06/30/18	0.	0.	497.	(497.)	0.
On Behalf TPAF Pension	18-495-034-5095-002	460,159.	07/01/17	- 06/30/18	0.	0.	460,159.	(460,159.)	0.
Reimbursed TPAF Social Security Contrib.	18-495-034-5095-003	332,062.	07/01/17	- 06/30/18	0.	0.	315,906.	(332,062.)	0.
Reimbursed TPAF Social Security Contrib.	17-495-034-5095-003	285,003.	07/01/16	- 06/30/17	(13,793.)	0.	13,793.	0.	0.
Total General Fund					(13,793.)	0.	5,173,383.	(5,175,746.)	0.
Special Revenue Fund:									
Perkins Post-Secondary	18-100-034-5062-032	85,858.	07/01/17	- 06/30/18	0.	0.	47,062.	(85,858.)	0.
Apprentice Coordinator-Passed through Gloucester Co Vocational		10,000.	07/01/17	- 06/30/18	0.	0.	10,000.	(10,000.)	0.
Total Special Revenue Fund					0.	0.	57,062.	(95,858.)	0.
Capital Project Fund:									
Educ Facilities Const & Financing Act.									
School Addition & Renovation		2,071,663.			0.	0.	36,317.	0.	0.
School Addition & Renovation	0995-030-09-1001				0.	0.	0.	0.	0.
Total Capital Project Fund					0.	0.	36,317.	0.	0.
State Department of Agriculture									
Enterprise Fund:									
National School Lunch Program (State Share)	18-100-010-3350-023	2,645.	07/01/17	- 06/30/18	0.	0.	2,430.	(2,645.)	0.
National School Lunch Program (State Share)	17-100-010-3350-023	1,156.	07/01/16	- 06/30/17	(80.)	0.	80.	0.	0.
Total Enterprise Fund					(80.)	0.	2,510.	(2,645.)	0.
Total State Financial Assistance					\$ (310,337.)	\$ 0.	\$ 5,269,272.	\$ (5,274,249.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Project Number	Grant or State	Program or Award	Grant Period		Balance at June 30, 2018			MEMO	
				From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education:										
General Fund:										
Equalization Aid	18-495-034-5120-078		\$ 3,730,817.	07/01/17 - 06/30/18		\$ 0.	\$ 0.	0.	353,476.	\$ 3,851,334.
Special Education Categorical Aid	18-495-034-5120-089		165,041.	07/01/17 - 06/30/18		0.	0.	0.	16,504.	165,041.
Security Aid	18-495-034-5120-084		22,808.	07/01/17 - 06/30/18		0.	0.	0.	2,281.	22,808.
PARCC Readiness Aid	18-495-034-5120-098		3,730.	07/01/17 - 06/30/18		0.	0.	0.	373.	3,730.
Per Pupil Growth Aid	18-495-034-5120-097		3,730.	07/01/17 - 06/30/18		0.	0.	0.	373.	3,730.
Professional Learning Community Aid	18-495-034-5120-101		2,550.	07/01/17 - 06/30/18		0.	0.	0.	255.	2,550.
Adult Education Program Aid	18-100-034-5120-510		36,627.	07/01/17 - 06/30/18		0.	0.	0.	3,663.	36,627.
On Behalf TPAF Post Retirement	18-495-034-5095-001		297,208.	07/01/17 - 06/30/18		0.	0.	0.	29,721.	297,208.
On Behalf TPAF Long-term disability	18-495-034-5095-004		497.	07/01/17 - 06/30/18		0.	0.	0.	0.	497.
On Behalf TPAF Pension	18-495-034-5095-002		460,159.	07/01/17 - 06/30/18		0.	0.	0.	0.	460,159.
Reimbursed TPAF Social Security Contrib.	18-495-034-5095-003		332,062.	07/01/17 - 06/30/18		(16,156.)	0.	0.	0.	332,062.
Reimbursed TPAF Social Security Contrib.	17-495-034-5095-003		285,003.	07/01/16 - 06/30/17		0.	0.	0.	0.	0.
Total General Fund						(16,156.)	0.	0.	406,646.	5,175,746.
Special Revenue Fund:										
Perkins Post-Secondary	18-100-034-5062-032		85,858.	07/01/17 - 06/30/18		(38,796.)	0.	0.	0.	85,858.
Apprentice Coordinator-Passed through Gloucester Co Vocational			10,000.	07/01/17 - 06/30/18		0.	0.	0.	0.	10,000.
Total Special Revenue Fund						(38,796.)	0.	0.	0.	95,858.
Capital Project Fund:										
Educ Facilities Const & Financing Act.						0.	36,317.	0.	0.	0.
School Addition & Renovation			2,071,663.			(296,464.)	0.	0.	0.	1,570,689.
School Addition & Renovation	0995-030-09-1001					(296,464.)	36,317.	0.	0.	1,570,689.
Total Capital Project Fund										
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program (State Share)	18-100-010-3350-023			07/01/17 - 06/30/18		(215.)	0.	0.	0.	2,645.
National School Lunch Program (State Share)	17-100-010-3350-023		1,156.	07/01/16 - 06/30/17		0.	0.	0.	0.	0.
Total Enterprise Fund						(215.)	0.	0.	0.	2,645.
Total State Financial Assistance						\$ (351,631.)	\$ 36,317.	\$ 0.	\$ 406,646.	\$ 6,844,938.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2018**

**NOTE 1 - GENERAL**

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

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,700) for the general fund and \$(1,547) for the special revenue fund. See *Note 1 (the Notes to Required Supplementary Information)* for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0.	\$ 5,160,046.	\$ 5,160,046.
Special Revenue Fund	457,605.	95,858.	553,463.
Food Service Fund	133,399.	2,645.	136,044.
Total Financial Assis.	<u>\$ 591,004.</u>	<u>\$ 5,258,549.</u>	<u>\$ 5,849,553.</u>

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2018**

**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 - OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**NOTE 6 - SUBRECIPIENTS**

The District had no expenditures to subrecipients during the year ended June 30, 2018.

**NOTE 7 - INDIRECT COSTS**

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- |    |  |               |                            |
|----|--|---------------|----------------------------|
| 1. | Material weakness(es) identified?  | <u>  </u> Yes | <u>  x  </u> No            |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <u>  </u> Yes | <u>  x  </u> None Reported |

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

**Federal Awards**

N/A – No major federal programs

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$750,000.

Auditee qualified as low risk auditee?   x   Yes    No

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

Internal Control over major programs:

- |    |  |               |                            |
|----|--|---------------|----------------------------|
| 1. | Material weakness(es) identified?  | <u>  </u> Yes | <u>  x  </u> No            |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <u>  </u> Yes | <u>  x  </u> None reported |

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08    Yes   x   No

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section I – Summary of Auditor’s Results (continued)*

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid
100-034-5120-510	Adult Education Program Aid

*Section II – Financial Statement Findings*

None Reported

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

**Federal Awards**

N/A

**State Awards**

None Reported



**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**STATUS OF PRIOR YEAR FINDINGS**

**Finding:**

None Reported