

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND COUNTY BOARD OF
VOCATIONAL EDUCATION
VINELAND, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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INTRODUCTORY SECTION



December 18, 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, 2019, 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			
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
18-19	95	0	104	61	93	0	315	0	10	91	708	17	725

2.) **ECONOMIC CONDITION AND OUTLOOK:** As our fourth school year has started we welcomed the class of 2023. The new freshmen have joined the inaugural class of 2020 to bring enrollment to close to 940 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 approved a \$23 million Health Science and Medicine addition to the existing building to meet the needs of the County. Construction site work has started with a fall 2021 anticipated opening.

- 3.) **MAJOR INITIATIVES:** CCTEC embarked on a number of educational initiatives during the fiscal year. They include:
- a. The continuation of partnerships with Rowan College of South Jersey, 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 2023.

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, 2019.

- 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, 2019 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	\$ 8,286,413.	53.38%	\$ 1,893,288.	29.61%
State Sources	6,784,689.	43.71%	1,528,785.	29.09%
Federal Sources	452,297.	2.91%	(15,308.)	(3.27%)
Total	\$15,523,399.	100.00%	\$3,406,765.	28.12%

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2019 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	\$ 6,092,313.	40.33%	\$1,502,506.	32.74%
Undistributed Expenditures	8,623,515.	57.09%	1,583,725.	22.50%
Capital Outlays	312,477.	2.07%	27,951.	9.82%
Special Schools	78,027.	0.51%	43,636.	126.88%
Total	\$ 15,106,332.	100.00%	\$3,157,818.	26.43%

- 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 Elliott, Ed. D.
Superintendent


Megan Duffield
Business Administrator/Board Secretary

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

ROSTER OF OFFICIALS

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Carlos Villar, President	2018
Sheila McCann	2018
Ruth Hands, Vice President	2019
Patricia Gross	2020
John Redden	2021
Christy DiLeonardo	2021
Leslie White-Coursey, Interim Executive County Superintendent	Permanent

Other Officials

Dina Rossi Elliott, Ed. D., Superintendent

Megan Duffield, Board Secretary/Business Administrator

Mario Olsen, Assistant Superintendent

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

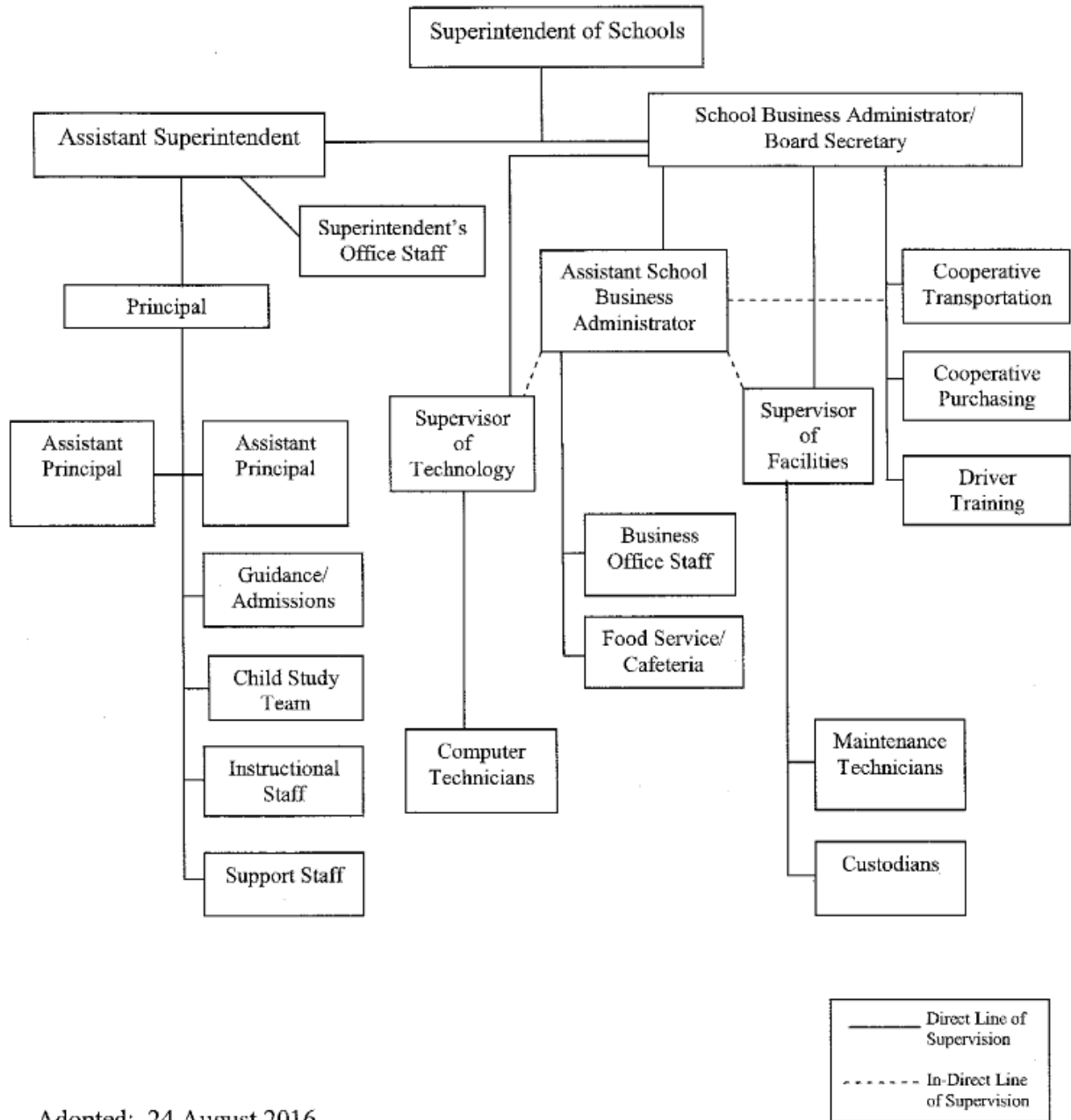
OFFICIAL DEPOSITORY

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, the aggregate discretely presented component units, 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, 2019, 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, the aggregate discretely presented component units, 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, 2019, 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 2019 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. 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 December 18, 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

December 18, 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, 2019. 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			
	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	the activities of the district that are not proprietary or fiduciary, such as 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 \$66,483 on June 30, 2019. The majority of the total net position, is attributed to governmental activities (99%).

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

3400 College Drive, Vineland, NJ 08360

Office: 856.451.9000 | Fax: 856.451.8487 | www.CCTECnj.org

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
	2018	2019	2018	2019	2018	2019	2018-2019
Current Assets	\$ 8,152.	\$ 6,431.	\$ 831.	\$ 856.	\$ 8,983.	\$ 7,287.	-18.9%
Capital Assets	68,658.	63,602.	58.	51.	68,716.	63,653.	-7.4%
Total Assets	\$76,810.	\$ 70,033.	\$ 889.	\$ 907.	\$77,699.	\$70,940.	-8.7%
Deferred Outflow of Resources	\$ 1,266.	\$ 906.	\$ 121.	\$ 88.	\$ 1,387.	\$ 994.	-28.3%
Current Liabilities	\$ 343.	\$ 260.	\$ 119.	\$ 132.	\$ 462.	\$ 392.	-15.2%
Noncurrent Liabilities	4,079.	3,278.	315.	250.	4,394.	3,528.	-19.7%
Total Liabilities	\$ 4,422.	\$ 3,538.	\$ 434.	\$ 382.	\$ 4,856.	\$ 3,920.	-19.3%
Deferred Inflow of Resources	1,049.	1,404.	95.	127.	1,144.	1,531.	33.8%
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$68,658.	\$ 63,602.	\$ 58.	\$ 51.	\$68,716.	\$63,653.	-7.4%
Restricted	7,753.	5,907.	0.	0.	7,753.	5,907.	-23.8%
Unrestricted	(3,806.)	(3,512.)	423.	435.	(3,383.)	(3,077.)	-9.0%
Total Net Position	\$72,605.	\$ 65,997.	\$ 481.	\$ 486.	\$73,086.	\$66,483.	-9.0%

Changes in net position. The District's total revenues are \$11,941 for the fiscal period ending June 30, 2019, Property taxes and state formula aid accounted for 69% of the District's revenue. 24% is derived from state and federal aid for specific programs, and the remainder, 7% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 55%. The purely administrative activities of the District accounted for 11% of total costs. Total expenses surpassed revenues, decreasing net position approximately \$6,608 from last year, primarily in governmental type activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$11,163. Total expenses amounted to \$17,771. The decrease in net position in governmental activities was \$6,608 for 2019. Included in this decrease is a transfer of \$62 from governmental activities to business-type activities, retirement of fixed assets related to the sale of the old school building (\$3,653), and the cancellation of capital project fund balance (\$2,177).

Business-Type Activities

Revenues of the District's business-type activities amounted to \$778, including the transfer of \$62 from governmental activities, and expenses were \$772. Factors contributing to these results included:

- Increase operations in the food service (Cafeteria) program.
- Transfer of \$62 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
	2018	2019	2018	2019	2018	2019	2018-2019
Revenues							
Program Revenues							
Charges for Services	\$ 6.	\$ 573.	\$ 447.	\$ 514.	\$ 453.	\$ 1,087.	140.0%
Federal & State Categorical Grants	3,063.	2,624.	136.	195.	3,199.	2,819.	-11.9%
General Revenues							
Property Taxes	2,420.	2,530.	0.	0.	2,420.	2,530.	4.5%
State Formula Aid	4,634.	5,700.	0.	0.	4,634.	5,700.	23.0%
Other	3,828.	(264.)	95.	69.	3,923.	(195.)	-105.0%
Total Revenues	<u>\$13,951.</u>	<u>\$11,163.</u>	<u>\$ 678.</u>	<u>\$ 778.</u>	<u>\$14,629.</u>	<u>\$11,941.</u>	<u>-18.4%</u>
Expenses							
Instruction - Related	\$ 6,004.	\$ 8,231.	\$ 0.	\$ 0.	\$ 6,004.	\$ 8,231.	37.1%
Student Support Services	957.	1,272.	631.	772.	1,588.	2,044.	28.7%
Maintenance & Operations	1,628.	1,922.	0.	0.	1,628.	1,922.	18.1%
Transportation	37.	71.	0.	0.	37.	71.	91.9%
Administration	1,796.	1,980.	0.	0.	1,796.	1,980.	10.2%
Other	5,195.	4,295.	0.	0.	5,195.	4,295.	-17.3%
Total Expenses	<u>\$15,617.</u>	<u>\$17,771.</u>	<u>\$ 631.</u>	<u>\$ 772.</u>	<u>\$16,248.</u>	<u>\$18,543.</u>	<u>14.1%</u>
Increase/ (decrease) in Net Position	<u>\$ (1,666.)</u>	<u>\$ (6,608.)</u>	<u>\$ 47.</u>	<u>\$ 6.</u>	<u>\$ (1,619.)</u>	<u>\$ (6,602.)</u>	<u>307.8%</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 \$6,161. Miscellaneous revenue fees exceeded the amounts anticipated in the 2019 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 \$1,926 in fund balance and \$258 of prior year encumbrances to fund the appropriation plan for this fiscal period. The general fund balance increased by \$492.

The District received additional state aid in the amount of \$1,024 of which \$869 was deferred to the 2019-2020 year and \$155 was used to increase the 2018-2019 budget.

Actual expenditures for capital outlay amounted to \$233 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$80 was from the Special Revenue Fund and \$0 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

Capital Assets

By the end of 2019, the District had invested \$70,033 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 \$1,695 while building improvements and additions to equipment and furniture amounted to \$293. The old school building was sold during the year resulting in a net reduction of capital assets of \$3,653.

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	2018-2019
Land	\$ 1,343.	\$ 1,237.	\$ 0.	\$ 0.	\$ 1,343.	\$ 1,237.	-7.9%
Site Improvements	2,023.	1,813.	0.	0.	2,023.	1,813.	-10.4%
Buildings & Improvements	63,046.	58,461.	0.	0.	63,046.	58,461.	-7.3%
Machinery & Equipment	2,246.	2,091.	57.	51.	2,303.	2,142.	-7.0%
Total	<u>\$68,658.</u>	<u>\$63,602.</u>	<u>\$ 57.</u>	<u>\$ 51.</u>	<u>\$68,715.</u>	<u>\$63,653.</u>	<u>-7.4%</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 Rowan College of South Jersey, and industry partners, the Cumberland County Board of Vocational Education will continue to work with 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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	5,598,427.	\$ 769,094.	\$ 6,367,521.
Receivables, Net	832,626.	80,810.	913,436.
Inventory	0.	6,542.	6,542.
Capital Assets, Net	63,602,328.	50,731.	63,653,059.
Total Assets	<u>70,033,381.</u>	<u>907,177.</u>	<u>70,940,558.</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	<u>905,515</u>	<u>88,442.</u>	<u>993,957</u>
LIABILITIES:			
Accounts Payable	12,369.	36,411.	48,780.
Interfund Payable	(75,191.)	75,191.	0.
Pension Account Payable	149,775.	10,845.	160,620.
Unearned Revenue	173,312.	10,409.	183,721.
Noncurrent Liabilities:			
Due in More than One Year	120,867.	11,747.	132,614.
Net Pension Liability	3,157,345.	237,574.	3,394,919.
Total Liabilities	<u>3,538,477.</u>	<u>382,177.</u>	<u>3,920,654.</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>1,403,459.</u>	<u>127,015.</u>	<u>1,530,474.</u>
NET POSITION			
Invested in Capital Assets, net of related debt	63,602,328.	50,731.	63,653,059.
Restricted for:			
Capital Projects	1,554,670.	0.	1,554,670.
Other Purposes	4,351,784.	0.	4,351,784.
Unrestricted	(3,511,822.)	435,696.	(3,076,126.)
Total Net Position	<u>\$ 65,996,960.</u>	<u>\$ 486,427.</u>	<u>\$ 66,483,387.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
Instruction:						
Regular	\$ 4,626,903.	\$ 0.	\$ 0.	\$ (4,626,903.)	\$ 0.	\$ (4,626,903.)
Special education	567,888.	0.	0.	(567,888.)	0.	(567,888.)
Vocational	2,073,347.	0.	0.	(2,073,347.)	0.	(2,073,347.)
Other instruction	95,718.	0.	0.	(95,718.)	0.	(95,718.)
Support services:						
Student & instruction related services	1,272,301.	0.	0.	(1,272,301.)	0.	(1,272,301.)
School administrative services	691,866.	0.	0.	(691,866.)	0.	(691,866.)
General and business administrative services	654,102.	0.	0.	(654,102.)	0.	(654,102.)
Central services	341,843.	0.	0.	(341,843.)	0.	(341,843.)
Admin info tech	291,844.	0.	0.	(291,844.)	0.	(291,844.)
Plant operations and maintenance	1,921,645.	0.	0.	(1,921,645.)	0.	(1,921,645.)
Pupil transportation	70,518.	0.	0.	(70,518.)	0.	(70,518.)
Employee benefits	4,624,537.	0.	2,624,249.	(2,000,288.)	0.	(2,000,288.)
Special schools	78,027.	142,301.	0.	64,274.	0.	64,274.
Internal service fund	272,082.	430,712.	0.	158,630.	0.	158,630.
Unallocated depreciation	169,538.	0.	0.	(169,538.)	0.	(169,538.)
NJ Debt service assessment	19,288.	0.	0.	(19,288.)	0.	(19,288.)
Total governmental activities	17,771,447.	573,013.	2,624,249.	(14,574,185.)	0.	(14,574,185.)
Business-type activities:						
Enterprise funds	771,965.	513,375.	195,182.	0.	(63,408.)	(63,408.)
Total business-type activities	771,965.	513,375.	195,182.	0.	(63,408.)	(63,408.)
Total primary government	\$ 18,543,412.	\$ 1,086,388.	\$ 2,819,431.	\$ (14,574,185.)	\$ (63,408.)	\$ (14,637,593.)

General revenues:

Taxes:

Property taxes, levied for general purposes, net	\$	2,530,000.	\$	0.	\$	2,530,000.
Federal and State aid not restricted		5,156,485.		0.		5,156,485.
Federal and State aid restricted		543,876.		0.		543,876.
Tuition received		5,379,138.		0.		5,379,138.
Non-resident fees		7,000.		0.		7,000.
Investment Earnings		43,494.		7,146.		50,640.
Miscellaneous Income		198,420.		0.		198,420.
Transfers		(62,000.)		62,000.		0.
Fixed Asset Retirements		(3,653,246.)		0.		(3,653,246.)
Cancellation of Prior Year Capital Project Grant and Bond		(2,177,042.)		0.		(2,177,042.)
Total general revenues, special items, extraordinary items and transfers		7,966,125.		69,146.		8,035,271.
Change in Net Position		(6,608,060.)		5,738.		(6,602,322.)

Net Position—beginning	\$	72,605,020.		480,689.		73,085,709.
Net Position—ending	\$	65,996,960.	\$	486,427.	\$	66,483,387.

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 4,056,936.	\$ (116,087.)	\$ 1,574,539.	\$ 0.	\$ 5,515,388.
Due from other funds	1,901,053.	0.	0.	0.	1,901,053.
Receivables from other governments	334,136.	169,731.	340,277.	0.	844,144.
Other	1,138.	0.	0.	0.	1,138.
Total assets	\$ 6,293,263.	\$ 53,644.	\$ 1,914,816.	\$ 0.	\$ 8,261,723.
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 12,369.	\$ 0.	\$ 0.	\$ 0.	\$ 12,369.
Interfund payable	0.	0.	1,914,816.	0.	1,914,816.
Unearned revenue	119,668.	53,644.	0.	0.	173,312.
Total liabilities	132,037.	53,644.	1,914,816.	0.	2,100,497.
Fund Balances:					
Restricted for:					
Excess surplus-current year	1,420,282.	0.	0.	0.	1,420,282.
Excess surplus -- designated for subsequent year's expenditures	1,026,253.	0.	0.	0.	1,026,253.
Maintenance reserve	827,134.	0.	0.	0.	827,134.
Capital reserve	1,554,670.	0.	0.	0.	1,554,670.
Committed to:					
Other purposes	208,812.	0.	0.	0.	208,812.
Assigned to:					
Designated by BOE for subsequent year's expenditures	869,303.	0.	0.	0.	869,303.
Unassigned:					
General fund	254,772.	0.	0.	0.	254,772.
Total Fund balances	6,161,226.	0.	0.	0.	6,161,226.
Total liabilities and fund balances	\$ 6,293,263.	\$ 53,644.	\$ 1,914,816.	\$ 0.	

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 \$70,033,016. and the accumulated depreciation is \$6,430,688 (See Note 5). \$ 63,602,328.

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). (120,867.)

Internal service fund net position 159,337.

Pension related items:

Deferred outflow of items	\$ 905,515.	
Deferred inflow of items	(1,403,459.)	
Pension account payable	(149,775.)	
Net pension liability	<u>(3,157,345.)</u>	
Total pension related items		<u>(3,805,064.)</u>

Net assets of governmental activities \$ 65,996,960.

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 2,530,000.	\$ 0.	\$ 0.	\$ 0.	\$ 2,530,000.
Tuition charges	5,379,138.	0.	0.	0.	5,379,138.
Non-resident fees	7,000.	0.	0.	0.	7,000.
Interest earned	29,554.	0.	13,233.	0.	42,787.
Miscellaneous-restricted	142,301.	0.	0.	0.	142,301.
Miscellaneous-unrestricted	179,076.	19,344.	0.	0.	198,420.
Total local sources	8,267,069.	19,344.	13,233.	0.	8,299,646.
State sources	6,693,110.	91,579.	0.	0.	6,784,689.
Federal sources	0.	452,297.	0.	0.	452,297.
Total revenues	14,960,179.	563,220.	13,233.	0.	15,536,632.
EXPENDITURES:					
Current:					
Regular instruction	3,355,360.	0.	0.	0.	3,355,360.
Special education instruction	248,450.	319,438.	0.	0.	567,888.
Vocational instruction	2,073,347.	0.	0.	0.	2,073,347.
Other instruction	95,718.	0.	0.	0.	95,718.
Support services:					
Student & instruction related services	1,115,781.	88,704.	0.	0.	1,204,485.
Other administrative services	586,286.	0.	0.	0.	586,286.
School administrative services	590,143.	0.	0.	0.	590,143.
Central services	341,843.	0.	0.	0.	341,843.
Admin info tech	291,844.	0.	0.	0.	291,844.
Plant operations and maintenance	1,904,691.	0.	0.	0.	1,904,691.
Pupil transportation	70,518.	0.	0.	0.	70,518.
Employee benefits	3,558,331.	75,374.	0.	0.	3,633,705.
Capital outlay	232,773.	79,704.	0.	0.	312,477.
Special schools	78,027.	0.	0.	0.	78,027.
Total expenditures	14,543,112.	563,220.	0.	0.	15,106,332.
Excess (deficiency) of revenues over exp.	417,067.	0.	13,233.	0.	430,300.
OTHER FINANCING SOURCES (USES):					
Cancellation of Prior Year Projects Grant	0.	0.	(2,177,042.)	0.	(2,177,042.)
Transfers in	18,179.	0.	0.	0.	18,179.
Transfers out	(62,000.)	0.	(12,179.)	0.	(74,179.)
Total other financing sources and uses	(43,821.)	0.	(2,189,221.)	0.	(2,233,042.)
Net change in fund balance	373,246.	0.	(2,175,988.)	0.	(1,802,742.)
Fund balance - July 1	5,787,980.	0.	2,175,988.	0.	7,963,968.
Fund balance - June 30	\$ 6,161,226.	\$ 0.	\$ 0.	\$ 0.	\$ 6,161,226.

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, 2019

Total net changes in fund balances - governmental funds (from B-2) \$ (1,802,742.)

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	\$ (1,695,390.)	
	Capital outlays	<u>293,189.</u>	(1,402,201.)

Disposition of fixed assets (3,653,246.)

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 (+). 6,996.

Increase/(Decrease) in net assets - internal service fund 153,337.

Increase in pension expense (278,671.)

Increase in on behalf pension payments 368,467.

Change in net assets of governmental activities \$ (6,608,060.)

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2019

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 769,094.	\$ 83,039.
Accounts receivable:		
Federal	14,081.	0.
State	296.	0.
Interfund	55,623.	31,917.
Other receivables	10,810.	44,381.
Inventory	6,542.	0.
Total current assets	<u>856,446.</u>	<u>159,337.</u>
Noncurrent assets:		
Furniture, machinery & equipment	84,026.	0.
Less accumulated depreciation	<u>(33,295.)</u>	<u>0.</u>
Total noncurrent assets	<u>50,731.</u>	<u>0.</u>
Total assets	<u>\$ 907,177.</u>	<u>\$ 159,337.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 88,442.</u>	<u>\$ 0.</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable	\$ 36,411.	\$ 0.
Pension account payable	10,845.	0.
Interfund payable	75,191.	0.
Prepaid lunches	5,263.	0.
Prepaid benefits	5,146.	0.
Total current liabilities	<u>132,856.</u>	<u>0.</u>
Noncurrent liabilities		
Compensated absence	11,747.	0.
Net pension liability	237,574.	0.
Total noncurrent liabilities	<u>249,321.</u>	<u>0.</u>
Total liabilities	<u>382,177.</u>	<u>0.</u>
DEFERRED INFLOW OF RESOURCES:	<u>\$ 127,015.</u>	<u>\$ 0.</u>
NET POSITION:		
Invested in capital assets net of related debt	50,731.	0.
Unrestricted	435,696.	159,337.
Total net position	<u>\$ 486,427.</u>	<u>\$ 159,337.</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, 2019

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
Operating revenues:		
Changes for services:		
Daily sales - Reimbursable	\$ 135,593.	\$ 0.
Daily Sales - Non-reimbursable	170,867.	0.
Fees	206,915.	430,712.
Total operating revenues	<u>513,375.</u>	<u>430,712.</u>
Operating expenses		
Cost of Sales - Reimbursable	129,849.	0.
Cost of Sales - Nonreimbursable	86,151.	0.
Salaries	315,178.	252,059.
Payroll taxes and fringe benefits	114,581.	19,282.
Pension Expense	(8,074.)	0.
Management Fee	68,195.	0.
Other purchased services	13,685.	0.
General supplies	35,328.	0.
Depreciation	7,037.	0.
Miscellaneous	10,035.	741.
Total operating expenses	<u>771,965.</u>	<u>272,082.</u>
Operating income/(loss)	<u>(258,590.)</u>	<u>158,630.</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	3,715.	0.
Federal sources:		
National school breakfast program	41,593.	0.
National school lunch program	132,124.	0.
USDA commodities	17,750.	0.
Interest	7,146.	707.
Total nonoperation revenues (expenses)	<u>202,328.</u>	<u>707.</u>
Operating transfer in/(out):		
Operating transfer in/(out)	62,000.	(6,000.)
Total operating transfers in/out	<u>62,000.</u>	<u>(6,000.)</u>
Change in net position	5,738.	153,337.
Total net position - beginning	<u>480,689.</u>	<u>6,000.</u>
Total net position - ending	<u>\$ 486,427.</u>	<u>\$ 159,337.</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, 2019

	Total Enterprise Fund	Total Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACCT.		
Receipts from customers	\$ 499,801.	\$ 360,415.
Payments to employees	(119,999.)	0.
Payment for employee benefits	(69,971.)	0.
Payments to suppliers	(547,970.)	(272,083.)
Net cash provided by (used for) operating account	<u>(238,139.)</u>	<u>88,332.</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACT.		
State Sources	3,634.	0.
Federal Sources	170,843.	0.
Interfund	64,010.	(6,000.)
Net cash provided by (used for) non-capital financing activities	<u>238,487.</u>	<u>(6,000.)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest of investment	7,146.	707.
Net cash provided by financing activities	<u>7,146.</u>	<u>707.</u>
Net increase (decrease) in cash and cash equivalents	7,494.	83,039.
Balances - beginning of year	761,600.	0.
Balances - end of year	<u>\$ 769,094.</u>	<u>\$ 83,039.</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (258,590.)	\$ 158,630.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	17,750.	0.
Federal commodities	7,037.	0.
(Increase)/decrease in accts receivables, net	(8,693.)	(70,298.)
(Increase)/decrease in interfund receivables	(6,441.)	0.
(Increase)/decrease in inventories	(17.)	0.
(Increase)/decrease in deferred outflow of resources	32,420.	0.
Increase/(decrease) in prepaid benefits	175.	0.
Increase/(decrease) in accounts payable	10,671.	0.
Increase/(decrease) in prepaid lunches	2,109.	0.
Increase/(decrease) in pension accounts payable	(970.)	0.
Increase/(decrease) in compensated absences	5,934.	0.
Increase/(decrease) in deferred inflow of resources	31,847.	0.
Increase/(decrease) in net pension liability	(71,371.)	0.
Total adjustments	<u>20,451.</u>	<u>(70,298.)</u>
Net cash provided by (used for) oper activities	<u>\$ (238,139.)</u>	<u>\$ 88,332.</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, 2019

	Cumberland County Technical Education Center Foundation, Inc.	Unemployment Compensation Trust	Payroll/Agency Fund	Student Activity
ASSETS:				
Cash & Cash Equivalents	\$ 85,218.	\$ 85,554.	\$ 9,586.	\$ 129,317.
Due from Agency	0.	4,619.	0.	0.
Due from Enterprise	0.	0.	0.	2,010.
Investment at Fair Value:				
Common Stocks	431,061.	0.	0.	0.
Total Assets	516,279.	90,173.	9,586.	131,327.
DEFERRED OUTFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:				
Due to Student Groups	\$ 0.	\$ 0.	\$ 0.	\$ 131,327.
Interfund Payable	0.	0.	596.	0.
Payroll Deductions and Withholdings	0.	0.	4,371.	0.
Due to Unemployment	0.	0.	4,619.	0.
Total Liabilities	0.	0.	9,586.	131,327.
DEFERRED INFLOW OF RESOURCES:	0.	0.	\$0	\$0
NET POSITION:		\$ 90,173.		
Restricted for unemployment claims		516,279.		
Restricted for individuals, organizations, and other government				

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Cumberland County Technical Education Center Foundation, Inc.	Unemployment Compensation Trust
ADDITIONS:		
Contributions:		
Donations	\$ 123,371.	\$ 0.
Plan Member	0.	15,425.
Board Contribution	0.	45,000.
Total Contributions	<u>123,371.</u>	<u>60,425.</u>
Investment Earnings:		
Net Increase in Fair Value of Investments	33,830.	0.
Interest and Dividends	8,209.	371.
Total Investment Earnings	<u>42,039.</u>	<u>371.</u>
Less Investment Costs:		
Investment Fees	3,085.	0.
Loss on Shares Sold	9,240.	0.
Net Investment Earnings	<u>29,714.</u>	<u>371.</u>
Total Additions	<u>153,085.</u>	<u>60,796.</u>
DEDUCTIONS:		
Unemployment Claims	0.	13,700.
Scholarships and Donations	2,800.	0.
Marketing	8,942.	0.
Administrative Expense	3,407.	0.
Total Deductions	<u>15,149.</u>	<u>13,700.</u>
Change in Net Assets	137,936.	47,096.
NET POSITION, JULY 1	0.	43,077.
NET POSITION, JULY 1 - RESTATED	<u>378,343.</u>	<u>0.</u>
NET POSITION, JUNE 30	<u>\$ 516,279.</u>	<u>\$ 90,173.</u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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 9th to 12th for vocational programs and operate the adult and continuing education programs. The Cumberland County Board of Vocational Education had an enrollment at June 30, 2019 of 708 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 organization is considered a component unit.

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

The "Foundation" is a New Jersey Nonprofit Corporation.

The "Foundation" is an independent non-profit community-based corporation formed for the purpose of providing increased community support for the Cumberland County Technical Education Center. By directing available resources toward areas of identified need, the Cumberland County Technical Education Center Foundation will provide an effective mechanism through which community resources can be allocated for worthwhile programs and scholarships for graduating students. The Foundation is a vehicle for informing the public, channeling support for the students of the Cumberland County Technical Education Center, enhancing community participation, and furthering the quality of the education provided by the Cumberland County Board of Vocational Education.

The Trustees of the "Foundation" are appointed by the Cumberland County Board of Vocational Education.

The financial information of the "Foundation" is reported in the District's financial statements as a Fiduciary Fund and is included in Exhibit B-7 and B-8.

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

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.

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:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

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

- 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.

- 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:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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.
- 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 Service of Security

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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.

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, 2019.

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

E. Financial Statement Amounts – (Continued)

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.

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

E. Financial Statement Amounts – (Continued)

9. Budgets/Budgetary Control: (Continued)

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. The charges are subject to adjustment when final costs have been determined.

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. 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. The adoption of GASB 83 did not impact the financial statements of the School District.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

F. New Accounting Standards (Continued)

- 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 and may be implemented earlier. The adoption of GASB No. 84 will 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:

- 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 contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this 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.

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

Deposits: (Continued)

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, 2019, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	\$ 6,591,980.
TOTAL	\$ 6,591,980.

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, 2019, the District’s bank balance of \$7,152,822 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000.
Collateralized under GUDPA	6,902,822.
TOTAL	\$ 7,152,822.

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.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - CAPITAL RESERVE ACCOUNT

Beginning Balance, July 1, 2018	\$ 1,539,273.
Interest earnings	15,397.
Deposits	
Approved in 2018/2019 Budget	0.
Board Resolution	0.
Withdrawals	
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2019	\$ 1,554,670.

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, 2018 to June 30, 2019 year is as follows:

Beginning Balance July 1, 2018	\$ 827,134.
Deposits – BOE Resolution	0.
Withdrawals	0.
Ending Balance June 30, 2019	\$ 827,134.

The June 30, 2019 maximum maintenance reserve amount is \$ 1,155,440.

NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	\$1,342,963.	\$ 0.	\$ (106,168.)	\$ 0.	\$1,236,795.
Construction in progress	0.	0.	0.	0.	0.
Total Capital Assets not being Depreciated	1,342,963.	0.	(106,168.)	0.	1,236,795.
Bldg & Bldg Improvements	69,674,723.	0.	(7,586,732.)	0.	62,087,991.
Site Improvements	2,804,090.	0.	(780,528.)	0.	2,023,562.
Machinery & Equipment	4,675,972.	293,189.	(284,494.)	1.	4,684,668.
Totals at Historical Cost	77,154,785.	293,189.	(8,651,754.)	1.	68,796,221.
Less: Accum. Deprec. for:					
Bldg & Bldg Improvements	(6,629,670.)	(1,241,760.)	4,245,491.	0.	(3,625,939.)
Site Improvements	(780,762.)	(101,178.)	671,490.	0.	(210,450.)
Machinery & Equipment	(2,429,541.)	(352,452.)	187,695.	(1.)	(2,594,299.)
Total Accum. Depreciation	(9,839,973.)	(1,695,390.)	5,104,676.	(1.)	(6,430,688.)
Total Capital Assets being depreciated net of Accum. Depreciation	67,314,812.	(1,402,201.)	(3,547,078.)	0.	62,365,533.
Government Activities Capital Assets, net	\$ 68,657,775.	\$ (1,402,201.)	\$ (3,653,246.)	\$ 0.	\$ 63,602,328.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - FIXED ASSETS – (Continued)

Business-type Activities:

Enterprise Fund:

Equipment	\$ 149,806.	\$ 0.	\$ (65,780.)	\$ 0.	\$ 84,026.
Less Accum. Deprec. for:					
Equipment	(92,038.)	(7,037.)	65,780.	0.	(33,295.)
Total Enterprise Fund	57,738.	(7,037.)	0.	0.	50,731.
Business-type Activities Capital Assets, net	\$ 57,768.	\$ (7,037.)	\$ 0.	\$ 0.	\$ 50,731.

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

Instruction:

Regular	\$ (1,271,543.)
Support Services:	
Student & Instruction Related Services	(67,816.)
School Administration	(101,723.)
General and Business Administrative Services	(67,816.)
Plant Operations and Maintenance	(16,954.)
Unallocated Depreciation	(169,538.)
Total Depreciation Expense	\$ (1,695,390.)

NOTE 6 - OPERATING LEASES

During the year ended June 30, 2019, 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, 2020	\$ 29,805.
June 30, 2021	13,389.
June 30, 2022	11,896.
June 30, 2023	11,896.
TOTAL	\$ 66,986.

The total operating lease payments made during the year ended June 30, 2019 were \$ 34,410.

NOTE 7 - GENERAL LONG-TERM DEBT

<u>Type of Debt</u>	<u>Balance at 6/30/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 6/30/19</u>	<u>Amounts Due Within 1 Year</u>
Governmental Activities:					
Compensated Absences Payable	\$ 127,863.	\$ 0.	\$ 6,996.	\$ 120,867.	\$ 0.
Total	\$ 127,863.	\$ 0.	\$ 6,996.	\$ 120,867.	\$ 0.

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.

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 2018-2019 year.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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.

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 2018, 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$3,394,919 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2018, to the measurement date of June 30, 2018. 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, 2018. The School District’s proportion measured as of June 30, 2018, was .0172422821%, which was a decrease of .9238839609% from its proportion measured as of June 30, 2017.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$76,487 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2019, 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 expended and actual experience	\$ 64,742.	\$ 17,505.
Changes of assumptions	559,426.	1,085,515.
Net difference between projected and actual earnings on pension plan investments	0.	31,844.
Changes in proportion and difference between School District contributions and proportionate share of contributions	36,786.	395,610.
School District contributions subsequent to the measurement date	333,003.	0.
 Total	 \$ 993,957.	 \$ 1,530,474.

\$333,003 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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,	
2020	\$ 40,122.
2021	(55,549.)
2022	(398,294.)
2023	(345,245.)
2024	(110,554.)
Total	\$ (869,520.)

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

projection scale thereafter. 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, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

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, 2018, calculated using the discount rate of 5.66% 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 (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
School District’s proportionate share of the net pension liability	\$ 4,268,720.	\$ 3,394,919.	\$ 2,661,857.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
June 30, 2019	\$ 172,383.	100%
June 30, 2018	169,553.	100%
June 30, 2017	170,216.	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/annrpts.shtml.

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

The following represents the membership tiers for TPAF:

<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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

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 2018, 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, 2018 was \$19,407,724. The School District’s proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .0305067256%, which an increase of 1.0282547073% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$1,131,402 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, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%

Discount Rate - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 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 – 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 4.86% 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 (3.86%)</u>	<u>At current discount rate (4.86%)</u>	<u>At 1% Increase (5.86%)</u>
State of New Jersey’s Proportionate Share of Net Pension Liability associated with School District	\$ 23,007,530.	\$ 19,465,228.	\$ 16,528,746.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 – PENSION PLANS – (Continued)

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

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, 2019	\$ 762,935.	\$ 346,066.	\$ 1,107.	\$ 1,110,108.
June 30, 2018	460,159.	297,208.	497.	757,864.
June 30, 2017	342,602.	270,467.	670.	595,739.

During the fiscal years ended June 30, 2019, 2018 and 2017, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$426,517; \$332,062; and \$285,003; 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.

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, 2019, employee contributions totaled \$3,864, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$2,108.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefits costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 and in the Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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, 2018, the following employees were covered by the benefits terms:

TPAF participant retirees:

As of June 30, 2018, 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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

Actuarial assumptions and other imputes:

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate: 2.50%

	TPAF	PERS
Salary increases:		
Through 2026	1.55 – 4.55%	2.15 – 4.15% based on age
Thereafter	2.00 – 5.45%	3.15 – 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for TPAF and PERS, respectively.

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

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point higher than the current rate:

June 30, 2018		
At 1% decrease (2.87%)	At discount rate (3.87%)	At 1% increase (4.87%)
\$ 54,512,391,175.	\$ 46,110,832,982.	\$39,432,461,816.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

Sensitivity of Total Nonemployer OPEB Liability to change in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
1% decrease	Healthcare cost trend rate	1% increase
\$ 38,113,289,045.	\$ 46,110,832,982.	\$56,687,891,003.

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

Balance at 6/30/17	\$ 53,639,841,858.
Changes for the year:	
Service Cost	1,984,642,729.
Interest on the Total OPEB Liability	1,970,236,232.
Changes of Benefit Terms	0.
Difference Between Expected and Actual Experience	(5,002,065,740.)
Changes of Assumptions	(5,291,448,885.)
Gross Benefit Payments	(1,232,987,247.)
Contributions From the Non-Employer	N/A
Contributions From the Member	42,614,005.
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	(7,529,008,876.)
Balance at 6/30/18	\$ 46,110,832,982.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

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 \$719,157 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's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 0.	\$ (4,476,086,167.)
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	0.	0.
Assumption Changes	0.	(10,335,978,867.)
Subtotal	0.	(14,812,065,034.)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	TBD	N/A
Total	\$ 0.	\$ (14,812,065,034.)

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - POST RETIREMENT BENEFITS - (Continued)

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	\$ (1,825,218,593.)
2020	(1,825,218,593.)
2021	(1,825,218,593.)
2022	(1,825,218,593.)
2023	(1,825,218,593.)
Thereafter	<u>(5,685,972,069.)</u>
Total	<u>\$ (14,812,065,034.)</u>

(Contributions made after June 30, 2018 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, 2019, a liability existed for compensated absences in the Internal Service Fund in the amount of \$11,747.

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:

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 12 - RISK MANAGEMENT (Continued)

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>
2018-2019	\$ 45,000.	\$ 15,425.	\$ 371.	\$ 13,700.	\$ 90,173.
2017-2018	45,000.	11,322.	78.	19,501.	43,077.
2016-2017	5,000.	11,280.	102.	59,553.	6,178.

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,901,053.	\$ 0.
Capital Projects Fund	0.	1,914,816.
Enterprise Fund	55,623.	75,191.
Internal Service Fund	31,917.	0.
Fiduciary Fund	2,010.	596.
	<u>\$ 1,990,603.</u>	<u>\$ 1,990,603.</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 and construction grant proceeds from the State of New Jersey. These amounts will be repaid when the funds are received from Cumberland County Improvement Authority and the State of New Jersey 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 payments between funds are made.

	<u>Transfer To</u>	<u>Transfer From</u>
General Fund	\$ 18,179.	\$ 62,000.
Capital Projects Fund	0.	12,179.
Enterprise Funds	62,000.	0.
Internal Service Fund	0.	6,000.
Total	<u>\$ 80,179.</u>	<u>\$ 80,179.</u>

The General Fund transferred \$62,000 to the Enterprise Fund (Cafeteria) to cover deficit in operations.

The Capital Projects Fund transferred \$12,179 to the General Fund to transfer interest earned in the Capital Projects Fund to the General Fund.

The Internal Service Fund transferred \$6,000 to the Enterprise Fund to close the “Purchasing Services” program.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019 is \$2,466,535.

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, 2019 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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019.

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, 2019 is \$2,446,535; \$1,026,253 has been restricted and designated for utilization in the 2019-2020 budget.

Capital Reserve Account: As of June 30, 2019, the balance in the capital reserve account is \$1,554,670. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2019, 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, 2019, the School District had \$208,812 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

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, 2019, \$869,303 of general 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, 2019, the unassigned fund balance of the general fund was \$254,772.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 19 – OTHER INFORMATION – CANCELLATION OF PRIOR YEAR CAPITAL PROJECTS

As of June 30, 2018, the District had certain unfinished Capital Projects (Exhibit F-1). During 2018-2019 it was determined that the projects were complete. The remaining capital project fund balances and related receivables from County of Cumberland bonds and State of New Jersey capital projects grant were cancelled.

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. The District received no additional payments from the Cumberland County Improvement Authority during the 2018-2019 year.

NOTE 21 – OTHER INFORMATION – CAPITAL PROJECT

On October 11, 2018, the District adopted a Resolution to complete a capital project known as the Cumberland County Technical Education Center Addition (project #0995-030-18-1000) with an approval preliminary estimated cost of \$23,527,881. The local share of the estimated project cost is \$6,700,741 which shall be secured through County of Cumberland bond financing.

NOTE 22 – COMPONENT UNIT

The Cumberland County Technical Education Center Foundation, Inc. is a component unit of the District. The fiduciary fund net position as of July 1, 2018 has been restated to include the July 1, 2018 net position of the Foundation.

NOTE 23 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2019 through December 18, 2019; the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

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, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,530,000.	0.	\$ 2,530,000.	\$ 2,530,000.	\$ 0.
Tuition	5,332,735.	0.	5,332,735.	5,379,138.	46,403.
Non-Resident Fees	0.	0.	0.	7,000.	7,000.
Interest Earned	2,500.	0.	2,500.	29,554.	27,054.
Adult Fees	0.	0.	0.	142,301.	142,301.
Miscellaneous	30,000.	0.	30,000.	179,076.	149,076.
Total Local Sources	7,895,235.	0.	7,895,235.	8,267,069.	371,834.
State Sources:					
Equalization Aid	3,851,334.	154,500.	4,005,834.	4,635,689.	629,855.
Special Education Aid	239,860.	0.	239,860.	479,308.	239,448.
Security Aid	160,459.	0.	160,459.	160,459.	0.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	1,110,108.	1,110,108.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	426,517.	426,517.
Total State Sources	4,251,653.	154,500.	4,406,153.	6,812,081.	2,405,928.
Total Revenues	12,146,888.	154,500.	12,301,388.	15,079,150.	2,777,762.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current Expense:					
Regular Programs:					
Grades 9-12 - Instruction:					
Salaries of Teachers	\$ 2,482,089.	\$ (8,750.)	\$ 2,473,339.	\$ 2,398,312.	\$ 75,027.
Purchased Professional Service - Educational Services	10,500.	28,750.	39,250.	34,344.	4,906.
Other Purchased Services	429,550.	137,318.	566,868.	475,693.	91,175.
General Supplies	217,724.	74,320.	292,044.	262,211.	29,833.
Textbooks	174,148.	26,000.	200,148.	169,502.	30,646.
Other Objects	1,000.	500.	1,500.	1,442.	58.
Home Instruction:					
Salaries of Teachers	0.	3,500.	3,500.	2,909.	591.
Other Purchased Services	20,000.	(2,761.)	17,239.	10,947.	6,292.
General Supplies	500.	0.	500.	0.	500.
Textbooks	500.	0.	500.	0.	500.
Total Regular Programs - Instruction	3,336,011.	258,877.	3,594,888.	3,355,360.	239,528.
Special Education-Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	250,233.	0.	250,233.	248,450.	1,783.
Total Resource Room/Resource Center:	250,233.	0.	250,233.	248,450.	1,783.
Total Special Education - Instruction	250,233.	0.	250,233.	248,450.	1,783.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Vocational Programs:					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 1,490,547.	\$ (37,674.)	\$ 1,452,873.	\$ 1,389,660.	\$ 63,213.
Purchased Professional Service - Educational Services	10,500.	1,174.	11,674.	11,674.	0.
Other Purchased Services	111,950.	(54,210.)	57,740.	43,115.	14,625.
General Supplies	287,566.	(20,000.)	267,566.	202,219.	65,347.
Textbooks	30,738.	(5,000.)	25,738.	25,135.	603.
Other Objects	3,750.	0.	3,750.	375.	3,375.
Total Regular Vocational Programs - Instruction	1,935,051.	(115,710.)	1,819,341.	1,672,178.	147,163.
Special Vocational Programs - Instruction:					
Salaries of Teachers	377,937.	(88,005.)	289,932.	271,526.	18,406.
Other Salaries for Instruction	107,164.	0.	107,164.	104,654.	2,510.
Purchased Professional Service - Educational Services	4,000.	6,905.	10,905.	10,905.	0.
Other Purchased Services	6,049.	0.	6,049.	2,381.	3,668.
General Supplies	15,774.	0.	15,774.	9,749.	6,025.
Textbooks	4,468.	0.	4,468.	1,954.	2,514.
Total Special Vocational Programs- Instruction	515,392.	(81,100.)	434,292.	401,169.	33,123.
Total Vocational Programs	2,450,443.	(196,810.)	2,253,633.	2,073,347.	180,286.
School Sponsored Cocurricular Activities- Instruction:					
Salaries	30,710.	4,740.	35,450.	35,450.	0.
Purchased Services	47,905.	5,260.	53,165.	51,623.	1,542.
Supplies and Materials	16,660.	(10,000.)	6,660.	6,145.	515.
Total School Sponsored Cocurricular Activities	95,275.	0.	95,275.	93,218.	2,057.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School Sponsored Athletics - Instruction:					
Salaries	\$ 1,680.	\$ 820.	\$ 2,500.	\$ 2,500.	\$ 0.
Purchased Services	1,500.	(820.)	680.	0.	680.
Supplies and Materials	800.	0.	800.	0.	800.
Total School Sponsored Athletics	3,980.	0.	3,980.	2,500.	1,480.
Total Instruction	6,135,942.	62,067.	6,198,009.	5,772,875.	425,134.
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	49,475.	0.	49,475.	43,403.	6,072.
Purchased Professional and Technical Services	31,500.	14,050.	45,550.	45,517.	33.
Other Purchased Services	17,562.	0.	17,562.	17,063.	499.
Supplies and Materials	4,500.	0.	4,500.	1,266.	3,234.
Other Objects	1,500.	0.	1,500.	0.	1,500.
Total Attendance and Social Work Services	104,537.	14,050.	118,587.	107,249.	11,338.
Health Services:					
Salaries	154,936.	0.	154,936.	153,463.	1,473.
Purchased Professional and Technical Services	7,500.	0.	7,500.	815.	6,685.
Other Purchased Services	4,200.	118.	4,318.	3,631.	687.
Supplies and Materials	9,135.	427.	9,562.	5,100.	4,462.
Other Objects	400.	0.	400.	149.	251.
Total Health Services	176,171.	545.	176,716.	163,158.	13,558.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Speech, OT, PT & Related Services:					
Purchased Professional - Educational Services	\$ 60,000.	\$ 0.	\$ 60,000.	\$ 10,417.	\$ 49,583.
Supplies and Materials	250.	0.	250.	63.	187.
Other Objects	250.	0.	250.	0.	250.
Total Speech, OT, PT & Related Services:	60,500.	0.	60,500.	10,480.	50,020.
Guidance:					
Salaries of Other Professional Staff	277,908.	163,285.	441,193.	441,193.	0.
Salaries of Sec. And Clerical Assistants	45,890.	0.	45,890.	40,433.	5,457.
Other Purchased Services	2,500.	0.	2,500.	1,916.	584.
Supplies and Materials	12,500.	0.	12,500.	5,174.	7,326.
Other Objects	1,750.	0.	1,750.	0.	1,750.
Total Guidance	340,548.	163,285.	503,833.	488,716.	15,117.
Child Study Teams:					
Salaries of Other Prof. Staff	143,887.	0.	143,887.	137,559.	6,328.
Purchased Professional - Educational Services	9,750.	0.	9,750.	450.	9,300.
Other Purchased Services	9,428.	0.	9,428.	8,806.	622.
Supplies and Materials	5,385.	0.	5,385.	4,647.	738.
Other Objects	500.	0.	500.	100.	400.
Total Child Study Teams	168,950.	0.	168,950.	151,562.	17,388.
Improvement of Instructional Services:					
Salaries of Other Prof. Staff	70,703.	0.	70,703.	70,703.	0.
Other Salaries	24,665.	0.	24,665.	20,683.	3,982.
Supplies and Materials	500.	0.	500.	500.	500.
Total Improvement of Instructional Services	95,868.	0.	95,868.	91,386.	4,482.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Educational Media Services/School Library:					
Salaries of Technology Coordinators	\$ 93,332.	\$ (78,002.)	\$ 15,330.	\$ 15,330.	\$ 0.
Other Purchased Services	6,350.	0.	6,350.	314.	6,036.
Supplies and Materials	20,000.	(20,000.)	0.	0.	0.
Other Objects	1,250.	0.	1,250.	1,070.	180.
Total Educational Media Services/School Library	120,932.	(98,002.)	22,930.	16,714.	6,216.
Instructional Staff Training Services:					
Salaries of Other Professional Staff	70,703.	0.	70,703.	70,703.	0.
Other Salaries	5,547.	0.	5,547.	4,095.	1,452.
Purchased Professional/Educational Services	3,000.	0.	3,000.	0.	3,000.
Other Purchased Services	10,050.	0.	10,050.	9,893.	157.
Supplies and Materials	3,000.	0.	3,000.	245.	2,755.
Other Objects	3,000.	0.	3,000.	1,580.	1,420.
Total Instructional Staff Training Services	95,300.	0.	95,300.	86,516.	8,784.
Support Services-General Administration:					
Salaries	262,543.	29,377.	291,920.	291,613.	307.
Salaries of Attorneys	30,250.	660.	30,910.	30,910.	0.
Legal Services	42,500.	41,340.	83,840.	82,156.	1,684.
Audit Fees	27,500.	1,000.	28,500.	28,500.	0.
Other Purchased Professional Services	14,635.	15,000.	29,635.	28,835.	800.
Purchased Technical Services	6,600.	(4,500.)	2,100.	1,568.	532.
Communications/Telephone	49,900.	(16,000.)	33,900.	30,738.	3,162.
BOE Other Purchased Services	5,500.	(2,361.)	3,139.	3,139.	0.
Other Purchased Services	74,154.	(13,536.)	60,618.	51,976.	8,642.
General Supplies	8,000.	4,000.	12,000.	11,309.	691.
BOE In-House Training / Meeting Supplies	1,200.	(800.)	400.	276.	124.
Miscellaneous Expenditures	5,000.	1,904.	6,904.	6,620.	284.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services-General Administration: (Continued)					
BOE Membership Dues & Fees	\$ 17,650.	\$ 996.	\$ 18,646.	\$ 18,646.	\$ 0.
Total Support Services General Administration	545,432.	57,080.	602,512.	586,286.	16,226.
Support Services School Administration:					
Salaries of Principals	333,058.	100,920.	433,978.	417,834.	16,144.
Salaries of Sec. and Clerical Assistants	140,463.	0.	140,463.	138,696.	1,767.
Other Purchased Services	18,100.	0.	18,100.	13,227.	4,873.
Supplies and Materials	22,500.	(2,262.)	20,238.	13,706.	6,532.
Other Objects	4,836.	2,444.	7,280.	6,680.	600.
Total Support Services School Administration	518,957.	101,102.	620,059.	590,143.	29,916.
Central Services:					
Salaries	363,192.	(32,733.)	330,459.	281,834.	48,625.
Unused Vac pymt to Term/Ret Staff	0.	26,550.	26,550.	26,550.	0.
Purchased Professional Services	4,500.	0.	4,500.	2,500.	2,000.
Purchased Technical Services	22,000.	0.	22,000.	20,172.	1,828.
Miscellaneous Purchased Services	10,250.	0.	10,250.	3,807.	6,443.
Supplies and Materials	7,000.	0.	7,000.	5,131.	1,869.
Miscellaneous Expenditures	3,000.	0.	3,000.	1,849.	1,151.
Total Central Services	409,942.	(6,183.)	403,759.	341,843.	61,916.
Admin Info Technology:					
Salaries	97,023.	2,992.	100,015.	100,015.	0.
Purchased Technical Services	152,000.	0.	152,000.	120,549.	31,451.
Miscellaneous Purchased Services	67,306.	(1,750.)	65,556.	56,065.	9,491.
Supplies and Materials	18,000.	0.	18,000.	15,215.	2,785.
Miscellaneous Expenditures	1,500.	0.	1,500.	0.	1,500.
Total Admin Info Technology	335,829.	1,242.	337,071.	291,844.	45,227.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Required Maintenance for School Facilities:					
Salaries	\$ 276,550.	\$ 0.	\$ 276,550.	\$ 256,515.	\$ 20,035.
Cleaning, Repair and Maintenance Services	130,900.	120,302.	251,202.	224,889.	26,313.
Lead Testing of Drinking Water	1,500.	0.	1,500.	0.	1,500.
General Supplies	10,000.	0.	10,000.	4,846.	5,154.
Total Required Maintenance for School Facilities	418,950.	120,302.	539,252.	486,250.	53,002.
Custodial Services:					
Salaries	343,285.	7,361.	350,646.	350,646.	0.
Purchased Professional and Technical Services	7,000.	0.	7,000.	1,500.	5,500.
Cleaning, Repair and Maintenance of Services	86,000.	3,748.	89,748.	54,549.	35,199.
Other Purchased Property Services	48,000.	400.	48,400.	39,261.	9,139.
Insurance	92,289.	(5,837.)	86,452.	55,257.	31,195.
Miscellaneous Purchased Services	8,681.	0.	8,681.	310.	8,371.
General Supplies	72,300.	15,000.	87,300.	83,144.	4,156.
Energy (Natural Gas)	208,100.	(42,955.)	165,145.	113,621.	51,524.
Energy (Electricity)	418,220.	(65,727.)	352,493.	293,883.	58,610.
Total Custodial Services	1,283,875.	(88,010.)	1,195,865.	992,171.	203,694.
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	2,500.	0.	2,500.	0.	2,500.
Cleaning Repair and Maintenance	40,000.	30,683.	70,683.	60,238.	10,445.
General Supplies	5,000.	0.	5,000.	867.	4,133.
Other Objects	1,000.	0.	1,000.	125.	875.
Total Care and Upkeep of Grounds	48,500.	30,683.	79,183.	61,230.	17,953.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Security:					
Salaries	\$ 255,281.	\$ 29,396.	\$ 284,677.	\$ 284,677.	\$ 0.
Purchased Professional and Technical Services	0.	2,667.	2,667.	2,667.	0.
Cleaning Repair and Maintenance	56,528.	926.	57,454.	56,238.	1,216.
General Supplies	7,895.	8,000.	15,895.	14,838.	1,057.
Other Objects	4,000.	2,855.	6,855.	6,620.	235.
Total Security	323,704.	43,844.	367,548.	365,040.	2,508.
Total Operation and Maintenance of Plant Service	2,075,029.	106,819.	2,181,848.	1,904,691.	277,157.
Students Transportation Services:					
Salaries (Other than Between Home/School)	7,500.	224.	7,724.	7,724.	0.
Cleaning, Repair & Maintenance Services	7,500.	0.	7,500.	5,364.	2,136.
Contracted Services(Not Home/School) Vendors	60,000.	13,398.	73,398.	37,897.	35,501.
Miscellaneous Purchased Services-Trans	18,600.	0.	18,600.	18,232.	368.
Supplies and Materials	2,500.	(300.)	2,200.	153.	2,047.
Miscellaneous Expenditures	500.	650.	1,150.	1,148.	2.
Total Student Transportation Services	96,600.	13,972.	110,572.	70,518.	40,054.
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.
Total Allocated Benefits	6,964.	(6,964.)	0.	0.	0.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated Benefits:					
Social Security Contributions	\$ 128,000.	\$ 25,478.	\$ 153,478.	\$ 153,478.	\$ 0.
Other Retirement Contribution - PERS	171,000.	13,122.	184,122.	177,247.	6,875.
Other Retirement Contribution - Regular	2,500.	350.	2,850.	2,845.	5.
Unemployment Compensation	45,000.	0.	45,000.	45,000.	0.
Workmen's Compensation	94,704.	5,837.	100,541.	100,541.	0.
Health Benefits	1,968,943.	(253,825.)	1,715,118.	1,409,579.	305,539.
Tuition Reimbursement	10,000.	2,100.	12,100.	10,000.	2,100.
Other Employee Benefits	127,650.	(10,304.)	117,346.	117,346.	0.
Unused Vac pymt to Term/Ret Staff	0.	15,000.	15,000.	5,670.	9,330.
Total Unallocated Benefits	2,547,797.	(202,242.)	2,345,555.	2,021,706.	323,849.
Total Personal Service - Employee Benefits	2,554,761.	(209,206.)	2,345,555.	2,021,706.	323,849.
On Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	1,110,108.	(1,110,108.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	426,517.	(426,517.)
Total Undistributed Expenditures	7,699,356.	144,704.	7,844,060.	8,459,437.	(615,377.)
Total General Current Expense	13,835,298.	206,771.	14,042,069.	14,232,312.	(190,243.)
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Vocational Programs	40,355.	0.	40,355.	0.	40,355.
Admin Info Tech.	27,500.	(4,473.)	23,027.	22,446.	581.
Custodial Services	25,000.	4,473.	29,473.	29,473.	0.
Care and Upkeep of Grounds	0.	66,520.	66,520.	66,520.	0.
Security	8,500.	0.	8,500.	8,071.	429.
School Buses	85,000.	1,975.	86,975.	86,975.	0.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
CAPITAL OUTLAY: (Continued)					
Undistributed Expenditures: (Continued)					
Non-instructional equipment	\$ 30,000.	\$ (8,128.)	\$ 21,872.	\$ 0.	\$ 21,872.
Total Equipment	216,355.	60,367.	276,722.	213,485.	63,237.
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	235,643.	60,367.	296,010.	232,773.	63,237.
Post-Secondary Vocational Programs - Instruction:					
Salaries of Teachers	0.	48,500.	48,500.	47,921.	579.
Purchased Professional/Technical Services	0.	210.	210.	160.	50.
Other Purchased Services	0.	7,500.	7,500.	6,497.	1,003.
General Supplies	0.	8,005.	8,005.	6,817.	1,188.
Textbooks	0.	5,050.	5,050.	4,969.	81.
Other Objects	0.	4,000.	4,000.	3,090.	910.
Total Post-Secondary Vocational Program - Instruction	0.	73,265.	73,265.	69,454.	3,811.
Post-Secondary Programs Support Services:					
Other Purchased Services	0.	9,880.	9,880.	8,573.	1,307.
Total Post-Secondary Programs Support Services	0.	9,880.	9,880.	8,573.	1,307.
Total Post-Secondary Programs	0.	83,145.	83,145.	78,027.	5,118.
Total Special Schools	0.	83,145.	83,145.	78,027.	5,118.
Total Expenditures	14,070,941.	350,283.	14,421,224.	14,543,112.	(121,888.)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,924,053.)	\$ (195,783.)	\$ (2,119,836.)	\$ 536,038.	\$ 2,655,874.
Other Financing Sources:					
Operating Transfer In:					
Transfer to/from Internal Service Fund	0.	0.	0.	6,000.	6,000.
Transfer to/from Capital Projects Fd	0.	0.	0.	12,179.	12,179.
Operating Transfer Out:					
Transfer to/from Food Service Fund	0.	(62,000.)	(62,000.)	(62,000.)	0.
Total Other Financing Sources:	0.	(62,000.)	(62,000.)	(43,821.)	18,179.
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,924,053)	(257,783)	(2,181,836)	492,217	2,674,053
Fund Balance, July 1	6,194,626.	0.	6,194,626.	6,194,626.	0.
Fund Balance, June 30	\$ 4,270,573.	\$ (257,783.)	\$ 4,012,790.	\$ 6,686,843.	\$ 2,674,053.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,554,670.	
Maintenance Reserve				827,134.	
Excess Surplus Designated for Subsequent Year's Expenditures				1,026,253.	
Excess Surplus - Current Year				1,420,282.	
Committed Fund Balance:					
Year-End Encumbrances				208,812.	
Assigned Fund Balance:					
Designated for subsequent year's expenditures-Additional State Aid Deferred to 2019-20				869,303.	
Unassigned Fund Balance				780,389.	
				<u>6,686,843.</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				(525,617.)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,161,226.</u>	

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$ 5,546.	\$ 0.	\$ 5,546.	\$ 5,546.	\$ 0.
State Sources	91,579.	0.	91,579.	91,579.	0.
Federal Sources	474,754.	0.	474,754.	465,132.	(9,622.)
Total Revenues	571,879.	0.	571,879.	562,257.	(9,622.)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	195,887.	(8,227.)	187,660.	185,132.	2,528.
Other Salaries for Instruction	32,376.	500.	32,876.	32,876.	0.
Purchased Professional - Educational Services	8,142.	198.	8,340.	8,340.	0.
Other Purchased Services	16,761.	0.	16,761.	12,849.	3,912.
General Supplies	73,568.	2,883.	76,451.	76,451.	0.
Other Objects	4,374.	0.	4,374.	3,990.	384.
Total Instruction	331,108.	(4,646.)	326,462.	319,638.	6,824.
Support Services:					
Other Salaries	42,379.	(27.)	42,352.	42,352.	0.
Personal Services - Employee Benefits	75,362.	12.	75,374.	75,374.	0.
Purchased Professional - Educational Services	28,557.	7,198.	35,755.	35,755.	0.
Other Purchased Services	6,722.	(1,437.)	5,285.	5,285.	0.
Supplies & Materials	5,249.	(1,100.)	4,149.	4,149.	0.
Total Support Services	158,269.	4,646.	162,915.	162,915.	0.
Facilities Acquisition and Construction Services:					
Instructional Equipment	82,502.	0.	82,502.	79,704.	2,798.
Total Facilities Acquisition and Construction Services	82,502.	0.	82,502.	79,704.	2,798.
Total Expenditures	571,879.	0.	571,879.	562,257.	9,622.
Total Outflows	571,879.	0.	571,879.	562,257.	9,622.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**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, 2019

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	\$ 15,085,150.	\$ 562,257.
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.	54,603.
Current Year Encumbrance	0.	(53,640.)
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	406,646.	0.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(525,617.)	0.
	<u>\$ 14,966,179.</u>	<u>\$ 563,220.</u>
Uses/Outflow of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 14,543,112.	\$ 562,257.
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.	54,603.
Current Year Encumbrance	0.	(53,640.)
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.
	<u>\$ 14,543,112.</u>	<u>\$ 563,220.</u>

**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 Six Fiscal Years

	Measurement Date					
	Ending June 30,					
	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01724228%	0.01830033%	0.01916015%	0.01911887%	0.01854872%	0.02042816%
District's proportionate share of the net pension liability (asset)	\$ 3,394,919.	\$ 4,260,024.	\$ 5,674,686.	\$ 4,291,803.	\$ 3,472,828.	\$ 3,904,227.
District's covered-employee payroll	\$ 1,307,542.	\$ 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	259.64%	356.22%	461.02%	318.98%	265.11%	N/A
Plan fiduciary net position as a percentage of the total pension liability	53.60%	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 Six Fiscal Years

PERS

	Fiscal Year Ending June 30,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 172,383.	\$ 169,533.	\$ 170,216.	\$ 164,371.	\$ 152,913.	\$ 153,922.
Contributions in relation to the contractually required contribution	(172,383.)	(169,533.)	(170,216.)	(164,371.)	(152,913.)	(153,922.)
Contribution deficiency (excess)	0.	0.	0.	0.	0.	0.
District's covered-employee payroll	\$1,307,542	\$1,195,910	\$1,230,908	\$1,345,470	\$ 1,309,954.	N/A
Contributions as a percentage of covered-employee payroll	13.18%	14.18%	13.83%	12.22%	11.67%	N/A

TPAF

	Fiscal Year Ending June 30,			
	2018	2017	2016	2015
Contractually required contribution	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$5,798,443	\$3,749,888	\$2,946,088	\$ 2,921,655.
Contributions as a percentage of covered-employee payroll	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 Six Fiscal Years

	2018	2017	2016	2015	2014	2013
				Measurement Date Ending June 30,		
District's proportion of the net pension liability (asset)	N/A	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	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 19,407,724.	\$ 19,457,456.	\$ 23,106,586.	\$ 18,062,268.	\$ 14,193,837.	\$ 14,701,809.
Total	\$ 19,407,724.	\$ 19,457,456.	\$ 23,106,586.	\$ 18,062,268.	\$ 14,193,837.	\$ 14,701,809.
District's covered-employee payroll	\$ 5,798,443.	\$ 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	N/A
Plan fiduciary net position as a percentage of the total pension liability	26.49%	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, 2019**

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 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 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 Three Fiscal Years

	Measurement Date Ending June 30,		
	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%
District's proportionate share of the net OPEB liability (asset)	\$ 0.	\$ 0.	\$ 0.
State's proportionate share of the net OPEB liability (asset) associated with the District	18,143,873.	20,540,485.	22,300,967.
Total	\$ 18,143,873.	\$ 20,540,485.	\$ 22,300,967.
District's covered payroll	\$ 5,759,871.	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	\$ 609,912.	\$ 915,929.	
Interest Cost	748,874.	650,773.	
Differences between Expected and Actual Experiences	(1,204,905.)	0.	
Changes in Assumptions	(2,082,100.)	(2,713,695.)	
Member Contributions	16,768.	17,519.	
Benefit Payments	(485,161.)	(475,761.)	
Changes in Total OPEB Liability	(2,396,612.)	(1,605,235.)	
State's proportionate share of the net OPEB liability (asset) associated with the District -			
Beginning Balance	20,540,485.	22,145,720.	
Ending Balance	<u>\$ 18,143,873.</u>	<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	315.00%	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 Three Fiscal Years

	Fiscal Year Ending June 30,		
	2018	2017	2016
District's proportion of the OPEB Contribution	0.00%	0.00%	0.00%
District's proportionate of the OPEB Contribution	\$ 0.	\$ 0.	\$ 0.
State's proportionate share of the OPEB contribution associated with the District	719,157.	1,085,052.	1,581,571.
Total	719,157.	1,085,052.	1,581,571.
District's covered payroll	\$ 5,798,443.	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	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, 2019

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

Benefit Changes

None

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

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, 2019

	Title I, Part A	Title II, Part A	Title IV	I.D.E.A. Part B, Basic	REAP
Revenues:					
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
State Sources	0.	0.	0.	0.	0.
Federal Sources	200,800.	28,472.	10,324.	118,346.	39,452.
Total Revenues	\$ 200,800.	\$ 28,472.	\$ 10,324.	\$ 118,346.	\$ 39,452.
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 141,118.	\$ 21,067.	\$ 0.	\$ 0.	\$ 22,947.
Other Salaries for Instruction	0.	0.	0.	32,876.	0.
Purchased Professional - Educational Services	0.	0.	0.	0.	0.
Other Purchased Services	0.	0.	2,250.	0.	10,599.
General Supplies	2,796.	0.	7,174.	1,861.	5,906.
Other Objects	0.	0.	0.	3,990.	0.
Total Instruction	143,914.	21,067.	9,424.	38,727.	39,452.
Support Services:					
Other Salaries	0.	0.	0.	41,355.	0.
Personal Services - Employee Benefits	56,886.	7,405.	0.	11,007.	0.
Purchased Professional - Educational Services	0.	0.	0.	25,210.	0.
Other Purchased Services	0.	0.	900.	140.	0.
Supplies & Materials	0.	0.	0.	1,907.	0.
Total Support Services	56,886.	7,405.	900.	79,619.	0.
Facilities Acquisition and Const. Service:					
Instructional Equipment	0.	0.	0.	0.	0.
Total Facilities Acquisition and Const. Service	0.	0.	0.	0.	0.
Total Expenditures	\$ 200,800.	\$ 28,472.	\$ 10,324.	\$ 118,346.	\$ 39,452.

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, 2019

	Perkins Vocational Post-Secondary	Perkins Vocational Secondary	Perkins Vocational Sec-Reserve	Apprentice Coordinator	21st Century	NJSBAIG Safety Grant	Totals 2019
Revenues:							
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 5,546.	\$ 5,546.
State Sources	84,647.	0.	0.	6,932.	0.	0.	91,579.
Federal Sources	0.	49,157.	10,499.	0.	8,082.	0.	465,132.
Total Revenues	\$ 84,647.	\$ 49,157.	\$ 10,499.	\$ 6,932.	\$ 8,082.	\$ 5,546.	\$ 562,257.
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 185,132.
Other Salaries for Instruction	0.	0.	0.	0.	0.	0.	32,876.
Purchased Professional - Educational Services	258.	0.	0.	0.	8,082.	0.	8,340.
Other Purchased Services	0.	0.	0.	0.	0.	0.	12,849.
General Supplies	30,605.	19,852.	8,257.	0.	0.	0.	76,451.
Other Objects	0.	0.	0.	0.	0.	0.	3,990.
Total Instruction	30,863.	19,852.	8,257.	0.	8,082.	0.	319,638.
Support Services:							
Other Salaries	997.	0.	0.	0.	0.	0.	42,352.
Personal Services - Employee Benefits	76.	0.	0.	0.	0.	0.	75,374.
Purchased Professional - Educational Services	1,150.	2,463.	0.	6,932.	0.	0.	35,755.
Other Purchased Services	0.	4,245.	0.	0.	0.	0.	5,285.
Supplies & Materials	0.	0.	2,242.	0.	0.	0.	4,149.
Total Support Services	2,223.	6,708.	2,242.	6,932.	0.	0.	162,915.
Facilities Acquisition and Const. Service:							
Instructional Equipment	51,561.	22,597.	0.	0.	0.	5,546.	79,704.
Total Facilities Acquisition and Const. Service	51,561.	22,597.	0.	0.	0.	5,546.	79,704.
Total Expenditures	\$ 84,647.	\$ 49,157.	\$ 10,499.	\$ 6,932.	\$ 8,082.	\$ 5,546.	\$ 562,257.

CAPITAL PROJECTS FUND

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2019

Description	<u>Revised</u> Appropriations	Prior Year	Current Year	Adjustment	Unexpended Balance June 30, 2019
Roof and HVAC repairs and upgrades, door and hardware upgrades	\$ 2,938,112.	\$ 2,246,325.	\$ 0.	\$ (691,787.)	\$ 0.
Water well system	465,996.	229,720.	0.	(236,276.)	0.
New Cumberland County technical education building	68,604,770.	66,861,285.	0.	(1,743,485.)	0.
Total	\$ 72,008,878.	\$ 69,337,330.	\$ 0.	\$ (2,671,548.)	\$ 0.

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, 2019

Revenues:	
State sources - SCC Grant	\$ 0.
Interest	13,233.
	<hr/>
Total revenues	13,233.
	<hr/>
Expenditures:	
Purchased professional and technical services	0.
Construction services	0.
	<hr/>
Total expenditures	0.
	<hr/>
Excess (deficiency) or revenues over (under) expenditures	13,233.
Other financing sources and uses:	
Prior year adjustment-Additional State of New Jersey grant	36,317.
Prior year adjustment-Reduction of State of New Jersey grant	(451,746.)
Prior year adjustment-Reduction of County of Cumberland bond proceeds	(2,257,173.)
Transfer to General Fund	(12,179.)
	<hr/>
Excess (deficiency) or revenues and other financing sources over/ (under) expenditures and other financing uses	(2,671,548.)
Fund balance-July 1	2,671,548.
	<hr/>
Fund balance-June 30	\$0
	<hr/> <hr/>

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 2,071,663.	\$ (451,746.)	\$ 1,619,917.	\$ 2,071,663.
Bond proceeds-County of Cumberland	866,449.	(240,041.)	626,408.	866,449.
Total revenues	2,938,112.	(691,787)	2,246,325.	2,938,112.
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.
Total expenditures	2,246,325.	0.	2,246,325.	2,938,112.
Excess (deficiency) or revenues over (under) expenditures	\$ 691,787.	\$ (691,787.)	\$ 0.	\$ 0.

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

CUMBERLANDCOUNTY 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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland	\$ 465,996.	\$ (236,276.)	\$ 229,720.	\$ 465,996.
Total revenues	465,996.	(236,276.)	229,720.	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.	\$ (236,276.)	\$ 0.	\$ 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	100.00%			

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland Improvement Authority	\$ 68,604,770.	\$ (1,780,856.)	\$ 66,823,914.	\$ 68,604,770.
Transfer from general fund	0.	37,371.	37,371.	0.
Total revenues	68,604,770.	(1,743,485.)	66,861,285.	68,604,770.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	7,581,714.	0.	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	54,762,302.	0.	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	66,861,285.	0.	66,861,285.	68,604,770.
Excess (deficiency) or revenues over (under) expenditures	\$ 1,743,485.	\$ (1,743,485.)	\$ 0.	\$ 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	100.00%

PROPRIETARY FUNDS

ENTERPRISE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Drive to the Future	Total
ASSETS:							
Current assets:							
Cash and cash equivalents	\$ (21,130.)	\$ 39,503.	\$ 14,776.	\$ 32,144.	\$ 23,022.	\$ 680,779.	\$ 769,094.
Accounts receivable:							
Federal	0.	14,081.	0.	0.	0.	0.	14,081.
State	0.	296.	0.	0.	0.	0.	296.
Interfund	19,565.	1,508.	0.	6,860.	0.	27,690.	55,623.
Other	0.	2,243.	0.	525.	0.	8,042.	10,810.
Inventory	0.	6,542.	0.	0.	0.	0.	6,542.
Total current assets	(1,565.)	64,173.	14,776.	39,529.	23,022.	716,511.	856,446.
Fixed assets:							
Vehicle	0.	0.	0.	0.	0.	84,026.	84,026.
Accumulated depreciation	0.	0.	0.	0.	0.	(33,295.)	(33,295.)
Total fixed assets	0.	0.	0.	0.	0.	50,731.	50,731.
Total assets	\$ (1,565.)	\$ 64,173.	\$ 14,776.	\$ 39,529.	\$ 23,022.	\$ 767,242.	\$ 907,177.
DEFERRED OUTFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 88,442.	88,442.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Drive to the Future	Total
LIABILITIES							
Current liabilities:							
Interfund payable	\$ 11,700.	\$ 237.	\$ 61,244.	\$ 0.	\$ 0.	\$ 2,010.	\$ 75,191.
Accounts payable	0.	35,642.	0.	750.	0.	19.	36,411.
Prepaid lunches	0.	5,263.	0.	0.	0.	0.	5,263.
Pension account payable	0.	0.	0.	0.	0.	10,845.	10,845.
Prepaid benefits	0.	0.	0.	0.	0.	5,146.	5,146.
Total current liabilities	11,700.	41,142.	61,244.	750.	0.	18,020.	132,856.
Noncurrent liabilities:							
Compensated absence	0.	0.	0.	0.	0.	11,747.	11,747.
Net pension liability	0.	0.	0.	0.	0.	237,574.	237,574.
Total noncurrent liabilities	0.	0.	0.	0.	0.	249,321.	249,321.
Total liabilities	11,700.	41,142.	61,244.	750.	0.	267,341.	382,177.
DEFERRED INFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 127,015.	\$ 127,015.
NET POSITION:							
Investments in fixed assets	0.	0.	0.	0.	0.	50,731.	50,731.
Unrestricted	(13,265.)	23,031.	(46,468.)	38,779.	23,022.	410,597.	435,696.
Total net position	\$ (13,265.)	\$ 23,031.	\$ (46,468.)	\$ 38,779.	\$ 23,022.	\$ 461,328.	\$ 486,427.

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, 2019

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Drive to the Future	Total
OPERATING REVENUES:							
Daily sales - Reimbursable	\$ 0.	\$ 135,593.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 135,593.
Daily Sales - Non-reimbursable	0.	149,082.	0.	21,785.	0.	0.	170,867.
Fees	0.	7,460.	0.	0.	0.	199,455.	206,915.
Total operating revenues	0.	292,135.	0.	21,785.	0.	199,455.	513,375.
OPERATING EXPENSE:							
Cost of Sales - Reimbursable	0.	129,849.	0.	0.	0.	0.	129,849.
Cost of Sales - Nonreimbursable	0.	72,054.	0.	14,097.	0.	0.	86,151.
Supplies	0.	35,328.	0.	0.	0.	0.	35,328.
Salaries	0.	195,179.	0.	0.	0.	119,999.	315,178.
Fringe Benefits	0.	38,676.	0.	0.	0.	75,905.	114,581.
Pension Expense	0.	0.	0.	0.	0.	(8,074.)	10,035.
Miscellaneous	0.	10,035.	0.	0.	0.	0.	68,195.
Management Fee	0.	68,195.	0.	0.	0.	0.	13,685.
Purchased Services	0.	1,590.	0.	0.	0.	12,095.	7,037.
Depreciation	0.	0.	0.	0.	0.	7,037.	7,037.
Total operating expenses	0.	550,906.	0.	14,097.	0.	206,962.	771,965.
Operating income/(loss)	0.	(258,771.)	0.	7,688.	0.	(7,507.)	(258,590.)
NON-OPERATING REVENUES/EXPENSES:							
State sources:							
State school lunch program	0.	3,715.	0.	0.	0.	0.	3,715.
Federal sources:							
National school breakfast program	0.	41,593.	0.	0.	0.	0.	41,593.
National school lunch program	0.	132,124.	0.	0.	0.	0.	132,124.
USDA commodities	0.	17,750.	0.	0.	0.	0.	17,750.
Interest	0.	1,006.	0.	0.	0.	6,140.	7,146.
Total non-operating revenue/expenses	0.	196,188.	0.	0.	0.	6,140.	202,328.
Operating transfer in/(out):							
Operating transfer in	0.	62,000.	0.	0.	0.	0.	62,000.
Total operating transfers in/out	0.	62,000.	0.	0.	0.	0.	62,000.
Change in net position	0.	(583.)	0.	7,688.	0.	(1,367.)	5,738.
NET POSITION - JULY1	(13,265.)	23,614.	(46,468.)	31,091.	23,022.	462,695.	480,689.
NET POSITION - JUNE 30	\$ (13,265.)	\$ 23,031.	\$ (46,468.)	\$ 38,779.	\$ 23,022.	\$ 461,328.	\$ 486,427.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Drive to the Future	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipt from customers	\$ 0.	\$ 292,252.	\$ 0.	\$ 20,394.	\$ 0.	\$ 187,155.	\$ 499,801.
Payments to employees	0.	0.	0.	0.	0.	(119,999.)	(119,999.)
Payments to employees' benefits	0.	0.	0.	0.	0.	(69,971.)	(69,971.)
Payment to suppliers	0.	(523,260.)	0.	(13,347.)	0.	(11,363.)	(547,970.)
Net cash provided (used) by operating activities	0.	(231,008.)	0.	7,047.	0.	(14,178.)	(238,139.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
State sources	0.	3,634.	0.	0.	0.	0.	3,634.
Federal sources	0.	170,843.	0.	0.	0.	0.	170,843.
Interfund	0.	62,000.	0.	0.	0.	2,010.	64,010.
Net cash provided by noncapital financing activities	0.	236,477.	0.	0.	0.	2,010.	238,487.
CASH FLOWS FROM FINANCING ACTIVITIES:							
Interest of investment	0.	1,006.	0.	0.	0.	6,140.	7,146.
Net cash provided by financing activities	0.	1,006.	0.	0.	0.	6,140.	7,146.
Net increase/(decrease) in cash and cash equivalents	0.	6,475.	0.	7,047.	0.	(6,028.)	7,494.
Cash and cash equivalents - July 1	(21,130.)	33,028.	14,776.	25,097.	23,022.	686,807.	761,600.
Cash and cash equivalents - June 30	\$ (21,130.)	\$ 39,503.	\$ 14,776.	\$ 32,144.	\$ 23,022.	\$ 680,779.	\$ 769,094.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:							
Operating income/(loss)	\$ 0.	\$ (258,771.)	\$ 0.	\$ 7,688.	\$ 0.	\$ (7,507.)	\$ (258,590.)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Federal commodities	0.	17,750.	0.	0.	0.	0.	17,750.
Depreciation expense	0.	0.	0.	0.	0.	7,037.	7,037.
Change in assets and liabilities:							
(Increase)/decrease in accounts receivable	0.	(1,331.)	0.	130.	0.	(7,492.)	(8,693.)
(Increase)/decrease in interfund receivable	0.	(661.)	0.	(1,521.)	0.	(4,259.)	(6,441.)
(Increase)/decrease in inventory	0.	(17.)	0.	0.	0.	0.	(17.)
(Increase)/decrease in deferred outflows	0.	0.	0.	0.	0.	32,420.	32,420.
Increase/(decrease) in prepaid lunches	0.	2,109.	0.	0.	0.	0.	2,109.
Increase/(decrease) in accounts payable	0.	9,913.	0.	750.	0.	8.	10,671.
Increase/(decrease) in prepaid benefits	0.	0.	0.	0.	0.	175.	175.
Increase/(decrease) in pension accounts payable	0.	0.	0.	0.	0.	(970.)	(970.)
Increase/(decrease) in net pension liability	0.	0.	0.	0.	0.	(71,371.)	(71,371.)
Increase/(decrease) in deferred inflows	0.	0.	0.	0.	0.	31,847.	31,847.
Increase/(decrease) in compensated absences	0.	0.	0.	0.	0.	5,934.	5,934.
Net cash provided/(used) by operating activities	\$ 0.	\$ (231,008.)	\$ 0.	\$ 7,047.	\$ 0.	\$ (14,178.)	\$ (238,139.)

INTERNAL SERVICE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Security Internal Service Fund	Purchasing Service Internal Service Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 83,039.	\$ 0.	\$ 83,039.
Accounts receivable	44,381.	0.	44,381.
Interfund accounts receivable	31,917.	0.	31,917.
Total current assets	159,337.	0.	159,337.
Total assets	159,337.	0.	159,337.
DEFERRED OUTFLOW OF RESOURCES:			
	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 0.	\$ 0.	\$ 0.
Pension account payable	0.	0.	0.
Total current liabilities	0.	0.	0.
Noncurrent liabilities:			
Net pension liability	0.	0.	0.
Total Noncurrent liabilities	0.	0.	0.
Total liabilities	0.	0.	0.
DEFERRED INFLOW OF RESOURCES:			
	\$ 0.	\$ 0.	\$ 0.
NET POSITION:			
Investments in fixed assets	0.	0.	0.
Unrestricted	159,337.	0.	159,337.
Total net position	\$ 159,337.	\$ 0.	\$ 159,337.

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, 2019

	Security Internal Service Fund	Purchasing Service Internal Service Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 430,712.	\$ 0.	\$ 430,712.
Total operating revenues	430,712.	0.	430,712.
OPERATING EXPENSES:			
Salaries	252,059.	0.	252,059.
Payroll taxes and fringe benefits	19,282.	0.	19,282.
Miscellaneous	741.	0.	741.
Total operating expenses	272,082.	0.	272,082.
Operating income/(loss)	158,630.	0.	158,630.
NON-OPERATING REVENUES/EXPENSES:			
Interest	707.	0.	707.
Total non-operating revenues/expenses	707.	0.	707.
Transfer in/(out):			
Transfer to General Fund	0.	(6,000.)	(6,000.)
Total operating transfers in/out	0.	(6,000.)	(6,000.)
Change in net position	159,337.	(6,000.)	153,337.
NET POSITION - beginning	0.	6,000.	6,000.
NET POSITION - ending	\$ 159,337.	\$ 0.	\$ 159,337.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Security Internal Service Fund	Purchasing Service Internal Service Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 354,415.	\$ 6,000.	\$ 360,415.
Payment to suppliers	(272,083.)	0.	(272,083.)
Net cash provided (used) by operating activities	82,332.	6,000.	88,332.
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund	0.	(6,000.)	(6,000.)
Net cash provided by noncapital financing activities	0.	(6,000.)	(6,000.)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest of investment	707.	0.	707.
Net cash provided by financing activities	707.	0.	707.
Net increase/decrease in cash and cash equivalents	83,039.	0.	83,039.
Cash and cash equivalents - July 1	0.	0.	0.
Cash and cash equivalents - June 30	\$ 83,039.	\$ 0.	\$ 83,039.
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:			
Operating income (loss)	\$ 158,630.	\$ 0.	\$ 158,630.
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	(76,298.)	6,000.	(70,298.)
Increase/(decrease) in accounts payables	0.	0.	0.
Net cash provided (used in) operating activities	\$ 82,332.	\$ 6,000.	\$ 88,332.

FIDUCIARY FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019

	Student Activity	Payroll	Unemployment Compensation Trust	Cumberland County Technical Education Center Foundation, Inc.
ASSETS:				
Cash & Cash Equivalents	\$ 129,317.	\$ 9,586.	\$ 85,554.	\$ 85,218.
Due from Agency	0.	0.	4,619.	0.
Due from Enterprise	2,010.	0.	0.	0.
Investment at Fair Value:				
Common Stocks	0.	0.	0.	431,061.
Total Assets	131,327.	9,586.	90,173.	516,279.
DEFERRED OUTFLOW OF RESOURCES:				
	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:				
Due to Student Groups	\$ 131,327.	\$ 0.	\$ 0.	\$ 0.
Interfund Payable	0.	596.	0.	0.
Payroll Deductions and Withholdings	0.	4,371.	0.	0.
Due to Unemployment	0.	4,619.	0.	0.
Total Liabilities	131,327.	9,586.	0.	0.
DEFERRED INFLOW OF RESOURCES:				
	\$ 0.	\$ 0.	\$ 0.	\$ 0.
NET POSITION:	\$ 0.	\$ 0.	\$ 90,173.	\$ 516,279.

CUMBERLAND COUNTY BOARD OF VOACATIONAL EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2019

	Cumberland County Technical Education Center Foundation, Inc.	Unemployment Compensation Trust
ADDITIONS:		
Contributions:		
Donations	\$ 123,371.	\$ 0.
Plan Member	0.	15,425.
Board Contribution	0.	45,000.
Total Contributions	<u>123,371.</u>	<u>60,425.</u>
Investment Earnings:		
Net Increase in Fair Value of Investments	33,830.	0.
Interest and Dividends	8,209.	371.
Total Investment Earnings	<u>42,039.</u>	<u>371.</u>
Less Investment Costs:		
Investment Fees	3,085.	0.
Loss on Shares Sold	9,240.	0.
Net Investment Earnings	<u>29,714.</u>	<u>371.</u>
Total Additions	<u>153,085.</u>	<u>60,796.</u>
DEDUCTIONS:		
Unemployment Claims	0.	13,700.
Scholarships and Donations	2,800.	0.
Marketing	8,942.	0.
Administrative Expense	3,407.	0.
Total Deductions	<u>15,149.</u>	<u>13,700.</u>
Change in Net Position	137,936.	47,096.
NET POSITION, JULY 1	0.	43,077.
NET POSITION, JULY 1 - RESTATED	<u>378,343.</u>	<u>0.</u>
NET POSITION, JUNE 30	<u>\$ 516,279.</u>	<u>\$ 90,173.</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, 2019

	Cash Balance July 1, 2018	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2019
Student Activities	\$ 91,006.	\$ 142,236.	\$ 103,925.	\$ 129,317.
Adult Student Account	468.	0.	468.	0.
Total	<u>\$ 91,474.</u>	<u>\$ 142,236.</u>	<u>\$ 104,393.</u>	<u>\$ 129,317.</u>

CUMBERLAND COUNTY OF VOCATIONAL EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash & Cash Equivalents	\$ 7,791.	\$ 9,259,073.	\$ 9,257,278.	\$ 9,586.
Total Assets	\$ 7,791.	\$ 9,259,073.	\$ 9,257,278.	\$ 9,586.
LIABILITIES:				
Net Payroll	\$ 0.	\$ 5,339,362.	\$ 5,339,362.	\$ 0.
Payroll Deductions and Withholdings	3,122.	3,918,573.	3,917,324.	4,371.
Interfund Payable	1,188.	0.	592.	596.
Due to Unemployment	3,481.	1,138.	0.	4,619.
Total Liabilities	\$ 7,791.	\$ 9,259,073.	\$ 9,257,278.	\$ 9,586.

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 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.	\$ 63,602,328.
Restricted	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.	5,906,454.
Unrestricted	250,695.	346,268.	314,186.	488,848.	535,819.	(2,973,953.)	(3,070,324.)	(3,763,790.)	(3,805,739.)	(3,511,822.)
Total governmental activities net position	\$ 4,589,046.	\$ 6,430,139.	\$ 8,926,257.	\$ 9,740,550.	\$ 10,184,253.	\$ 75,704,466.	\$ 76,356,350.	\$ 74,271,443.	\$ 72,605,020.	\$ 65,996,960.
Business-type activities										
Invested in capital assets, net of related debt	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 57,768.	\$ 50,731.
Restricted	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
Unrestricted	61,311.	78,298.	75,167.	76,655.	73,011.	4,300.	(30,291.)	433,981.	422,921.	435,696.
Total business-type activities net position	\$ 61,311.	\$ 78,298.	\$ 75,167.	\$ 76,655.	\$ 73,011.	\$ 4,300.	\$ (30,291.)	\$ 433,981.	\$ 480,689.	\$ 486,427.
District-wide										
Invested in capital assets, net of related debt	\$ 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.	\$ 63,653,059.
Restricted	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.	5,906,454.
Unrestricted	312,006.	424,566.	389,353.	565,503.	608,830.	(2,969,653.)	(3,100,615.)	(3,329,809.)	(3,382,818.)	(3,076,126.)
Total district net position	\$ 4,650,357.	\$ 6,508,437.	\$ 9,001,424.	\$ 9,817,205.	\$ 10,257,264.	\$ 75,708,766.	\$ 76,326,059.	\$ 74,705,424.	\$ 73,085,709.	\$ 66,483,387.

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction:										
Regular	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 2,434,245.	\$ 3,517,355.	\$ 4,626,903.
Special Education	0.	0.	0.	0.	0.	0.	0.	58,735.	401,853.	567,888.
Vocational	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.	2,073,347.
Other instruction	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.	37,527.	65,197.	95,718.
Support Services:										
Student & instruction related services	637,535.	659,426.	620,448.	605,368.	584,216.	783,790.	845,408.	947,806.	956,995.	1,272,301.
School Administrative Services	351,090.	360,132.	355,481.	395,229.	528,425.	424,343.	414,553.	518,000.	605,111.	691,866.
General administration	850,644.	916,706.	897,778.	914,784.	972,632.	957,898.	1,090,695.	1,160,712.	1,190,610.	1,287,789.
Plant Operations and Maintenance	1,036,960.	874,665.	779,643.	794,814.	911,892.	868,942.	752,161.	1,504,534.	1,627,896.	1,921,645.
Pupil transportation	25,868.	23,058.	25,913.	32,683.	29,359.	29,975.	33,653.	43,350.	36,873.	70,518.
Employee benefits	1,487,401.	1,545,225.	1,673,087.	1,895,653.	1,800,964.	2,571,914.	2,731,937.	4,117,943.	3,867,567.	4,624,537.
Special Schools	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.	526,649.	34,391.	78,027.
Internal Service Fund	6,757,906.	6,071,991.	6,228,546.	6,172,874.	6,839,016.	7,093,537.	5,914,868.	783,485.	300.	272,082.
Unallocated depreciation	0.	0.	0.	0.	0.	0.	0.	165,673.	188,535.	169,538.
NJ Debt Service Assessment	0.	1,800.	1,047.	1,436.	19,288.	19,288.	19,288.	19,288.	19,288.	19,288.
Total governmental activities expenses	15,284,878.	14,109,135.	13,777,753.	14,266,947.	15,236,541.	16,398,292.	15,214,413.	14,606,763.	14,531,396.	17,771,447.
Business-type activities:										
Enterprise Funds	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.	321,588.	631,404.	771,965.
Total business-type activities expense	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.	321,588.	631,404.	771,965.
Total district expenses	\$ 15,366,478.	\$ 14,139,683.	\$ 13,820,200.	\$ 14,302,549.	\$ 15,275,262.	\$ 16,544,257.	\$ 15,296,808.	\$ 14,928,351.	\$ 15,162,800.	\$ 18,543,412.
Program Revenues										
Governmental activities:										
Charges for services:										
Internal Service Fund	\$ 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.	\$ 430,712.
Special Schools	985,742.	1,051,401.	645,062.	601,107.	493,026.	549,142.	601,219.	358,911.	0.	142,301.
Operating grants and contributions	437,579.	414,620.	480,923.	607,184.	505,139.	1,225,670.	1,324,100.	2,292,277.	1,977,681.	2,624,249.
Total governmental activities program revenues	8,188,138.	7,544,635.	7,362,357.	7,514,415.	7,946,372.	9,075,600.	7,919,568.	3,218,320.	1,983,681.	3,197,262.
Business-type activities:										
Charges for services	\$ 58,899.	\$ 31,598.	\$ 21,387.	\$ 21,009.	\$ 15,654.	\$ 33,476.	\$ 46,097.	\$ 168,036.	\$ 446,555.	\$ 513,375.
Enterprise Fund	15,805.	15,916.	17,903.	17,061.	19,408.	21,859.	14,190.	66,947.	136,043.	195,182.
Operating grants and contributions	74,704.	47,514.	39,290.	38,070.	35,062.	55,335.	60,287.	234,983.	582,598.	708,557.
Total business type activities program revenues	\$ 8,262,842.	\$ 7,592,149.	\$ 7,401,647.	\$ 7,552,485.	\$ 7,981,434.	\$ 9,130,935.	\$ 7,979,855.	\$ 3,453,303.	\$ 2,566,279.	\$ 3,905,819.
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	\$ (7,096,740.)	\$ (6,564,500.)	\$ (6,415,396.)	\$ (6,751,532.)	\$ (7,290,169.)	\$ (7,322,692.)	\$ (7,294,845.)	\$ (11,388,443.)	\$ (12,547,715.)	\$ (14,574,185.)
Business-type activities	(6,896.)	16,966.	(3,157.)	1,468.	(3,659.)	(90,630.)	(22,108.)	(86,605.)	(48,806.)	(63,408.)
Total district-wide net expense	\$ (7,103,636.)	\$ (6,547,534.)	\$ (6,418,553.)	\$ (6,750,064.)	\$ (7,293,828.)	\$ (7,413,322.)	\$ (7,316,953.)	\$ (11,475,048.)	\$ (12,596,521.)	\$ (14,637,593.)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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.	\$ 2,530,000.
Grants and contributions	3,593,894.	4,275,379.	5,640,874.	4,254,057.	4,366,374.	4,489,670.	4,550,615.	4,942,304.	4,633,583.	5,700,361.
Tuition Received	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.	5,379,138.
Investment earnings	12,528.	32,495.	23,595.	27,459.	14,180.	18,161.	21,585.	23,062.	20,245.	43,494.
Nonresident Fees	0.	0.	81,000.	96,000.	76,000.	34,000.	76,000.	24,000.	0.	7,000.
Miscellaneous income	60,917.	38,094.	86,394.	99,974.	101,293.	169,394.	54,989.	97,370.	48,573.	198,420.
Prior year adjustments	(93.)	(291,398.)	(1,203.)	(300.)	0.	0.	0.	0.	(50,000.)	(3,653,246.)
Bond proceeds from Cumberland County	0.	1,332,445.	0.	0.	0.	68,604,770.	0.	0.	0.	0.
Adjustment to carrying value of fixed assets per appraisal	0.	(133,221.)	0.	0.	0.	0.	0.	0.	0.	0.
Fixed asset retirement	0.	0.	0.	0.	0.	0.	0.	(32,078.)	(9,696.)	(2,177,042.)
Transfers	0.	0.	0.	0.	23,400.	(21,906.)	(17,500.)	(550,722.)	(92,233.)	(62,000.)
Total governmental activities	6,483,330.	8,407,393.	8,911,514.	7,565,825.	7,733,872.	76,594,219.	7,946,729.	9,303,536.	10,881,292.	7,966,125.

Business-type activities:										
Investment earnings	\$ 12.	\$ 21.	\$ 26.	\$ 20.	\$ 15.	\$ 13.	\$ 17.	\$ 155.	\$ 3,281.	\$ 7,146.
Transfers	0.	0.	0.	0.	0.	21,906.	17,500.	550,722.	92,233.	62,000.
Other	0.	0.	0.	0.	0.	0.	(30,000.)	0.	0.	0.
Total business-type activities	12.	21.	26.	20.	15.	21,919.	(12,483.)	550,877.	95,514.	69,146.
Total district-wide	\$ 6,483,342.	\$ 8,407,414.	\$ 8,911,540.	\$ 7,565,845.	\$ 7,733,887.	\$ 76,616,138.	\$ 7,934,246.	\$ 9,854,413.	\$ 10,976,806.	\$ 8,035,271.

Change in Net Position										
Governmental activities	\$ (613,410.)	\$ 1,842,893.	\$ 2,496,118.	\$ 814,293.	\$ 443,703.	\$ 69,271,527.	\$ 651,884.	\$ (2,084,907.)	\$ (1,666,423.)	\$ (6,608,060.)
Business-type activities	(6,884.)	16,987.	(3,131.)	1,488.	(3,644.)	(68,711.)	(34,591.)	464,272.	46,708.	5,738.
Total district	\$ (620,294.)	\$ 1,859,880.	\$ 2,492,987.	\$ 815,781.	\$ 440,059.	\$ 69,202,816.	\$ 617,293.	\$ (1,620,635.)	\$ (1,619,715.)	\$ (6,602,322.)

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 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.	\$ 5,906,454.
Unreserved	53,198.	69,314.	61,753.	78,534.	41,276.	49,677.	25,227.	215,970.	210,984.	254,772.
Total general fund	\$ 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.	\$ 6,161,226.
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.	1,247,737.	445,801.	432,503.	(556,117.)	54,676,410.	13,614,180.	4,199,550.	2,175,988.	0.
Total all other governmental funds	\$ 265,000.	\$ 1,247,737.	\$ 445,801.	\$ 432,503.	\$ (556,117.)	\$ 54,676,410.	\$ 13,614,180.	\$ 4,199,550.	\$ 2,175,988.	\$ 0.

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue										
Tax levy	\$ 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.	\$ 2,530,000.
Tuition charges	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.	5,379,138.
Non-resident fees	32,000.	45,600.	81,000.	96,000.	76,000.	34,000.	76,000.	24,000.	0.	7,000.
Interest earnings	12,528.	32,495.	17,930.	24,208.	12,382.	15,893.	19,276.	19,783.	20,245.	42,787.
Miscellaneous	1,046,659.	1,089,495.	731,456.	701,081.	594,319.	718,538.	656,208.	456,281.	48,573.	340,721.
State sources	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.	6,784,689.
Federal sources	1,165,648.	363,052.	451,819.	313,681.	352,303.	482,443.	456,843.	415,392.	467,605.	452,297.
Total Revenue	7,906,744.	8,965,588.	10,033,037.	8,771,165.	8,706,839.	9,174,640.	9,299,569.	11,122,710.	12,123,147.	15,536,632.
Expenditures										
Instruction:										
Regular Instruction	0.	0.	0.	0.	0.	0.	0.	1,191,669.	2,103,332.	3,355,360.
Special education Instruction	0.	0.	0.	0.	0.	0.	0.	58,735.	401,853.	567,888.
Vocational Instruction	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.	2,073,347.
School sponsored/other instr.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.	37,527.	65,197.	95,718.
Support Services										
Student & inst. related services	627,318.	649,713.	606,972.	590,374.	570,012.	768,849.	829,395.	881,535.	881,580.	1,204,485.
General administration	389,168.	440,971.	400,661.	405,219.	445,732.	389,990.	508,338.	495,370.	480,129.	586,286.
School Administration services	335,765.	345,563.	335,267.	372,737.	507,120.	401,932.	390,533.	418,594.	491,989.	590,143.
Central Services	313,915.	314,138.	324,153.	315,783.	324,276.	356,019.	381,556.	413,616.	391,254.	341,843.
Admin info tech	137,344.	151,884.	159,488.	178,788.	188,420.	196,948.	184,788.	185,455.	243,812.	291,844.
Plant Operations and Maintenance	1,034,406.	872,237.	776,274.	791,065.	908,342.	865,208.	748,159.	1,487,966.	1,609,042.	1,904,691.
Pupil transportation	25,868.	23,058.	25,913.	26,357.	29,359.	29,975.	33,653.	43,350.	36,873.	70,518.
Other support services:										
Employee Benefits	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.	3,633,705.
Special schools	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.	526,649.	34,391.	78,027.
Capital Outlay	362,602.	461,295.	3,065,030.	827,112.	1,123,265.	13,575,818.	41,198,648.	9,525,208.	2,308,088.	312,477.
Total Expenditures	8,679,550.	8,245,897.	10,305,722.	8,537,564.	9,137,892.	21,907,817.	49,416,063.	20,014,880.	13,972,076.	15,106,332.

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (Deficiency) of revenues over (under) expenditures	\$ (772,806.)	\$ 719,691.	\$ (272,685.)	\$ 233,601.	\$ (431,053.)	\$ (12,733,177.)	\$ (40,116,494.)	\$ (8,892,170.)	\$ (1,848,929.)	\$ 430,300.
Other Financing sources (uses)	0.	1,332,445.	0.	0.	0.	68,604,770.	0.	0.	0.	0.
Proceeds from sale of bonds	0.	(26,398.)	(1,203.)	0.	0.	0.	0.	0.	0.	0.
Prior Year Adjustment	0.	(265,000.)	0.	0.	0.	0.	0.	0.	(50,000.)	(2,177,042.)
Transfers/Cancellations	0.	0.	0.	0.	23,400.	4,007.	6,337.	438,341.	38,837.	18,179.
Transfers in	0.	0.	0.	0.	0.	0.	(23,837.)	(553,442.)	(94,837.)	(74,179.)
Transfers out	0.	0.	0.	0.	0.	(25,914.)	(23,837.)	(553,442.)	(94,837.)	(74,179.)
Total Other Financing sources (uses)	\$ 0.	\$ 1,041,047.	\$ (1,203.)	\$ 0.	\$ 23,400.	\$ 68,582,863.	\$ (17,500.)	\$ (115,101.)	\$ (106,000.)	\$ (2,233,042.)
Net Change in fund balance	\$ (772,806.)	\$ 1,760,738.	\$ (273,888.)	\$ 233,601.	\$ (407,653.)	\$ 55,849,686.	\$ (40,133,994.)	\$ (9,007,271.)	\$ (1,954,929.)	\$ (1,802,742.)
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	Atlantic City Electric	E-Rate	Misc.	Total
2010	\$ 896,084.	\$ 32,000.	\$ 12,528.	\$ 8,000.	\$ 6,158.	\$ 985,742.	\$ 0.	\$ 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.	0.	20,109.	2,175,589.
2012	1,080,854.	81,000.	17,930.	17,000.	22,009.	645,062.	0.	0.	0.	23,853.	23,532.	1,911,240.
2013	1,088,635.	96,000.	24,208.	0.	65.	601,107.	0.	0.	0.	26,803.	18,521.	1,855,339.
2014	1,152,625.	76,000.	12,382.	0.	35,976.	493,026.	0.	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.	0.	40,086.	9,146.	2,048,816.
2016	1,061,040.	76,000.	12,939.	12,000.	0.	601,219.	0.	0.	0.	32,293.	8,083.	1,803,574.
2017	2,489,600.	24,000.	19,783.	0.	0.	358,911.	0.	0.	0.	31,601.	65,769.	2,989,664.
2018	3,910,820.	0.	13,732.	3,628.	0.	0.	0.	22,251.	0.	20,846.	562.	3,971,839.
2019	5,379,138.	7,000.	29,554.	6,278.	0.	142,301.	30,404.	0.	100,000.	42,394.	0.	5,737,069.

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	
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%	
2019	2,530,000.	2,530,000.	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)
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	5,932,660,434.	38,893.	7.00%
2018	150,972	N/A	N/A	6.50%

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.00	28.00	42.00
Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.85	11.85	11.85
Vocational	45.40	40.00	40.00	43.00	38.20	41.00	42.00	14.00	14.00	17.00
Support Services:										
General Administrative Services	9.00	9.00	9.00	8.00	8.00	9.00	10.00	10.00	9.00	9.00
School Administrative Services	10.00	10.00	10.00	9.07	9.00	8.00	9.00	14.10	15.10	19.10
Other Administrative Services	3.00	3.00	3.00	3.00	3.00	2.00	2.00	5.00	5.00	5.00
Administrative Information Technology	3.00	3.00	3.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Plant Operations and Maintenance	6.00	6.00	6.00	6.75	6.75	6.75	6.75	9.52	10.52	11.52
Special Schools Fund 13	10.60	10.00	10.00	8.00	8.00	6.50	7.00	4.80	0.00	0.00
Food Service	1.50	1.50	1.50	1.10	0.00	0.00	0.00	0.00	0.00	0.00
Total	88.50	82.50	82.50	80.92	74.95	75.25	78.75	87.27	94.47	116.47

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		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						CCTEC					
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%
2019	708	14,793,855.	20,895.	(0.93)%	67.0	10.57		703.0	676.0	28.26%	96.16%

90 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other										
CCTEC (1969)										
Square Feet	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	0
Capacity (Students)	505	505	505	505	505	505	505	505	505	0
Enrollment	546	657	601	640	652	591	493	0	0	0
High School										
CCTEC (2017)										
Square Feet								202,000	202,000	202,000
Capacity (Students)								1,200	1,200	1,200
Enrollment								504	553	708

Number of Schools at June 30, 2019:
 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
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.
2016	176,684.	0.	176,684.
2017	50,000.	112,989.	162,989.
2018	50,000.	137,108.	187,108.
2019	0.	486,250.	486,250.
Total School Facilities	\$ 1,642,716.	\$ 736,347.	\$ 2,379,063.

* 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, 2019
UNAUDITED

	Coverage	Deductible
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.
Demolition and Increased Cost of Construction	25,000,000.	
Business Income/Tuition	1,000,000.	
Earthquake	50,000,000.	
Terrorism	1,000,000.	
All Flood Zones	75,000,000.	10,000.
Limited Builders Risk	10,000,000.	5,000.
Computers and Scheduled Equipment:		
Data Processing Equipment	1,050,000.	1,000.
Equipment Breakdown:		
Property Damage	100,000,000.	5,000.
Errors & Omissions		
Errors & Omissions Policy Coverage A	10,000,000.	5,000.
Errors & Omissions Policy Coverage B	100,000.	5,000.
Public Officials Bond		
Christopher Russo, Treasurer	197,000.	1,000.
Gene Mercoli, Business Administrator till 10/1/18	175,000.	1,000.
Megan Duffield, Business Administrator starting 10/1/18	175,000.	1,000.
Crime Liability:		
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.	
Site Pollution Incident Legal Liability Select	1,000,000.	50,000.
RESTART: Rebuilding Education Structures Together in Active Response to Tragedy	5,000,000.	0
Cyber Liability - Beazley Insurance	10,000,000.	10,000.
Terrorism - Lloyd's Insurance	100,000,000.	

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, 2019, 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 December 18, 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

December 18, 2019

K-2

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, 2019. 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, 2019.

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

December 18, 2019

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 6/30/2018	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	S010A150030	NCLB-099519	\$ 198,296.	7/1/18 - 6/30/19	\$ 0.	\$ 0.	\$ 107,406.	\$ (200,800.)	\$ 0.
Title I, Part A	84.010	S010A150030	NCLB-099518	197,461.	7/1/17 - 6/30/18	(95,860.)	0.	95,860.	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099519	28,472.	7/1/18 - 6/30/19	0.	0.	0.	(28,472.)	0.
Title II, Part A	84.168	S367A150029	NCLB-099518	193,056.	7/1/17 - 6/30/18	(19,305.)	0.	19,305.	0.	0.
Title IV	84.424	S424A170031	NCLB-099519	11,946.	7/1/18 - 6/30/19	0.	0.	7,624.	(10,324.)	0.
Title IV	84.424	S424A170031	NCLB-099518	10,000.	7/1/17 - 6/30/18	(6,651.)	0.	6,651.	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099519	118,346.	7/1/18 - 6/30/19	0.	0.	81,345.	(118,346.)	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099518	90,252.	7/1/17 - 6/30/18	(44,446.)	0.	44,446.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099519	49,157.	7/1/18 - 6/30/19	0.	0.	49,157.	(49,157.)	0.
Perkins-Secondary	84.048	V048A140030	PERK-099518	80,084.	7/1/17 - 6/30/18	(4,148.)	0.	4,148.	0.	0.
Perkins-Secondary Reserve	84.048	V048A140030	PERK-099519	10,499.	7/1/18 - 6/30/19	0.	0.	10,499.	(10,499.)	0.
REAP	84.358A	S358B150030	46,820.	46,820.	7/1/18 - 9/30/19	0.	0.	8,341.	(16,505.)	0.
REAP	84.358A	S358B150030	38,449.	38,449.	7/1/17 - 9/30/18	1,289.	0.	21,658.	(22,947.)	0.
Passed-through County of Cumberland: 21st Century	84.287	S287C150030		8,082.	7/1/18 - 6/30/19	0.	0.	8,082.	(8,082.)	0.
Total Special Revenue Fund						(169,121.)	0.	464,522.	(465,132.)	0.
U.S. Department of Agriculture Passed Through State Department of Education										
Enterprise Fund:										
Food Distribution Program	10.550	16161NJ304N1099	N/A	17,750.	7/1/18 - 6/30/19	0.	0.	17,750.	(17,298.)	0.
Food Distribution Program	10.550	16161NJ304N1099	N/A	3,462.	7/1/17 - 6/30/18	12.	0.	0.	(12.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	41,593.	7/1/18 - 6/30/19	0.	0.	37,997.	(41,593.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	26,988.	7/1/17 - 6/30/18	(2,847.)	0.	2,847.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	132,124.	7/1/18 - 6/30/19	0.	0.	121,639.	(132,124.)	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	102,949.	7/1/17 - 6/30/18	(8,360.)	0.	8,360.	0.	0.
Total Enterprise Fund						(11,195.)	0.	188,593.	(191,027.)	0.
Total Federal Financial Awards						\$ (180,316.)	\$ 0.	\$ 653,115.	\$ (656,159.)	\$ 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, 2019

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, 2019		Note Reference
							Accounts Receivable	Deferred Revenue	
U.S. Department of Education Passed Through State Department of Education:									
Special Revenue Fund:									
Title I, Part A	84.010	S010A150030	NCLB-099519	\$ 198,296.	7/1/18 - 6/30/19	\$	\$ (93,394.)	\$	0.
Title I, Part A	84.010	S010A150030	NCLB-099518	197,461.	7/1/17 - 6/30/18	0.	0.	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099519	28,472.	7/1/18 - 6/30/19	0.	(28,472.)	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099518	193,056.	7/1/17 - 6/30/18	0.	0.	0.	0.
Title IV	84.424	S424A170031	NCLB-099519	11,946.	7/1/18 - 6/30/19	0.	(2,700.)	0.	0.
Title IV	84.424	S424A170031	NCLB-099518	10,000.	7/1/17 - 6/30/18	0.	0.	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099519	118,346.	7/1/18 - 6/30/19	0.	(37,001.)	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099518	90,252.	7/1/17 - 6/30/18	0.	0.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099519	49,157.	7/1/18 - 6/30/19	0.	0.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099518	80,084.	7/1/17 - 6/30/18	0.	0.	0.	0.
Perkins-Secondary Reserve	84.048	V048A140030	PERK-099519	10,499.	7/1/18 - 6/30/19	0.	0.	0.	0.
REAP	84.358A	S358B150030		46,820.	7/1/18 - 9/30/19	0.	(8,164.)	0.	0.
REAP	84.358A	S358B150030		38,449.	7/1/17 - 9/30/18	0.	0.	0.	0.
Passed-through County of Cumberland:									
21st Century	84.287	S287C150030		8,082.	7/1/18 - 6/30/19	0.	0.	0.	0.
Total Special Revenue Fund						0.	(169,731.)	0.	0.
U.S. Department of Agriculture Passed Through State Department of Education									
Enterprise Fund:									
Food Distribution Program	10.550	16161NJ304N1099	N/A	17,750.	7/1/18 - 6/30/19	0.	0.	452.	0.
Food Distribution Program	10.550	16161NJ304N1099	N/A	3,462.	7/1/17 - 6/30/18	0.	0.	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	41,593.	7/1/18 - 6/30/19	0.	(3,596.)	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	26,988.	7/1/17 - 6/30/18	0.	0.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	132,124.	7/1/18 - 6/30/19	0.	(10,485.)	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	102,949.	7/1/17 - 6/30/18	0.	0.	0.	0.
Total Enterprise Fund						0.	(14,081.)	452.	0.
Total Federal Financial Awards						\$	\$ (183,812.)	\$ 452.	\$ 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, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Rec.)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances
			From	To						
State Department of Education:										
General Fund:										
Equalization Aid	19-495-034-5120-078	\$ 4,635,689.	07/01/18	- 06/30/19	\$ 0.	\$ 0.	\$ 4,635,689.	\$ (3,766,386.)	\$ 0.	
Special Education Categorical Aid	19-495-034-5120-089	479,308.	07/01/18	- 06/30/19	0.	0.	479,308.	(479,308.)	0.	
Security Aid	19-495-034-5120-084	160,459.	07/01/18	- 06/30/19	0.	0.	160,459.	(160,459.)	0.	
On Behalf TPAF Post Retirement	19-495-034-5095-001	346,066.	07/01/18	- 06/30/19	0.	0.	346,066.	(346,066.)	0.	
On Behalf TPAF Long-term disability	19-495-034-5095-004	1,107.	07/01/18	- 06/30/19	0.	0.	1,107.	(1,107.)	0.	
On Behalf TPAF Pension	19-495-034-5095-002	762,935.	07/01/18	- 06/30/19	0.	0.	762,935.	(762,935.)	0.	
Reimbursed TPAF Social Security Contrib.	19-495-034-5095-003	426,517.	07/01/18	- 06/30/19	0.	0.	426,517.	(426,517.)	0.	
Reimbursed TPAF Social Security Contrib.	18-495-034-5095-003	332,062.	07/01/17	- 06/30/18	(16,156.)	0.	16,156.	0.	0.	
Total General Fund					(16,156.)	0.	6,828,237.	(5,942,778.)	0.	
Special Revenue Fund:										
Perkins Post-Secondary	19-100-034-5062-032	84,647.	07/01/18	- 06/30/19	0.	0.	84,647.	(84,647.)	0.	
Perkins Post-Secondary	18-100-034-5062-032	85,858.	07/01/17	- 06/30/18	(38,796.)	0.	38,796.	0.	0.	
Apprentice Coordinator-Passed through Gloucester Co Vocational		6,932.	07/01/18	- 06/30/19	0.	0.	6,932.	(6,932.)	0.	
Total Special Revenue Fund					(38,796.)	0.	130,375.	(91,579.)	0.	
Capital Project Fund:										
Educ Facilities Const & Financing Act.										
School Addition & Renovation										
School Addition & Renovation	0995-030-09-1001	2,071,663.								
Total Capital Project Fund										
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program (State Share)	19-100-010-3350-023	3,715.	07/01/18	- 06/30/19	0.	0.	3,419.	(3,715.)	0.	
National School Lunch Program (State Share)	18-100-010-3350-023	2,645.	07/01/17	- 06/30/18	(215.)	0.	215.	0.	0.	
Total Enterprise Fund					(215.)	0.	3,634.	(3,715.)	0.	
Total State Financial Assistance					\$ (315,314.)	\$ 0.	\$ 6,962,246.	\$ (6,038,072.)	\$ (80,130.)	
Less: On-Behalf TPAF Pension System Contributions										
On-Behalf Teachers' Pension and Annuity Fund	19-495-034-5095-002							(1,110,108.)		
On Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	19-495-034-5095-001									
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	19-495-034-5095-004									
Total for State Financial Assistance-Major Program Determination								(4,927,964.)		

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, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019			MEMO Cumulative Expenditures	
			From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor		Budgetary Receivable
State Department of Education:									
General Fund:									
Equalization Aid	19-495-034-5120-078	\$ 4,635,689.	07/01/18	- 06/30/19	\$ 0.	\$ 869,303.	\$ 0.	427,034.	\$ 3,766,386.
Special Education Categorical Aid	19-495-034-5120-089	479,308.	07/01/18	- 06/30/19	0.	0.	0.	47,931.	479,308.
Security Aid	19-495-034-5120-084	160,459.	07/01/18	- 06/30/19	0.	0.	0.	16,046.	160,459.
On Behalf TPAF Post Retirement	19-495-034-5095-001	346,066.	07/01/18	- 06/30/19	0.	0.	0.	34,607.	346,066.
On Behalf TPAF Long-term disability	19-495-034-5095-004	1,107.	07/01/18	- 06/30/19	0.	0.	0.	0.	1,107.
On Behalf TPAF Pension	19-495-034-5095-002	762,935.	07/01/18	- 06/30/19	0.	0.	0.	0.	762,935.
Reimbursed TPAF Social Security Contrib.	19-495-034-5095-003	426,517.	07/01/18	- 06/30/19	0.	0.	0.	0.	426,517.
Reimbursed TPAF Social Security Contrib.	18-495-034-5095-003	332,062.	07/01/17	- 06/30/18	0.	869,303.	0.	525,617.	5,942,778.
Total General Fund									
Special Revenue Fund:									
Perkins Post-Secondary	19-100-034-5062-032	84,647.	07/01/18	- 06/30/19	0.	0.	0.	0.	84,647.
Perkins Post-Secondary	18-100-034-5062-032	85,858.	07/01/17	- 06/30/18	0.	0.	0.	0.	0.
Apprentice Coordinator-Passed through Gloucester Co Vocational		6,932.	07/01/18	- 06/30/19	0.	0.	0.	0.	6,932.
Total Special Revenue Fund									
Capital Project Fund:									
Educ Facilities Const & Financing Act.		2,071,663.							
School Addition & Renovation									
School Addition & Renovation	0995-030-09-1001				(340,277.)	0.	0.	0.	1,570,689.
Total Capital Project Fund					(340,277.)	0.	0.	0.	1,570,689.
State Department of Agriculture Enterprise Fund:									
National School Lunch Program (State Share)	19-100-010-3350-023	3,715.	07/01/18	- 06/30/19	(296.)	0.	0.	0.	3,715.
National School Lunch Program (State Share)	18-100-010-3350-023	2,645.	07/01/17	- 06/30/18	0.	0.	0.	0.	0.
Total Enterprise Fund					(296.)	0.	0.	0.	3,715.
Total State Financial Assistance					\$ (340,573.)	\$ 869,303.	\$ 0.	\$ 525,617.	\$ 7,608,761.

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, 2019

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 \$(118,971) for the general fund and \$963 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.	\$ 6,693,110.	\$ 6,693,110.
Special Revenue Fund	452,297.	91,579.	543,876.
Food Service Fund	191,467.	3,715.	195,182.
Total Financial Assis.	<u>\$ 643,764.</u>	<u>\$ 6,788,404.</u>	<u>\$ 7,432,168.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

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, 2019. 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, 2019.

NOTE 6 - SUBRECIPIENTS

The District had no expenditures to subrecipients during the year ended June 30, 2019.

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, 2019

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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None Reported |

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

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

Internal Control over major programs:

- | | | | |
|----|--|------------------------------|---|
| 1. | Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security 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, 2019

STATUS OF PRIOR YEAR FINDINGS

Finding:

None Reported