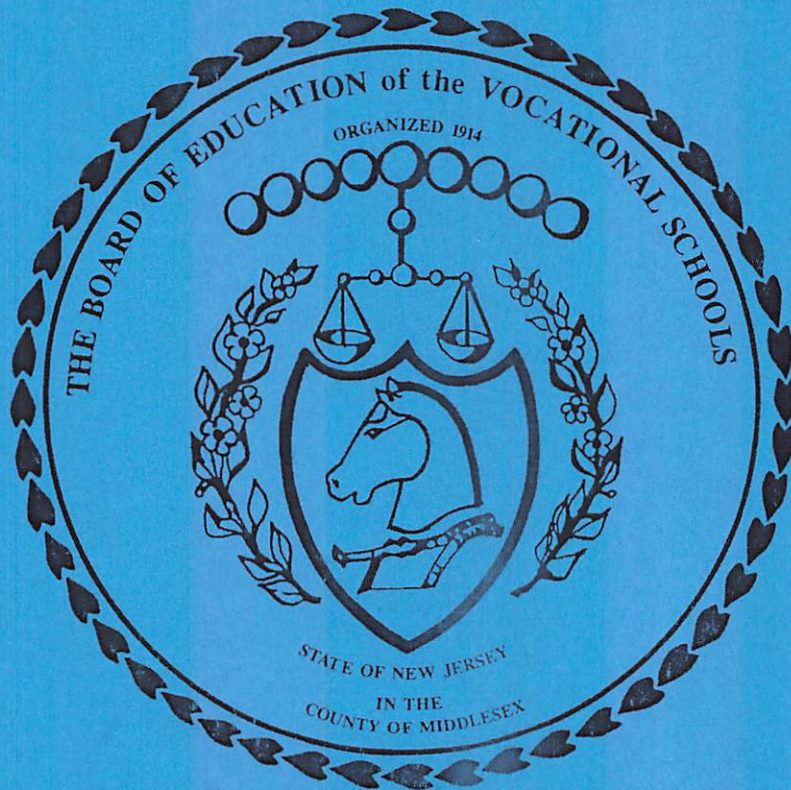


# MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019



**The Board of Education of the Vocational  
and Technical High Schools  
County of Middlesex, New Jersey**

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2019

**Middlesex County  
Vocational and Technical High Schools  
East Brunswick, New Jersey**

Prepared by

Business Office

## Table of Contents

|   | <u>Page</u> |
|---|-------------|
| <b>INTRODUCTORY SECTION</b>   |             |
| Letter of Transmittal   | 1           |
| Organizational Chart  | 7           |
| Roster of Officials   | 8           |
| Independent Auditors and Advisors   | 9           |
| <br><b>FINANCIAL SECTION</b>  |             |
| Independent Auditors' Report  | 10          |
| <b>Required Supplementary Information – Part I</b>  |             |
| Management's Discussion and Analysis  | 14          |
| <b>Basic Financial Statements</b>   |             |
| Government-wide Financial Statements:   |             |
| A-1 Statement of Net Position   | 28          |
| A-2 Statement of Activities   | 29          |
| Fund Financial Statements:  |             |
| Governmental Funds:   |             |
| B-1 Balance Sheet   | 30          |
| B-2 Statement of Revenues, Expenditures and Changes in Fund Balance   | 31          |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances of Governmental Funds to the Statement<br>of Activities | 32          |
| Enterprise Fund:  |             |
| B-4 Statement of Net Position   | 33          |
| B-5 Statement of Revenues, Expenses and Changes in Fund Net Position  | 34          |
| B-6 Statement of Cash Flows   | 35          |
| Fiduciary Funds:  |             |
| B-7 Statement of Fiduciary Net Position   | 36          |
| B-8 Statement of Changes in Fiduciary Net Position  | 37          |
| Notes to the Basic Financial Statements   | 38          |

## Table of Contents (continued)

|  | <u>Page</u> |
|--|-------------|
| <b>FINANCIAL SECTION (continued)</b>   |             |
| <b>Required Supplementary Information and Note to the RSI– Part II</b>   |             |
| Schedules and Note Related to Accounting and Reporting for Pensions (GASB 68):   |             |
| Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employee’s Retirement System (PERS)                                 | 79          |
| Schedule of District Contributions – Public Employee’s Retirement System (PERS)  | 80          |
| Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)            | 81          |
| Schedule of State’s Proportionate Share of the OPEB Liability Associated with the District – State Health Benefit Local Education Retired Employees Plan | 82          |
| Notes to Required Supplementary Information  | 83          |
| <b>Required Supplementary Information – Part III</b>   |             |
| Budgetary Comparison Schedules:  |             |
| C-1 Budgetary Comparison Schedule – General Fund (Budgetary - Basis)   | 84          |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund (Budgetary - Basis)   | 89          |
| <b>Note to the Required Supplementary Information</b>  |             |
| C-3 Budget to GAAP Reconciliation  | 90          |
| <b>Supplementary Information</b>   |             |
| Special Revenue Fund:  |             |
| E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis  | 91          |
| Capital Projects Fund:   |             |
| F-1 Summary Schedule of Project Expenditures – Budgetary Basis   | 94          |
| F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis   | 95          |
| F-2(x) Schedules of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis   | 96          |

## Table of Contents (continued)

|  | <u>Page</u> |
|--|-------------|
| <b>SUPPLEMENTARY INFORMATION (continued)</b>   |             |
| Fiduciary Funds:   |             |
| H-1 Combining Statement of Fiduciary Net Position                                      | 108         |
| H-2 Statement of Changes in Fiduciary Net Position                                     | 109         |
| H-3 Schedule of Cash Receipts and Cash Disbursements –<br>Student Activity Agency Fund | 110         |
| H-4 Schedule of Cash Receipts and Cash Disbursements –<br>Payroll Agency Fund          | 111         |
| H-5 Schedule of Amount Held On-Behalf of Third Party –<br>HOSA Agency Fund             | 112         |
| Long-Term Debt:  |             |
| I-2 Schedule of Obligations Under Capital Leases                                       | 113         |
| <b>STATISTICAL SECTION (Unaudited) – Other Information</b>                             |             |
| Financial Trends:  |             |
| J-1 Net Position by Component  | 114         |
| J-2 Changes in Net Position  | 115         |
| J-3 Fund Balances – Governmental Funds   | 116         |
| J-4 Changes in Fund Balances – Governmental Funds                                      | 117         |
| J-5 General Fund – Other Local Revenue by Source                                       | 118         |
| Demographic and Economic Information:  |             |
| J-14 Demographic and Economic Statistics   | 119         |
| Operating Information:   |             |
| J-16 Full-Time Equivalent District Employees by Function/Program                       | 120         |
| J-17 Operating Statistics  | 121         |
| J-18 School Building Information   | 122         |
| J-19 Schedule of Required Maintenance for School Facilities                            | 123         |
| J-20 Insurance Schedule  | 124         |

## Table of Contents (continued)

|   | <u>Page</u> |
|---|-------------|
| <b>SINGLE AUDIT SECTION</b>   |             |
| K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 125         |
| K-2 Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB 15-08   | 127         |
| K-3 Schedule A – Schedule of Expenditures of Federal Awards-<br>Supplementary information   | 130         |
| K-4 Schedule B – Schedule of Expenditures of State Financial Assistance-<br>Supplementary information   | 131         |
| K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance   | 132         |
| K-6 Schedule of Findings and Questioned Costs – Part I – Summary of Auditors' Results   | 135         |
| K-7 Schedule of Findings and Questioned Costs – Parts II and III –<br>Schedule of Financial Statement Findings and Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs  | 137         |
| K-8 Summary Schedule of Prior Year Audit Findings   | 139         |

## **Introductory Section**

# Administrative Offices

## BOARD OF EDUCATION OF THE VOCATIONAL SCHOOLS IN THE COUNTY OF MIDDLESEX

112 Rues Lane P.O. Box 1070 East Brunswick, N.J. 08816-1070 Telephone (732) 257-3300 Fax:(732) 390-4252

Keith Jones II, President

Dianne D. Veilleux, Superintendent

December 2, 2019

Honorable President and  
Members of the Board of Education  
Middlesex County Vocational and Technical Schools  
112 Rues Lane  
East Brunswick, NJ 08816

Dear Board Members and Constituents:

The *comprehensive annual financial report* of the Middlesex County Vocational and Technical Schools 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 Middlesex County Vocational and Technical Schools Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement management's discussion and analysis and should be read in conjunction with it), the District's organizational chart, a list of principal officials, and independent auditors and advisors. The financial section includes management's discussion and analysis (immediately following the independent auditor's report), the Independent Auditors' report, basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 as amended and the Federal Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, "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 internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

### (1) *Reporting Entity and Its Services.*

Middlesex County Vocational and Technical Schools is an *independent reporting entity* within the criteria established by GASB Statement No. 14. The Middlesex County Vocational and Technical Schools Board of Education and all its schools constitute the District's reporting entity.

The District provides a *full range of educational services* appropriate to grade levels 9 through 12 and post secondary. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2018-19 fiscal year with an enrollment of 2,539 students.

Campuses located at:

Edison East Brunswick Perth Amboy Piscataway Woodbridge





## *(2) Economic Condition and Outlook.*

Middlesex County, located in the heart of Central New Jersey, has always thrived by virtue of its prime location as a corridor county. Even in the current state economic condition, indicators suggest the situation is not bleak in the County of Middlesex.

From 2014 to 2024, Middlesex County is projected to have the largest net growth (+33,700) in jobs and the second most annual average job openings (+8,400) in New Jersey. Middlesex County is projected to experience a large total percentage growth in employment over the ten year period than the state (+8.0% vs. 6.5%, respectively).

In 2018, the Census Bureau estimated the county's population at 829,685, making it the state's second-most populous county an increase of 4.1% from 809,858 in the 2010 census.

## *(3) Major Initiatives.*

The development of new and the upgrade of existing career and technical programs continue to be at the forefront of all the District's initiatives. The combination of research, curriculum development, and capital planning has become the foundation for the introduction of new programs throughout the district. Recent program additions including advanced manufacturing, global logistics, multi-media and arts technology continue to be a success with waiting lists for most programs. The district has added a new major in music performance and technology which is starting in the fall of 2019. The new music major in East Brunswick will be part of the School of the Arts, which also includes programs in theater, dance, arts technology, digital film, graphic design/commercial art and illustration, and multimedia art and design. The district began renovating space in East Brunswick during the summer of 2019 to create a music studio. Through capital funding and Carl Perkins grant funding we also continue to upgrade shop equipment. It is always our objective to train student on current technologies and state of the art equipment.

Our commitment to technology has remained steadfast as we make advances throughout the District. In addition to updating the District's website, we implemented Google classroom with all of the instructors throughout the District. Google classroom provides a management tool for instructors to access and work more collectively with the students in a digital format. The platform enables digital learning both inside and outside the classroom. Instructionally we continue to expand the integration of technology into our classrooms and shops. Adding computer based projection systems and large screen monitors supported with document cameras and tablets have significantly enhanced our instructional efforts in the classroom. We also continue to expand the chrome book inventory at all of our campuses. Because of their reasonable cost, the district can be more efficient with regard to getting technology into the hands of the students. The devices provide textbooks, instructional materials, and organizational software for help within the classroom as well as access to instructional programs and resources outside the classroom to aid with homework and test preparation. Updating desktops, laptops, and software continues to be a priority in the academic areas and throughout the career and technical programs.

As the science curriculum becomes more demanding, the district continues to prioritize the updating of all the science facilities throughout the District. The district renovated two more science labs during the summer of 2019 at the Piscataway Campus. With the infusion of technology these labs have promoted a real 21<sup>st</sup> century learning environment.

Our Academy model also continues to thrive within the district. Middlesex County Vocational and Technical Schools has been successfully maintaining two Academies over the past decade. Both the Academy for Science, Mathematics, and Engineering and the Academy for Allied Health and Biomedical Sciences have been recognized as National Blue Ribbon Schools and continue to be listed by the US News and World Reports among the best high schools in the Country. This recognition of the academic success of our students along with the hard work of our teachers is a testament to the positive occurrences happening at

the Academies on a daily basis. The Academies provide students with a small learning community that will focus on college preparation. Technology labs foster hands-on applied learning, while rigorous and relevant academy courses are integrated into the career majors. Some of the colleges the class of 2019 will be attending are as follows:

|                              |                             |
|------------------------------|-----------------------------|
| • Brown University           | • Princeton University      |
| • Carnegie Mellon University | • Perdue University         |
| • Columbia University        | • Rutgers University        |
| • Cornell University         | • Seton Hall University     |
| • Drexel University          | • Syracuse University       |
| • Duke University            | • Temple University         |
| • John Hopkins University    | • The College of New Jersey |
| • NJIT                       | • Vanderbilt University     |
| • NYU                        | • Villanova University      |
| • Penn State University      | • Wake Forest University    |

The revitalization of our adult education programs continues to be emphasized. While the District has always provided apprentice, trade certificate programs, and community enrichment programs, the adult school continues to support post-secondary programs. The District offers certificated programs in the area of HVAC, Electrical Technology, Manicurist, Plumbing Technology, and Skin Care Specialist. In September of 2019 we started a new automotive apprenticeship program at our East Brunswick and Piscataway location for auto mechanics at new car dealers with the help of a grant from the Department of Labor given to New Jersey Coalition of Automotive Retailers (NJCAR). These programs offer an affordable educational alternative to adults that are looking for new career opportunities.

The practical measure of success for a career and technical school, however, is the appropriate placement of students in jobs. This is a fundamental element of success because it validates the vocational-technical experience. Fortunately, in this most important criterion, MCVTHS *exceeds*. This year's report included demographic data of 449 students who completed their education in 2018. Our overall percentage for job placement in 2018 was 95%. Job placement in all trades for which the students were trained was 70%. Also noteworthy is the fact that 86% of our regular education and 37% of our career development students extended their education upon graduation from our District by enrolling in colleges and nursing schools. Graduates of the high school and special programs were employed by a total of 74 firms with 97% of those firms located in Middlesex County. *Clearly, these statistics indicate success in both vocational and academic program – which when combined – culminate in the practical success of securing employment!*

#### *(4) Internal Accounting Controls.*

Management of the District is responsible for establishing and maintaining an internal control environment 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 environment is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control environment is in place to ensure compliance with applicable laws and

regulations related to those programs. This internal control environment 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 controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended, for the fiscal year is reflected in the financial section.

An *encumbrance accounting system* is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as a reserve 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. As required by GASB 34, the Comprehensive Annual Financial Report reflects activity for the fiscal year ended June 30, 2019 to include the Basic Financial Statements and Management's Discussion and Analysis. The Basic Financial Statements present information on two separate sets of financial statements. The District-wide statements reflect the District's activities as a whole on the full accrual basis of accounting. The Fund financial statements present the District's activities on an individual fund basis.

*(7) 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 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

*(8) Risk Management (Insurance).*

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

*Other Information.*

*(A) Independent Audit*

State statutes require an annual audit by independent, certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed

to meet the requirements of the Single Audit Act of 1996, as amended and the Federal Uniform Guidance and the State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements 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.

*(B) Awards and Recognition*

Certainly the most important focus of this District is its students. The students have received numerous awards and recognition through a variety of events and activities that are clearly characterized by their diversity and impact:

- Members of the Interact Club, at the Academy for Allied Health and Biomedical Sciences conducted and school wide food drive for Thanksgiving and collected over 836 items were collected. The food was donated to the St. James Food Pantry in Woodbridge.
- Thirty nine students from Middlesex County Vocational and Technical School District were selected as 2019 National Merit Scholarship Finalists, ten were semi-finalists, and twenty nine others were recognized and commended students.
- The Academy for Science, Mathematics, and Engineering Technologies and the East Brunswick campus received Bronze medal status for the 2018 Future Ready Schools of New Jersey.
- The Academy for Science, Mathematics and Engineering Technologies and the Academy for Allied Health and Biomedical Sciences were ranked in the Top 10 among New Jersey public High Schools and the Top 100 nationwide by the U.S. News and World Report's annual Best High School rankings.
- Culinary Arts students from Perth Amboy proudly participated in the City of Perth Amboy's annual Thanksgiving dinner by cooking turkeys for the festivities. This is the 12<sup>th</sup> year that culinary students have been participating in this event.
- The Perth Amboy campus collected 2,350 pounds of food for the Middlesex County Emergency Food Organization and Outreach Distribution Services' (M.C.F.O.O.D.S) 2018-2019 School Food Drive. They were recognized at the May Freeholder meeting as one of the top collecting schools in the county. The Academy for Science, Mathematics collected 650 pounds of food and the East Brunswick Campus collected 150 pounds. The district in total collected 3,150 pounds of food for the 2018-2019 food drive.
- Middlesex County Vocational and Technical School's Practical Nursing Program earned a 93% passing rate on the National Council Licensure Examination (NCLEX). This outstanding achievement supports the overall rigor of the practical nursing program and the dedication and commitment of an excellent faculty. The National Council of State Boards of Nursing disseminates National Council Licensure Examination results to schools of nursing on a semi-annual basis. The report ranks a nursing program based on their graduates' performance on the licensure exam.
- The East Brunswick FFA chapter had won twenty ribbons including six first place winners at the annual State FFA Horticulture Exposition and Floral Design Contest.
- Students from Academy for Allied Health and Biomedical Sciences participated in the 2019 New Jersey State HOSA Leadership conference and won a total of eight medals including four gold, one silver and three bronze medals. There were also two fourth place and six fifth place finishes. Twelve students were eligible to participate in the National HOSA competition.

- East Brunswick, East Brunswick School of Career of Development, Perth Amboy, and Piscataway, and all participated in the 2019 NJ Skills USA Competition. The East Brunswick Campus won fourteen medals, ten gold. Piscataway had one gold. Four students from the East Brunswick Campus and one from Piscataway were eligible to participate in the Nationals Skills USA competition. The East Brunswick Chapter was recognized as a Gold Chapter Distinction for the state of New Jersey.
- For the seventh year in a row East Brunswick's School of Career Development Dry Cleaning class participated in a coat drive. Unwanted coats were donated at different points in the Middlesex County area and brought to the school to be cleaned. Once cleaned they were picked up and distributed to many of those in need of warm coats for the winter. They collected over 200 coats and other garments.
- Various players for various sports were named as GMC Scholar Athletes and received Sportsmanship Awards. Seven players were named GMC All Silver Division for baseball. Nine players were named GMC All Gold Division for softball. The Piscataway Campus received the Silver Division Team Sportsmanship Award and Woodbridge won the Gold Division Team Sportsmanship Award .Five players received the prestigious N.J.S.I.A.A Scholar Athlete Award.
- Culinary students from the East Brunswick School of Career Development and Perth Amboy participated in the ACF Jersey Shore Chef's Association's Winterfest Competition to raise money for the Monmouth County Food Bank. Two students won gold, two won silver and two won bronze medals.
- Numerous special project grants, which total over \$2.8 million, comprise another dimension of the awards and recognition received by the District over the 2018-19 year. This represents a tribute to the administration and staff that work extremely hard to compete for and maintain this level of grant award, year after year.

(9) Acknowledgements.

*We would like to express our appreciation to the members of the Middlesex County Vocational and Technical Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the County and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative staff.*

Respectfully submitted,

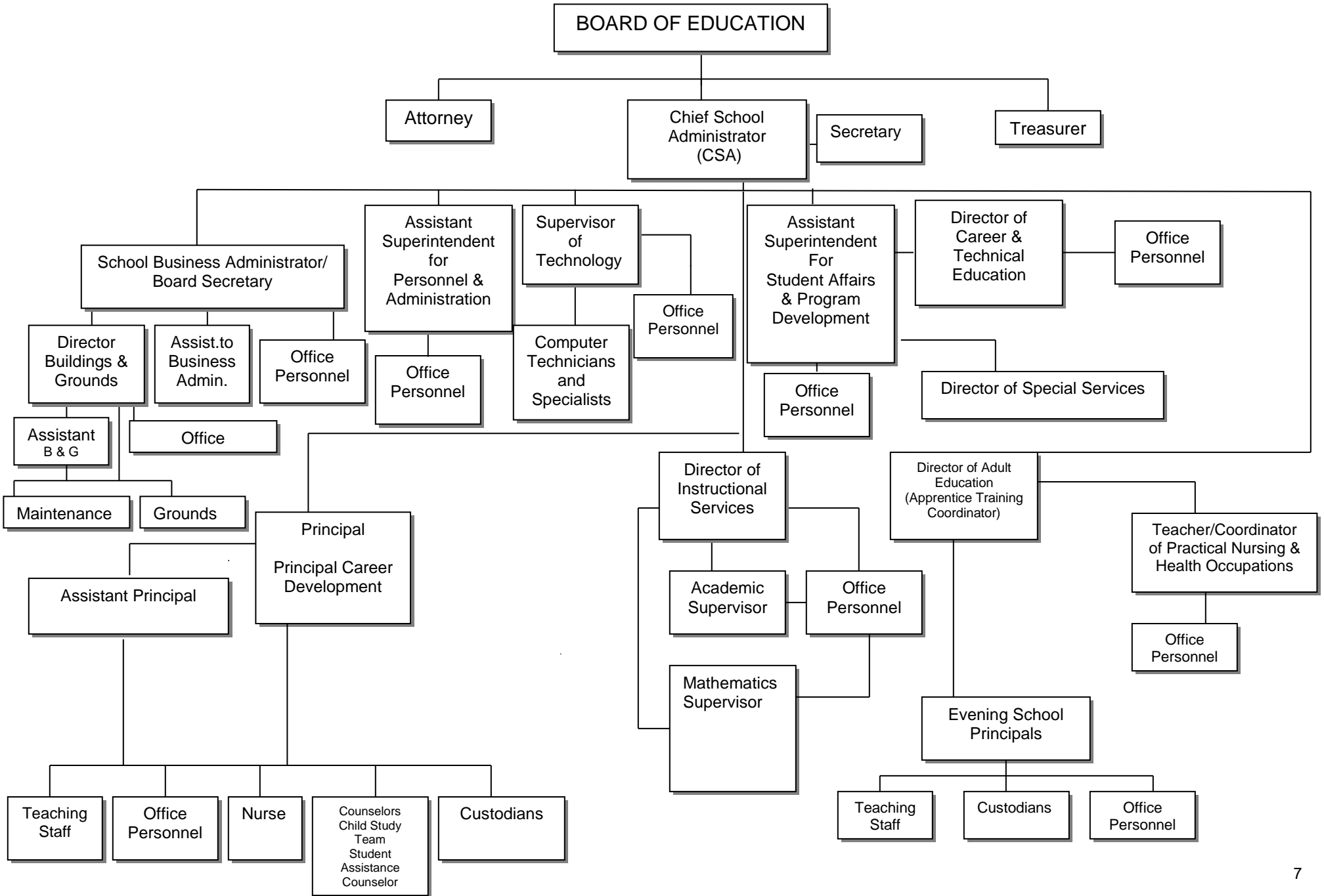


Dianne D. Veilleux  
Superintendent  
Administrator



Karl J. Knehr, CPA  
Board Secretary/Business Administrator

**Middlesex County Vocational and Technical High Schools  
ORGANIZATIONAL CHART  
June 30, 2019**



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey

Roster of Officials

June 30, 2019

| <b><u>Members of the Board of Education</u></b>            | <b><u>Term Expires</u></b> |
|--|----------------------------|
| Mr. Eugene J. Mullen III, President                        | 2021                       |
| Mrs. Gail E. Engel, Vice-President                         | 2020                       |
| Ms. Laura Czarneski, Board Member                          | 2019                       |
| Mr. Keith Jones II, Board Member                           | 2022                       |
| Mr. Kyle Anderson, Acting County Superintendent of Schools | N/A                        |

**Other Officials**

Ms. Dianne Veilleux, Superintendent

Mr. Karl J. Knehr, CPA, Board Secretary/Business Administrator

Ms. Francine Thompson, CPA, Assistant Board Secretary/Assistant Business Administrator

Mr. Joseph F. Greco, CPA, Treasurer

Anthony B. Vignuolo, Esq., Board Attorney

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey

Independent Auditors and Advisors

**Independent Auditors**

PKF O'Connor Davies, LLP  
20 Commerce Drive, Suite 301  
Cranford, New Jersey 07016

**Architects**

SSP Architectural Group, Inc.  
1011 Route 22, Suite 203  
Bridgewater, NJ 08807

**Attorney**

Borrus, Goldin, Foley, Vignuolo, Hyman and Stahl  
2875 U.S. Highway 1  
North Brunswick, New Jersey 08902

**Official Depositories**

Wells Fargo  
New Brunswick Office  
George and Church Streets  
New Brunswick, New Jersey 08901



## **Financial Section**

## Independent Auditors' Report

**The Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

County of Middlesex  
East Brunswick, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Middlesex County Vocational and Technical High Schools, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District'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.

### ***Auditors' 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements 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 auditors' 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 District's preparation and fair presentation of the financial statements in order to

**The Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 2

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, 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.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the OPEB liability associated with the District and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**The Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 3

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance 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 combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

**The Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 4

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

December 2, 2019  
Cranford, New Jersey

*David J. Gannon*

David J. Gannon  
Licensed Public School Accountant  
No. 2305

## **Required Supplementary Information – Part I**

Management's Discussion and Analysis

THE BOARD OF EDUCATION  
OF THE VOCATIONAL AND TECHNICAL HIGH SCHOOLS  
COUNTY OF MIDDLESEX  
STATE OF NEW JERSEY

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED

The following represents the Middlesex County Vocational and Technical High Schools’ (the “District”) discussion and analysis for fiscal year ended June 30, 2019. This document is designed to assist the reader in understanding the presentation format of the basic financial statements and provide an overview of the District’s financial activities. The analysis should aid the users in determining the impact of current year operations on the district’s overall financial position. Please use this discussion in conjunction with the transmittal letter to develop a better understanding of how the District’s operations relate to the financial information presented in this report.

Management’s Discussion and Analysis (MD&A) is an element of Required Supplementary Information and required by the Governmental Accounting Standards Board. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**ANNUAL REPORTING**

The Financial section of the Annual Report for the District contains basic financial statements that capture the majority of the District’s financial information for the period covered under this report. These statements along with this analysis, the letter of transmittal and other supplemental information convey a picture of the District’s overall financial health. The basic financial statements consist of two separate and distinct sets of financial statements (Government-wide and fund financial statements) complemented by the notes to the basic financial statements. Both sets of statements provide their own unique perspective on presenting the District’s finances.

**GOVERNMENT-WIDE STATEMENTS**

The Government-wide statements (pgs. 28-29) represent a look at government financial reporting. The intention of these statements is to provide financial information on the District as a whole rather than on an individual fund basis. This is achieved by consolidating governmental and business type activities on the same statements using the same measurement focus and basis of accounting.

*Statement of Net Position:* This statement provides a different approach to the traditional balance sheet. The focus is on net position rather than fund balance. In simple terms, net position represent the resources available to the District after all the liabilities have been satisfied.

|        |   |                  |   |             |   |                 |   |              |
|--------|---|------------------|---|-------------|---|-----------------|---|--------------|
| Assets | + | Deferred Outflow | - | Liabilities | - | Deferred Inflow | = | Net Position |
|--------|---|------------------|---|-------------|---|-----------------|---|--------------|

The statement is presented using the full accrual basis of accounting for both governmental funds and business type funds. It also provides a long-term view by including capital assets and long-term debt within the statements. In the past, these items were reported separately in their own account groups. This integrated concept provides a more complete view of the District’s financial position.

*Statement of Activities:* The statement of activities is also a departure from the operating statement approach. The emphasis of this statement is on net expenses.

$$\boxed{\text{Expenses}} - \boxed{\text{Program Revenue}} = \boxed{\text{Net Expense}}$$

The statement format presents expenses first, detailed by functional area, then offset by direct program revenue. The idea reinforces the concept that government exists to provide services rather than earn money. This statement also uses the full accrual basis of accounting, separates government and business type activities, and consolidates at the bottom to show the district as a whole. Government activities represent the basic services of education: instruction, guidance, administration, and plant services. Business-type activities reflect the activities of the District's food services which operates similar to a business. The very bottom of the statement includes general revenues and records the changes in net position from one period to another period. General revenues are funds collected that can't be identified with or allocated to specific program activities. This includes items such as property taxes, tuition, and investment earnings.

## FUND FINANCIAL STATEMENTS

The fund financial statements (pgs. 30-37) continue where the government-wide financial statements stop. Unlike the government-wide statements, the focus is on the individual funds rather than the broad scope. These statements complement the government-wide statement by providing more detail on the District's operations. Although the majority of these statements reflect a short term view by removing capital assets and non-current liabilities, they provide a closer look at the District's finances by detailing information about the most significant funds. The district maintains three different types of funds: governmental, proprietary, and fiduciary.

*Governmental Funds:* These statements (pgs. 30-32) are presented on a modified accrual basis of accounting. The statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. They provide detailed activities for the general, special revenue, and capital projects funds.

In order to show relationships with other financial information presented in this report, the fund financial statements for governmental funds contain reconciliation with the government-wide financial statements.

Balance Sheet (pg. 30): The total fund balances for all governmental funds are reconciled with the net position of governmental activities on the statement of net position (government-wide statement pg. 28) by adding in capital assets, net of depreciation and long-term liabilities.

Statement of Revenues, Expenditures and Changes in Fund Balance: The net change in fund balance from this statement (pg. 31) is reconciled with change in net position of governmental activities from the statement of activities (government-wide statements pg. 29) on a separate schedule (pg. 32). To reconcile to full accrual depreciation expense and compensated absences earned are removed from fund balances. Outlays for capital assets and the repayment of long-term debt are added into the change in fund balance.

*Enterprise Fund:* The enterprise fund statements reflect the activities of the district's business type services. Currently, the District only operates a food service fund. These statements and the



government-wide statements are kept on the same basis of accounting (full accrual) and do not require a reconciliation. The difference between the statements again is the level of detail provided. This detail enables the reader a more in-depth analysis of enterprise fund activities. The fund financial statements for the enterprise fund includes a statement of net position, statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The format and information presented in these statements (pgs. 33-35) is similar to pre-GASB 34 reports.

*Fiduciary Funds:* There are several funds in which the District acts as a fiduciary. These funds are held in trust and include student activities, payroll agency, and scholarship funds (pgs 36-37). Unlike the governmental and proprietary funds, the fund financial statements are the only place where the fiduciary funds are reported. The fiduciary funds are not included in the government-wide statements because the District cannot utilize these funds for its operations. The District is responsible for ensuring these funds are restricted for their intended purpose. The fund statements include a statement of fiduciary net positions and a statement of changes in fiduciary net position for the scholarship trust fund.

*Notes to the basic financial statements:* The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 38-78 of this report.

*Other information:* The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 84-113 of this report.

## **GOVERNMENT WIDE FINANCES**

Before an appropriate analysis of the financial information presented can be made, an explanation of the basics in vocational and technical school finances is required. Unlike a typical school district that maintains its status as an autonomous agency reporting only to its local school board and the Department of Education, the vocational and technical school is connected to its county government as well. We are considered a component unit of the County of Middlesex under the requirements of GASB 14 and GASB 39. Although the District reports to the State Department of Education, the County of Middlesex provides us with the majority of revenue, appoints our Board members, and approves our budget through the Board of School Estimates. Because of this relationship, the county has the ability to significantly influence the financial policies and philosophy of this District.

There are several differences between the finances of a regular school district and a vocational and technical school district. The most significant difference is the manner in which funds are raised.

*Tax Revenue:* A regular school district will determine the amount of tax revenue needed to support the budget, set a tax rate, and seek voter approval. Once the budget is approved, the taxes are collected using the local municipality as the collection agent. The vocational and technical school district has a more indirect relationship with regard to tax revenue. What the District refers to as tax revenue is really an appropriation from the county's budget. The county prepares a fiscal budget on a calendar year basis. After considering all their appropriations and revenue from other sources, the county sets a tax rate and collects tax revenue for the entire county budget. The vocational and technical school represents one line on the expenditure side of this budget. This amount will vary from year to year depending on the vocational and technical school district's budgetary needs. However, just because a determination of needs is made, there is no guarantee the vocational and technical school will receive the amount requested. If the county wishes to cut taxes, the vocational and technical school appropriation may be held flat or even reduced in a

particular year. To the extent that state aid and other revenue can not make up the difference, the vocational and technical school is forced to make its own budget reductions to conform to available revenues.

*Capital Outlay and Capital Projects:* A typical school district will raise taxes and issue long term debt (bond sale) to support its capital outlay and capital projects. The vocational and technical school supports all its capital expenditures by an appropriation from the county's capital budget. All the funds for this budget are raised through a combination of short term and long term financing that result in the sale of county bonds. The key element in this equation is that because the debt is retained by the county, they are solely responsible for the payment of these bonds. This characterizes a Type I district.

Now that we have looked at some of the mechanics in vocational and technical school funding, the results of operations for the current year will be discussed.

The following presents the net position of the governmental activities as of June 30, 2019 and 2018:

Table 1  
Net Position  
As of  
(In Millions)

|                               | June 30,<br>2019<br>District<br>Totals | June 30,<br>2018<br>District<br>Totals |
|-------------------------------|--|--|
| Current and other assets      | \$ 7.8                                 | \$ 7.7                                 |
| Capital assets                | 81.8                                   | 81.1                                   |
| Total assets                  | <u>89.6</u>                            | <u>88.8</u>                            |
| Pension Deferrals             | <u>3.4</u>                             | <u>4.9</u>                             |
| Current and other liabilities | (2.1)                                  | (1.9)                                  |
| Long-term liabilities         | <u>(25.1)</u>                          | <u>(28.6)</u>                          |
| Total liabilities             | <u>(27.2)</u>                          | <u>(30.5)</u>                          |
| Pension Deferrals             | <u>(5.0)</u>                           | <u>(3.5)</u>                           |
| Net position                  |  |  |
| Invested in capital assets    | 72.2                                   | 71.0                                   |
| Restricted                    | 3.2                                    | 3.3                                    |
| Unrestricted                  | <u>(14.6)</u>                          | <u>(14.6)</u>                          |
|                               | <u>\$ 60.8</u>                         | <u>\$ 59.7</u>                         |

An examination of Table 1 indicates the results of operations for the 2018-2019 school year resulted in a \$1.1 million slight increase in total net position. Capital assets increased with the completion of several new projects. Current and other assets

increased as well as current and other liabilities. Any potential increase in net position was offset by the fluctuation in pension liability passed on by the state.

Table 2 offers a closer look at the \$(14.6) million in unrestricted net position:

Table 2  
Unrestricted Net Position  
As of  
(In Millions)

Unrestricted net position from:

|                               |        |            |
|-------------------------------|--------|------------|
| Encumbrances                  | \$     | 0.8        |
| Designated in subsequent year |        | 1.2        |
| Unfunded compensated absences |        | (1.1)      |
| Pension liability             |        | (16.4)     |
| Results from operations       |        | 0.9        |
| <br>Total                     | <br>\$ | <br>(14.6) |

*Encumbrances:* Encumbrances are used to record outstanding purchase commitments for the District on a perpetual basis. As ordered items are received and services are rendered throughout the school year, encumbrances are invoiced and eventually paid. Open encumbrances at year end represent the value of outstanding purchase commitments as of June 30, 2019. These amounts are recorded in unrestricted net position and re-appropriated in next year's budget.

*Designated in subsequent year:* This value represents the estimated amount of fund balance that was allocated to support the 2019-2020 budget. The annual school budget is prepared and adopted prior to the start of the new fiscal year (July 1, 2019).

*Compensated Absences:* Compensated absences consist of unused sick and personal days, which accumulate for every employee on an annual basis. Although the cost of these days is recorded as an expense when earned, the actual payout is only made upon the employee's retirement. If an employee leaves the district before retirement, the days are forfeited. The rate for accumulated sick and personal days is determined by contract. The current portion of this liability is also funded through the annual school budget.

*Pension Liability:* This amount represents the District's proportionate share of its net pension liability in the State's Public Employer Retirement System, which is a multiple employer's cost sharing plan.

As demonstrated by Table 2, Pension liability and compensated absences are recorded as a reduction against unrestricted net position. This is significant when you consider that encumbrances and the amount designated in the subsequent year are expected to be expended,

leaving only the results from operations to be offset against these deficits. The long-term outlook of the full accrual basis requires that these items be recorded as long term liabilities. It is important to note that since these debts only encumber resources without an offsetting asset, they are netted against the District's unrestricted net position.

The question now becomes what impact does this have on the District's finances and its ability to operate? In two words or less: very little. In its simplest terms, the deficit represents the funds required to satisfy these long term liabilities should the District cease its operations tomorrow. Although a number of net position remain encumbered, the sale of any capital assets would more than satisfy these debts should the vocational and technical school close its doors. Since the District's operations will not be suspended (and its assets unavailable to satisfy this debt) - these debts are technically considered unfunded. Then how will they be paid? As discussed previously, the current portion of these debts are satisfied through the district's annual operating budget. Based upon this, you may consider these debts funded: funded on an annual basis by the budget rather than accumulated unrestricted net position.

Another question that can be raised in this: why not accumulate enough unrestricted net position through operations to offset these debts completely and have some left over for emergencies? The answer lies in fiscal philosophy and policies of Middlesex County and as previously indicated, its ability to exercise influence on the vocational and technical school with regard to these policies. The County of Middlesex remains conservative in its budget practices. Keeping the County tax rate affordable for its citizens while maintaining quality services is always the emphasis of the budget process. As a major component of the County's budget, this philosophy has a "spill down" affect. The vocational and technical school is encouraged to request only what it absolutely needs and is required to appropriate any accumulated unassigned surplus (net position) maintained at the fiscal year's end. In keeping with these demands, the vocational and technical school's annual operating budget must be, on the whole, more accurate than the average school district. The work does not stop at the end of the budget process. Expenditures and revenues must be closely monitored throughout the school year. Overruns and short falls need to be accounted for to ensure a positive outcome for operations at year end. Although the relationship may appear difficult, Middlesex County has always remained fiscally committed to the vocational and technical school programs. The District's management believes these practices promote a fiscally responsible attitude and are key to remaining operationally sound.

Table 3 (Change in Net Position) provides a comparison in the change in net position between the two fiscal years.

Table 3  
Change in Net Position  
Governmental Activities  
For the Year Ended  
(In Millions)

|  | <u>June 30,<br/>2019</u> | <u>June 30,<br/>2018</u> |
|--|--------------------------|--------------------------|
| Revenues:                                |                          |                          |
| Program Revenues:                        |                          |                          |
| Federal and state grants                 | \$ 2.2                   | \$ 2.0                   |
| Capital grants                           | -                        | 0.2                      |
| General revenues                         |                          |                          |
| Property taxes                           | 26.8                     | 26.0                     |
| Federal and state aid, not restricted    | 24.0                     | 32.4                     |
| County capital contribution              | 3.1                      | 3.0                      |
| Other general revenues                   | <u>1.3</u>               | <u>1.7</u>               |
| Total revenues                           | <u>57.4</u>              | <u>65.3</u>              |
| Functions/Program Expenses:              |                          |                          |
| Instruction                              |                          |                          |
| Regular                                  | 10.7                     | 12.2                     |
| Other special instruction                | 0.2                      | 0.2                      |
| Vocational                               | 13.3                     | 15.7                     |
| Other instruction                        | 1.0                      | 1.2                      |
| Support Services                         |                          |                          |
| Student and instruction related services | 7.1                      | 8.2                      |
| General administrative services          | 1.6                      | 1.9                      |
| School administrative services           | 4.9                      | 5.9                      |
| Plant operations and maintenance         | 9.1                      | 10.1                     |
| Pupil transportation                     | 0.2                      | 0.2                      |
| Business and other support services      | 2.4                      | 3.1                      |
| Special Schools                          | 2.2                      | 2.6                      |
| Interest Expense                         | 0.3                      | 0.3                      |
| Unallocated depreciation                 | <u>3.2</u>               | <u>3.0</u>               |
| Total expenses                           | <u>56.2</u>              | <u>64.6</u>              |
| Increase (Decrease) in Net Position      | <u>\$ 1.2</u>            | <u>\$ 0.7</u>            |

During the 2018-19 fiscal year net position increased \$1.2 million which was a \$0.5 million increase over the prior year's result. Table 3 illustrates significant overall decreases in both total revenue and total expenses in spite of increases in both tax revenue and actual unrestricted state aid provided for operations. The fluctuation can all be attributed to pension and postemployment medical benefit payments made by the state on our behalf for the Teachers' Pension and Annuity

Fund. The District records these payments as both revenue (state aid) and expense (benefits) in offsetting amounts. The allocation for post-employment medical benefit decreased dramatically between fiscal year 2018 and 2019 creating the disparity.

Business activities represent the results from the District’s food service program. Table 4 reflects the change in net position for these activities.

Table 4  
Change in Net Position  
Business-Type Activities  
For the Year Ended  
(In Thousands)

|   | June 30,<br>2019 | June 30,<br>2018 |
|---|------------------|------------------|
| Program Revenues:                       |                  |                  |
| Charges for services                    | \$ 272.5         | \$ 248.1         |
| Federal and state reimbursement program | 486.1            | 478.4            |
| Total revenue                           | 758.6            | 726.5            |
| Functions/Programs:                     |                  |                  |
| Food Services                           | 704.7            | 636.0            |
| Total expenses                          | 704.7            | 636.0            |
| Increase in net position                | \$ 53.9          | \$ 90.5          |

The food service program is run by the Aramark Corporation. Aramark is a food service management company and its relationship with the District has existed for over 20 years. While the District’s management works as an oversight and retains final responsibility, Aramark is responsible for the daily operations. Under their supervision, the cafeteria operations remain efficient and revenues continue to outpace expenditures. For the 2019 fiscal year, operating revenues increased with the number of reimbursable and non-reimbursable meals sold. Operational expenses including cost of sales, general supplies, salaries and benefits also increased with the additional sales volume. Depreciation expense increased with the replacement of old equipment. The district did not need to contribute to the food service. The district’s contribution for food service operations was \$0 (Table 4) for the 2019 and 2018 fiscal years.

**INDIVIDUAL FUND FINANCES**

As noted earlier, the individual funds reflected in the fund financial statements provide more detail of activities for the fiscal year.

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 general fund records the result of the District’s primary operations. The vocational and technical schools primary focus is the business of educating and training the students of Middlesex County. All the related expenses including instruction, student services, administrative, and plant are recorded in this fund. County appropriations (tax revenue), state aid and tuition make up the majority of revenue received to support these expenses. As previously discussed, the District

continues to contend with increases in employee benefits even with statutory employee contributions. Other expenses continued to rise with the need for expanded instruction. An analysis of increases and decreases in expenses is presented in section (B) as part of a summary of general and special revenue fund expenditures.

The special revenue fund accounts for all the grants received from federal, state and local sources. The majority of these grants are federal entitlement programs. More significant programs include Title I, IDEA, and Carl Perkins funding. These programs provide funds designed to supplement the instructional process.

(A) The following schedule presents a summary of the general fund, special revenue fund and capital projects fund revenues for the fiscal year ended June 30, 2019 and increases and decreases as compared to the prior year

| Revenue         | Amount               | Percent of Total | Increase (Decrease) | Percent of Increase (Decrease) |
|-----------------|----------------------|------------------|---------------------|--------------------------------|
| Local Sources   | \$ 31,188,664        | 57.43%           | \$ 565,566          | 1.85%                          |
| State Sources   | 20,747,257           | 38.21%           | 956,091             | 4.83%                          |
| Federal Sources | <u>2,369,658</u>     | <u>4.36%</u>     | <u>369,765</u>      | <u>18.49%</u>                  |
| Total:          | <u>\$ 54,305,579</u> | <u>100.00%</u>   | <u>\$ 1,891,422</u> | <u>3.61%</u>                   |

The increase in Local Sources is reflective of an increased county tax contribution for the 2018-19 school year.

Increases in unrestricted State Aid and non-budgeted TPAF pension on behalf payments continue to boost revenues from state sources.

Federal aid increased with additional funds received from Perkins and Title I programs. The district also received new funds for a pre-employment transition federal funded grant program.

(B) The following schedule presents a summary of general fund, special revenue fund and capital projects fund expenditures for the fiscal year ended June 30, 2019, and the percentages of total increases and decreases as compared to the prior year.

| Expenditures               | Amount               | Percent of Total | Increase (Decrease) | Percent of Increase (Decrease) |
|----------------------------|----------------------|------------------|---------------------|--------------------------------|
| <b>Current Expense:</b>    |                      |                  |                     |                                |
| Instruction                | \$ 15,592,232        | 28.71%           | \$ 617,236          | 4.12%                          |
| Undistributed Expenditures | 32,734,656           | 60.27%           | 894,608             | 2.81%                          |
| Capital Outlay             | 4,683,289            | 8.62%            | (730,338)           | -13.49%                        |
| Special Schools            | 1,298,753            | 2.40%            | 24,692              | 1.94%                          |
| <b>Total:</b>              | <b>\$ 54,308,930</b> | <b>100.00%</b>   | <b>\$ 806,198</b>   | <b>1.51%</b>                   |

Instructional expenses continued to increase with a new teachers contract in place. Additional purchases of classroom technology and furniture were encumbered in the prior year but paid in the current year.

Support expenses increased over the prior year as TPAF social security, pension, and post-retirement medical on-behalf contributions continue to expand.

With a significant amount of projects completed in the prior year, capital outlay expense decreased during 2018-19.

Special Schools remained fairly consistent with the prior year.

## BUDGET ANALYSIS

The State of New Jersey required that each District prepare, advertise, and submit an annual school budget prior to the start of the fiscal year. The time table for this process is provided by the State annually. As previously mentioned, the vocational and technical school prepares the budget with extreme care to ensure that revenue and expenditure predictions are as accurate as possible. Despite their level of documented support, they remain predictions, and as such, do not recognize unexpected change. In order to deal with unexpected change, the District revised its budget by line item transfers periodically throughout the year. While there are very few transfers made in the first nine months, there are a number of transfers made in the final three. These transfers are experience-driven and indicate the cumulative result of change and year-end close out. The following represents an analysis of current year budget highlights:

### *Revenue:*

1. Taxes were collected and received in the amount budgeted.
2. Interest earned was received under budget as interest rates remain extremely low and the cost of bank services increase.



3. Tuition collections were received under budget. Actual revenue decreased over the prior year due to a drop in Licensed Practical Nursing and out of county special education enrollment.
4. Miscellaneous revenue collection exceeded predictions. Unbudgeted ESIP rebates were received. Adult education registration fees continue to grow with additional certificate program offerings and an increase in apprentice participation.

*Expenditures:*

Original Budget vs. Final Budget

1. The majority of variances between original and final budget can be explained by prior year encumbrances. Items that were ordered in the prior year and received in this fiscal year are rolled over into the current budget through the transfer line. These items increase the final appropriation and are spent through the current budget.
2. Over estimated cost in personnel under regular and special vocational instruction allowed transfers to other accounts covering unanticipated expenses.
3. Excess budgeted funds from the retirement and resignation in child study team members were transferred to accommodate a need for more guidance counselors.
4. Additional funds were needed to help with the increasing need for technology support throughout the school year.
5. Amounts budgeted for facility and maintenance staff were in excess of the resources needed. There were anticipated positions available that remain open.
6. Transfers were made in natural gas for an increase in demand.
7. Additional resources were needed for student transportation to offset cost and volume with regards to field trips.
8. Amounts budgeted for fringe benefits were less than anticipated for health benefits, workers compensation and unemployment compensation which allowed transfers to other accounts.

## Final Budget vs. Actual

1. The majority of variances between final budget and actual can be explained by encumbrances. These reserves recognize goods and services ordered as of year end but not received. While this amount is shown as reserved on the balance sheet, the encumbrances are not reflected on schedule C-1 (pgs. 79-83), the budgetary comparison schedule.
2. Expenditures in various instructional and support salary accounts were lower than expected. A significant amount of retirements and staff changes after the budget was finalized accounted for the disparity between budget and actual.
3. General administrative cost were lower than expected. Some budgeted services were not needed. Cost associated with internet access, wide area networks, and other communication expenses continue to decrease.
4. There was a small surplus of funds in the electricity account due to the implantation of an energy saving improvement plan.
5. The amount of support for the upkeep of grounds including athletic fields throughout the District was overestimated leaving a small surplus.
6. Tuition reimbursement came in lower than anticipated due to a decrease in the number of classes taken by employees.
7. Health benefits came in lower than expected with a unanticipated smaller increase in state health benefit plan premium.
8. Instructor expense, supply cost, and other expense for evening school were over anticipated. Certain programs were not operated due to a lack of enrollment.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### CAPITAL ASSETS

As of June 30, 2019, capital assets for the district totaled \$81.8 million, net of accumulated depreciation. Capital assets include land, buildings, equipment, and construction in progress as detailed in Table 5.

Table 5  
Capital Assets  
June 30, 2019  
(In Millions)

|                                    | Governmental<br>Activities |      |
|------------------------------------|----------------------------|------|
| Land and site improvements         | \$                         | 12.6 |
| Building and building improvements |                            | 64.4 |
| Furniture and equipment            |                            | 3.4  |
| Construction-in-progress           |                            | 1.4  |
|                                    | \$                         | 81.8 |

The net investment in capital assets increased 1.0% from the prior year. That increase included depreciation expense of \$3.93 million offset by additions recorded in the amount of \$4.58 million and net of related debt of \$9.9 million. The following is the detail of those additions:

|  | Additions<br>(in millions) |
|--|----------------------------|
| Piscataway Paving                      | \$ 0.29                    |
| East Brunswick ESIP Chiller            | 0.32                       |
| East Brunswick HVAC Classrooms         | 0.70                       |
| East Brunswick Auditorium Sound System | 0.15                       |
| Piscataway Science Lab Renovations     | 0.80                       |
| Piscataway Roof/Masonry work           | 0.03                       |
| Piscataway Roof                        | 1.05                       |
| Construction in Progress               | 0.59                       |
| Equipment                              | 0.65                       |
|  | \$ 4.58                    |

Detail information on capital assets is presented in note 4 to the basic financial statements.

#### LONG-TERM DEBT

As noted previously, the District is a Type I district and as such raises all its funding for capital expenditures through Middlesex County. The debt on the District's books as of June 30, 2019 relates to the State of New Jersey's Public Employment Retirement System. The majority of the debt represents the District's share of its net pension liability. Payments are made annually to the State of New Jersey.

The District has a lease purchase payable for funds borrowed from TD Equipment Finance which commenced on April 23, 2015 to fund for the District's energy savings improvement plan. Payments for interest and principle will be made over 240 months that commenced July 15, 2015 and payable January and July 15<sup>th</sup> of each year.

Other district obligations include accrued sick and personal days. More detailed information is presented in note 5 of the basic financial statements.

#### OTHER CONSIDERATIONS

While the District's financial picture has improved over the past few years, some uncertainty still exists around our funding sources. In spite of the fiscal issues at the state level, our funding from unrestricted state aid increased for both the 2018-19 and 2019-20 school years. It appears that the state is focusing on providing aid based on the school funding formula that was made into law through the School Funding Reform Act of 2008. According to the current calculations from the 2019-20 budget we are \$4 million underfunded by the funding formula. The state has begun to address this issue with an aid increase that began in 2018-19. The increase came from a combination of reallocating funding from the districts that were over-funded according to the formula and an overall increase in new state funding for education. In the short term the state will continue with this method in an effort to close the gap for underfunded districts. The only question that remains is whether the state budget can support future increases as obligations to the state

pension systems and retirement health benefits continue to rise. On the local level the state has imposed a cap with regard to the amounts municipal and county governments can increase local tax levies. While the cap doesn't apply to vocational districts directly, it will indirectly continue to limit any additional funding from our county funding source. The revenue cap stands currently at two percent. As health benefits cost increase and as contractual salary rates settle above three percent, future revenues will not keep pace with expenditures. With that in mind, New Jersey School Districts may be challenged in the near future.

An area of concern that continues to be challenging is enrollment. As we have seen the fruits of our labor with continued interest in our academies, revitalization of existing programs as well as new offerings will be essential to the recruitment process at the larger campuses. The real challenge will be updating programs and introducing new areas in an environment of limited resources. Sustained growth and increased efficiency will be the key to the vocational school's financial viability and overall success.

On a positive note Career and Technical Education has been embraced on both the State and National platform as part of the solution in education as we move forward. Technical education will be the backbone in keeping up with employer demand for higher level entry positions as technology replaces low end opportunities. With that in mind the New Jersey State legislature has passed a bill that would provide additional resources for vocational and technical schools to expand our programs. We are currently waiting for guidelines from the state to understand the amount of funds allocated, who these funds will be made available to, and how these funds could be spent. While there are still quite a few unknowns, the concept supports the theory that career and technical education will have a bigger role in the near future.

## **FINANCIAL MANAGEMENT CONTACT**

The Middlesex County Vocational School's financial report intended to demonstrate the district's accountability and provide the users (citizens, taxpayers, parents, students and creditors) with a general overview of the district's finances. Questions or request for additional financial information should be directed to the School Business Administrator / Board Secretary at 112 Rues Lane in East Brunswick, New Jersey 08816.

## **Basic Financial Statements**

## **Government-wide Financial Statements**

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2019.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Net Position  
June 30, 2019**

|                                      | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
|--------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                        |                                    |                                     |                      |
| Cash and cash equivalents            | \$ 5,100,064                       |                                     | \$ 5,100,064         |
| Internal balances                    | (284,484)                          | \$ 284,484                          | -                    |
| Accounts receivable                  | 2,111,752                          | 36,341                              | 2,148,093            |
| Other asset                          | 1,393                              |                                     | 1,393                |
| Inventory                            |                                    | 8,745                               | 8,745                |
| Restricted assets:                   |                                    |                                     |                      |
| Capital reserve account - cash       | 950,100                            |                                     | 950,100              |
| Capital assets, non-depreciable      | 8,734,422                          |                                     | 8,734,422            |
| Capital assets, depreciable, net     | 73,030,660                         | 132,952                             | 73,163,612           |
| Total Assets                         | <u>89,643,907</u>                  | <u>462,522</u>                      | <u>90,106,429</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b> |                                    |                                     |                      |
| Pension deferrals                    | <u>3,428,728</u>                   |                                     | <u>3,428,728</u>     |
| <b>LIABILITIES</b>                   |                                    |                                     |                      |
| Accounts payable                     | 1,794,549                          | 78,913                              | 1,873,462            |
| Accrued Interest Payable             | 119,908                            |                                     | 119,908              |
| Payable to other governments         | 1,934                              |                                     | 1,934                |
| Insurance claims payable             | 47,219                             |                                     | 47,219               |
| Other payables                       | 26,354                             | 773                                 | 27,127               |
| Unearned revenue                     | 68,597                             | 1,815                               | 70,412               |
| Net pension liability                | 14,153,115                         |                                     | 14,153,115           |
| Noncurrent liabilities:              |                                    |                                     |                      |
| Due within one year                  | 449,802                            |                                     | 449,802              |
| Due beyond one year                  | 10,545,733                         |                                     | 10,545,733           |
| Total liabilities                    | <u>27,207,211</u>                  | <u>81,501</u>                       | <u>27,288,712</u>    |
| <b>DEFERRED INFLOW OF RESOURCES</b>  |                                    |                                     |                      |
| Pension deferrals                    | <u>5,025,137</u>                   |                                     | <u>5,025,137</u>     |
| <b>NET POSITION</b>                  |                                    |                                     |                      |
| Net investment in capital assets     | 72,180,605                         | 132,952                             | 72,313,557           |
| Restricted for:                      |                                    |                                     |                      |
| Capital projects                     | 2,109,708                          |                                     | 2,109,708            |
| Other purposes                       | 1,091,428                          |                                     | 1,091,428            |
| Unrestricted                         | (14,541,454)                       | 248,069                             | (14,293,385)         |
| Total net position                   | <u>\$ 60,840,287</u>               | <u>\$ 381,021</u>                   | <u>\$ 61,221,308</u> |

See accompanying notes to the basic financial statements.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Activities  
Year Ended June 30, 2019**

| Functions/Programs                          | Expenses             | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                      |
|---|----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total                |
| <b>Governmental activities:</b>             |                      |                         |  |  |  |                             |                      |
| Instruction:                                |                      |                         |  |  |  |                             |                      |
| Regular                                     | \$ 10,718,554        |                         | \$ 586,393                               |  | \$ (10,132,161)                                      |                             | \$ (10,132,161)      |
| Other special instruction                   | 182,506              |                         |  |  | (182,506)  |                             | (182,506)            |
| Vocational                                  | 13,348,904           |                         | 796,065                                  |  | (12,552,839)   |                             | (12,552,839)         |
| Other instruction                           | 1,060,995            |                         |  |  | (1,060,995)  |                             | (1,060,995)          |
| Support services:                           |                      |                         |  |  |  |                             |                      |
| Support services                            | 7,063,782            |                         | 842,888                                  |  | (6,220,894)  |                             | (6,220,894)          |
| General administrative services             | 1,577,011            |                         |  |  | (1,577,011)  |                             | (1,577,011)          |
| School administrative services              | 4,953,371            |                         |  |  | (4,953,371)  |                             | (4,953,371)          |
| Plant operations and maintenance            | 9,135,194            |                         |  |  | (9,135,194)  |                             | (9,135,194)          |
| Pupil transportation                        | 213,877              |                         |  |  | (213,877)  |                             | (213,877)            |
| Business and other support services         | 2,366,024            |                         |  |  | (2,366,024)  |                             | (2,366,024)          |
| Special schools                             | 2,194,245            |                         |  |  | (2,194,245)  |                             | (2,194,245)          |
| Interest expense                            | 253,618              |                         |  |  | (253,618)  |                             | (253,618)            |
| Unallocated depreciation                    | 3,175,828            |                         |  |  | (3,175,828)  |                             | (3,175,828)          |
| Total governmental activities               | <u>56,243,909</u>    |                         | <u>2,225,346</u>                         |  | <u>(54,018,563)</u>                                  |                             | <u>(54,018,563)</u>  |
| <b>Business-type activities:</b>            |                      |                         |  |  |  |                             |                      |
| Food Service                                | 704,751              | \$ 272,516              | 486,185                                  |  |  | \$ 53,950                   | 53,950               |
| Total business-type activities              | <u>704,751</u>       | <u>272,516</u>          | <u>486,185</u>                           |  |  | <u>53,950</u>               | <u>53,950</u>        |
| Total primary government                    | <u>\$ 56,948,660</u> | <u>\$ 272,516</u>       | <u>\$ 2,711,531</u>                      | <u>\$ -</u>                            | <u>(54,018,563)</u>                                  | <u>53,950</u>               | <u>(53,964,613)</u>  |
| General revenues:                           |                      |                         |  |  |  |                             |                      |
| Property taxes, levied for general purposes |                      |                         |  |  | 26,837,956   |                             | 26,837,956           |
| Federal and State aid not restricted        |                      |                         |  |  | 23,991,400   |                             | 23,991,400           |
| County capital contribution                 |                      |                         |  |  | 3,100,000  |                             | 3,100,000            |
| Tuition                                     |                      |                         |  |  | 507,425  |                             | 507,425              |
| Interest Earned                             |                      |                         |  |  | 16,271   |                             | 16,271               |
| Miscellaneous income                        |                      |                         |  |  | 727,012  |                             | 727,012              |
| Total general revenues                      |                      |                         |  |  | <u>55,180,064</u>                                    |                             | <u>55,180,064</u>    |
| Change in net position                      |                      |                         |  |  | 1,161,501  | 53,950                      | 1,215,451            |
| Net Position—beginning of year              |                      |                         |  |  | 59,678,786   | 327,071                     | 60,005,857           |
| Net Position—end of year                    |                      |                         |  |  | <u>\$ 60,840,287</u>                                 | <u>\$ 381,021</u>           | <u>\$ 61,221,308</u> |

See accompanying notes to the basic financial statements.



## **Fund Financial Statements**

## **Governmental Funds**

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Governmental Funds  
Balance Sheet  
June 30, 2019**

|  | <b>Major Funds</b>      |                                     |                                      | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
|  | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> |   |
| <b>ASSETS</b>                                |                         |                                     |                                      |   |
| Cash and cash equivalents                    | \$ 4,132,553            |                                     | \$ 967,511                           | \$ 5,100,064                            |
| Accounts receivable:                         |                         |                                     |                                      |   |
| Interfunds receivable                        | 275,734                 |                                     | 332,400                              | 608,134                                 |
| Federal                                      |                         | \$ 616,290                          |                                      | 616,290                                 |
| State  |                         | 47,907                              | 1,266,457                            | 1,314,364                               |
| Other governments                            | 117,805                 | 49,117                              |                                      | 166,922                                 |
| Other  | 14,176                  |                                     |                                      | 14,176                                  |
| Other asset                                  |                         |                                     | 1,393                                | 1,393                                   |
| Restricted assets:                           |                         |                                     |                                      |   |
| Cash and cash equivalents                    | 950,100                 |                                     |                                      | 950,100                                 |
| Total assets                                 | <u>\$ 5,490,368</u>     | <u>\$ 713,314</u>                   | <u>\$ 2,567,761</u>                  | <u>\$ 8,771,443</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b>         |                         |                                     |                                      |   |
| Liabilities:                                 |                         |                                     |                                      |   |
| Accounts payable                             | \$ 652,091              | \$ 346,578                          | \$ 112,273                           | \$ 1,110,942                            |
| Intergovernmental payables:                  |                         |                                     |                                      |   |
| Other governments                            |                         | 1,934                               |                                      | 1,934                                   |
| Interfunds payable                           | 584,486                 | 308,105                             |                                      | 892,591                                 |
| Insurance claims payable                     | 47,219                  |                                     |                                      | 47,219                                  |
| Other payables                               | 26,381                  |                                     |                                      | 26,381                                  |
| Unearned revenue                             | 11,900                  | 56,697                              |                                      | 68,597                                  |
| Total liabilities                            | <u>1,322,077</u>        | <u>713,314</u>                      | <u>112,273</u>                       | <u>2,147,664</u>                        |
| Fund balances:                               |                         |                                     |                                      |   |
| Restricted for:                              |                         |                                     |                                      |   |
| Capital reserve account                      | 950,100                 |                                     |                                      | 950,100                                 |
| Capital projects                             |                         |                                     | 2,455,488                            | 2,455,488                               |
| Excess Surplus - current year                | 59,540                  |                                     |                                      | 59,540                                  |
| Excess Surplus - prior year                  | 81,788                  |                                     |                                      | 81,788                                  |
| Assigned to:                                 |                         |                                     |                                      |   |
| Designated for subsequent years expenditures | 1,218,212               |                                     |                                      | 1,218,212                               |
| Other Purposes                               | 774,837                 |                                     |                                      | 774,837                                 |
| Unassigned                                   | 1,083,814               |                                     |                                      | 1,083,814                               |
| Total fund balances                          | <u>4,168,291</u>        |                                     | <u>2,455,488</u>                     | <u>6,623,779</u>                        |
| Total liabilities and fund balances          | <u>\$ 5,490,368</u>     | <u>\$ 713,314</u>                   | <u>\$ 2,567,761</u>                  |   |

Amounts reported for *governmental activities* in the statement of net position (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 \$ 146,860,560 and the accumulated depreciation is \$65,095,478 (see Note 4).                               | 81,765,082           |
| Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds   | (119,908)            |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5).  | (10,995,535)         |
| Deferred pension costs in governmental activities are not resources and are therefore not reported in the funds.  | (1,596,409)          |
| Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.   | (14,153,115)         |
| Accrued pension contributions for the June 30, 2019 plan year end are paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide Statement of Net Position. | <u>(683,607)</u>     |
| Net position of governmental activities   | <u>\$ 60,840,287</u> |

See accompanying notes to the basic financial statements.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2019**

|   | <b>Major Funds</b>      |                                     |                                      | <b>Total<br/>Governmental<br/>Funds</b> |
|---|-------------------------|-------------------------------------|--------------------------------------|---|
|   | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> |   |
| <b>REVENUES</b>   |                         |                                     |                                      |   |
| Local sources:  |                         |                                     |                                      |   |
| Local tax levy  | \$ 26,837,956           |                                     |                                      | \$ 26,837,956                           |
| County capital contribution                               |                         |                                     | \$ 3,100,000                         | 3,100,000                               |
| Tuition charges   | 507,425                 |                                     |                                      | 507,425                                 |
| Interest earned   |                         |                                     | 16,271                               | 16,271                                  |
| Miscellaneous   | 557,440                 | \$ 169,572                          |                                      | 727,012                                 |
| Total local sources                                       | <u>27,902,821</u>       | <u>169,572</u>                      | <u>3,116,271</u>                     | <u>31,188,664</u>                       |
| State sources   | 20,499,001              | 248,256                             |                                      | 20,747,257                              |
| Federal sources   | 30,716                  | 2,338,942                           |                                      | 2,369,658                               |
| Total revenues  | <u>48,432,538</u>       | <u>2,756,770</u>                    | <u>3,116,271</u>                     | <u>54,305,579</u>                       |
| <b>EXPENDITURES</b>                                       |                         |                                     |                                      |   |
| Current:  |                         |                                     |                                      |   |
| Regular instruction                                       | 6,064,914               | 466,960                             |                                      | 6,531,874                               |
| Other special instruction                                 | 105,477                 |                                     |                                      | 105,477                                 |
| Vocational education                                      | 7,608,230               | 659,942                             |                                      | 8,268,172                               |
| Other instruction   | 686,709                 |                                     |                                      | 686,709                                 |
| Support services and undistributed costs:                 |                         |                                     |                                      |   |
| Support Services  | 3,669,635               | 753,531                             |                                      | 4,423,166                               |
| General administrative services                           | 1,214,671               |                                     |                                      | 1,214,671                               |
| School administrative services                            | 2,838,682               |                                     |                                      | 2,838,682                               |
| Plant operations and maintenance                          | 7,544,983               |                                     |                                      | 7,544,983                               |
| Pupil transportation                                      | 213,877                 |                                     |                                      | 213,877                                 |
| Business and other support services                       | 1,441,040               |                                     |                                      | 1,441,040                               |
| Unallocated benefits                                      | 14,713,324              | 344,913                             |                                      | 15,058,237                              |
| Capital outlay  | 498,382                 | 531,424                             | 3,653,483                            | 4,683,289                               |
| Special schools   | 1,298,753               |                                     |                                      | 1,298,753                               |
| Total expenditures  | <u>47,898,677</u>       | <u>2,756,770</u>                    | <u>3,653,483</u>                     | <u>54,308,930</u>                       |
| Excess (Deficiency) of revenues over (under) expenditures | <u>533,861</u>          | <u>-</u>                            | <u>(537,212)</u>                     | <u>(3,351)</u>                          |
| Fund balance, July 1                                      | 3,634,430               | -                                   | 2,992,700                            | 6,627,130                               |
| Fund balance, June 30                                     | <u>\$ 4,168,291</u>     | <u>\$ -</u>                         | <u>\$ 2,455,488</u>                  | <u>\$ 6,623,779</u>                     |

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

See accompanying notes to the basic financial statements.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2019**

|   |           |                         |                   |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |
|---|-----------|-------------------------|-------------------|----|-----------|--|----------------------|--|--------------------|---------|-----------------|--|-----------------|--|--|-----------|-------------------------|--|
| <b>Total net change in fund balances - governmental funds (from B-2)</b>  | <b>\$</b> | <b>(3,351)</b>          |                   |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital additions 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 additions exceeded depreciation expense in the period.</p> <table style="width: 100%; margin-left: 400px;"> <tr> <td style="width: 60%;">Capital additions</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">4,584,908</td> <td style="width: 10%;"></td> </tr> <tr> <td>Depreciation expense</td> <td></td> <td style="text-align: right;"><u>(3,926,650)</u></td> <td style="text-align: right;">658,258</td> </tr> </table> <p>In the statement of net position, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount reflects the change from prior year.</p> <p>Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p> <p>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 (+).</p> <p>Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p> <table style="width: 100%; margin-left: 600px;"> <tr> <td style="width: 60%;">Pension expense</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;"><u>(77,615)</u></td> <td style="width: 10%;"></td> </tr> </table> <p><b>Change in net position of governmental activities (A-2)</b></p> <table style="width: 100%; margin-left: 800px;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: right;"><b>\$</b></td> <td style="width: 10%; text-align: right;"><b><u>1,161,501</u></b></td> <td style="width: 10%;"></td> </tr> </table> |           |                         | Capital additions | \$ | 4,584,908 |  | Depreciation expense |  | <u>(3,926,650)</u> | 658,258 | Pension expense |  | <u>(77,615)</u> |  |  | <b>\$</b> | <b><u>1,161,501</u></b> |  |
| Capital additions   | \$        | 4,584,908               |                   |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |
| Depreciation expense  |           | <u>(3,926,650)</u>      | 658,258           |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |
| Pension expense   |           | <u>(77,615)</u>         |                   |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |
|   | <b>\$</b> | <b><u>1,161,501</u></b> |                   |    |           |  |                      |  |                    |         |                 |  |                 |  |  |           |                         |  |

See accompanying notes to the basic financial statements.

## **Enterprise Fund**

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Net Position  
Enterprise Fund  
June 30, 2019**

|                                  | <b>Major Fund<br/>Food<br/>Service</b> |
|----------------------------------|--|
| <b>ASSETS</b>                    |  |
| Current assets:                  |  |
| Accounts receivable:             |  |
| State                            | \$          593                        |
| Federal                          | 35,748                                 |
| Interfund                        | 284,484                                |
| Inventory                        | 8,745                                  |
| Total current assets             | 329,570                                |
| Noncurrent assets:               |  |
| Capital assets:                  |  |
| Furniture, machinery & equipment | 189,551                                |
| Less accumulated depreciation    | (56,599)                               |
| Total capital assets, net        | 132,952                                |
| Total assets                     | 462,522                                |
| <b>LIABILITIES</b>               |  |
| Current liabilities:             |  |
| Accounts payable                 | 78,913                                 |
| Unearned revenue                 | 1,815                                  |
| Other payables                   | 773                                    |
| Total current liabilities        | 81,501                                 |
| <b>NET POSITION</b>              |  |
| Net investment in capital assets | 132,952                                |
| Unrestricted                     | 248,069                                |
| Total net position               | \$          381,021                    |

See accompanying notes to the basic financial statements.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Enterprise Fund  
Year Ended June 30, 2019**

|   | <b>Major Fund</b> |
|---|-------------------|
|   | <b>Food</b>       |
|   | <b>Service</b>    |
| <b>Operating revenues:</b>                |                   |
| Charges for services:                     |                   |
| Daily sales - reimbursable programs       | \$ 144,222        |
| Daily sales - non-reimbursable programs   | 100,618           |
| Special functions                         | 27,676            |
| Total operating revenues                  | 272,516           |
| <b>Operating expenses:</b>                |                   |
| Salaries                                  | 376,277           |
| Cost of sales - reimbursable programs     | 99,322            |
| Cost of sales - non-reimbursable programs | 21,718            |
| Food donation program                     | 49,456            |
| Other purchased services                  | 72,735            |
| General supplies                          | 69,618            |
| Depreciation                              | 15,402            |
| Other expenses                            | 223               |
| Total operating expenses                  | 704,751           |
| Operating (loss)                          | (432,235)         |
| <b>Nonoperating revenues:</b>             |                   |
| State sources:                            |                   |
| State school lunch program                | 7,386             |
| Federal sources:                          |                   |
| National school lunch program             | 313,159           |
| PB lunch - HHFKA                          | 8,318             |
| School breakfast program                  | 107,866           |
| Food donation program                     | 49,456            |
| Total nonoperating revenues               | 486,185           |
| Change in net position                    | 53,950            |
| Total net position—beginning of year      | 327,071           |
| Total net position—end of year            | \$ 381,021        |

See accompanying notes to the basic financial statements.



**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Cash Flows  
Enterprise Fund  
Year Ended June 30, 2019**

|   | <b>Major Fund</b>       |
|---|-------------------------|
|   | <b>Food<br/>Service</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                         |
| Receipts from customers   | \$ 276,892              |
| Payments to employees   | (376,277)               |
| Payments to suppliers   | (354,679)               |
| Net cash used in operating activities   | (454,064)               |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                  |                         |
| Cash received from state reimbursements   | 7,442                   |
| Cash received from federal reimbursements   | 481,000                 |
| Cash disbursed to other funds   | 53,491                  |
| Net cash provided by noncapital financing activities                                    | 541,933                 |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                         |                         |
| Purchases of capital assets   | (87,869)                |
| Net cash used in capital and related financing activities                               | (87,869)                |
| Net change in cash and cash equivalents   | -                       |
| Cash and cash equivalents, beginning of year  | -                       |
| Cash and cash equivalents, end of year  | \$ -                    |
| <b>Reconciliation of operating loss to net cash<br/>(used in) operating activities:</b> |                         |
| Operating loss  | \$ (432,235)            |
| Adjustments to reconcile operating loss to net cash<br>(used in) operating activities:  |                         |
| Depreciation  | 15,402                  |
| (Decrease) in other receivables   | 4,290                   |
| Increase in inventories   | (1,982)                 |
| Increase in unearned revenue  | 86                      |
| (Decrease) in other liabilities   | (125)                   |
| (Decrease) in accounts payable  | (39,500)                |
| Total adjustments   | (21,829)                |
| Net cash (used in) operating activities   | \$ (454,064)            |

The District received \$49,456 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2019.

See accompanying notes to the basic financial statements.

## **Fiduciary Funds**

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019**

|   | Private-Purpose<br>Scholarship Fund | Agency<br>Fund |
|---|-------------------------------------|----------------|
| <b>ASSETS</b>                               |                                     |                |
| Cash and cash equivalents                   | \$ 6,028                            | \$ 855,029     |
| Accounts Receivable                         |                                     | 13,283         |
| Total assets                                | 6,028                               | \$ 868,312     |
| <b>LIABILITIES</b>                          |                                     |                |
| Interfund payable                           |                                     | \$ 27          |
| Accounts Payable                            |                                     | 32,619         |
| Other Liabilities                           |                                     | 823            |
| Due to student groups                       |                                     | 138,371        |
| Held on behalf of a third party             |                                     | 86,724         |
| Payroll deductions and withholdings payable |                                     | 609,748        |
| Total liabilities                           |                                     | \$ 868,312     |
| <b>NET POSITION</b>                         |                                     |                |
| Held in trust for scholarships              | 6,028                               |                |
| Total net position                          | \$ 6,028                            |                |

See accompanying notes to the basic financial statements.

**The Board of Education**  
**of the Vocational and Technical High Schools**  
**County of Middlesex**  
**State of New Jersey**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**Year Ended June 30, 2019**

|                                    | Private-Purpose<br>Scholarship Fund |
|------------------------------------|-------------------------------------|
| <b>ADDITIONS</b>                   |                                     |
| Investment earnings:               |                                     |
| Interest                           | \$ 12                               |
| Total additions                    | 12                                  |
| <b>DEDUCTIONS</b>                  |                                     |
| Bank service charges               | 210                                 |
| Total deductions                   | 210                                 |
| Change in net position             | (198)                               |
| Net position—beginning of the year | 6,226                               |
| Net position—end of the year       | \$ 6,028                            |

See accompanying notes to the basic financial statements.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies**

The financial statements of the Board of Education (the “Board”) of the Middlesex County Vocational and Technical High Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The more significant of the District’s accounting policies are disclosed below:

The District is organized under the Constitution of the State of New Jersey. The District operates under a Board form of government consisting of four members appointed to four-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

**A. Reporting Entity**

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Middlesex County Vocational and Technical High Schools in East Brunswick, New Jersey. The District receives funding from local, county, state, and federal government sources and must comply with the requirements of these funding source entities.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

The District 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 operations of the District include five vocational and technical schools located in Middlesex County, New Jersey.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting:

- 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; or
- there is a fiscal dependency by the organization on the District

The District is a component unit of Middlesex County, however, the County reports its financial statements on a regulatory basis of accounting which does not recognize or report component units.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and fund financial statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds be reported as major to promote consistency among the school districts in the State of New Jersey.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one-year availability period is generally used for revenue recognition for most other governmental fund revenues.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District has reported the following major governmental funds:

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

*Special Revenue Fund:* The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

*Capital Projects Fund:* The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds).

The District reports the following major proprietary fund:

*Food Service Enterprise Fund:* The food service enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. This fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation) of providing goods or services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Additionally, the District reports the following fiduciary fund types:

Fiduciary funds of the District include the Student Activities Agency Fund, Payroll Agency Fund and Private Purpose Scholarship Trust Fund. The trust fund is reported using the economic resources measurement focus. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

*Trust Fund:* The private purpose scholarship trust fund is utilized to provide scholarships to students and to account for the related transactions.

*Agency Funds (Payroll and Student Activity Fund):* Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Amounts reported as program revenues include (1) fees charged to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for sales of food. Operating expenses for the enterprise fund include the cost of sales, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue arises when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a county is required to remit to the 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. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable.”

**D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution.

Budget amendments during the year ended June 30, 2019 were not significant and approved by the Board and the New Jersey Department of Education where required.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**D. 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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

**E. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, amounts on deposit, money market accounts, and short-term investments with original maturities of three months or less.

**F. Interfund Receivables/Payables**

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

**G. Inventories**

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**H. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date of donation.

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

Depreciable capital assets of the District are depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

|                               | <u>Years</u> |
|-------------------------------|--------------|
| School Buildings              | 50           |
| Building Improvements         | 20           |
| Electrical/Plumbing           | 30           |
| Vehicles                      | 8            |
| Office and Computer Equipment | 5-10         |
| Instructional Equipment       | 10           |
| Grounds Equipment             | 15           |

**I. 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 vacation, personal and sick leave in varying amounts under the District's personnel policies. Vacation days are not allowed to be accumulated beyond the fiscal year. Vacation days are prorated for termination within the fiscal year.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**I. Compensated Absences (continued)**

Accumulated sick and personal leave benefits provide for ordinary sick and personal leave pay and are vested upon retirement from a state administered pension fund following services for the number of years required by such pension fund and upon fulfillment for employee's age requirement. Unused personal days convert to sick days, are carried over and are included in accumulated sick leave.

The liability for vested compensated absences of the governmental fund is recorded as a liability in the government-wide financial statements and amounted to \$1,065,278 at June 30, 2019. Upon resignation or retirement, the liability for these amounts is reported in the governmental funds.

**J. Unearned Revenue**

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned and outstanding encumbrances. Unearned revenue in the General Fund represents tuition for Fall 2019 programs received on or before June 30, 2019.

**K. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Contractually required pension contributions, capital leases and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

**L. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**L. Fund Balances (continued)**

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and the corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned - includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**L. Fund Balances (continued)**

Of the \$4,168,291 of fund balances in the General Fund, \$774,837 of encumbrances is assigned to other purposes, \$950,100 has been restricted for the capital reserve, \$59,540 has been restricted for excess surplus – current year, \$81,788 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$1,218,212 has been classified as assigned fund balance designated for subsequent years' expenditures and \$1,083,814 is classified as unassigned.

**M. Calculation of Excess Surplus**

The designation for restricted fund balance – excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 surplus for June 30, 2019 was \$141,328. Of this amount, \$81,788 has been appropriated in the 2019-2020 budget and the remaining \$59,540 will be required to be appropriated in the 2020-2021 budget.

**N. Net Position**

Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**O. Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**P. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$3,099,831 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period for pension and medical contributions. The amounts are not required to be included in the District's annual budget.

**Q. 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. Furthermore if the county 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 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. Middlesex County has not entered into any tax abatement agreements, however, municipalities within the County have which has abated \$3,134,767 during calendar year 2018. Various municipalities were required to remit \$1,248,405 under statute to the County. None of those payments were due to the District.



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**1. Summary of Significant Accounting Policies (continued)**

**R. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 2, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**2. Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position**

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including the lease purchase obligations and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this difference are as follows:

|  |                      |
|--|----------------------|
| Compensated absences   | \$ 1,065,278         |
| Lease purchase obligations   | <u>9,930,257</u>     |
| Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities | <u>\$ 10,995,535</u> |

**3. Deposits and Investments**

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

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at last 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.

**Deposits**

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, 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 Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**3. Deposits and Investments (continued)**

Operating cash, in the form of Negotiable Order of Withdrawal (“NOW”) accounts, is held in the District’s name by commercial banking institutions. At June 30, 2019, the District’s carrying amount of deposits was \$6,911,221 and the bank balance was \$7,528,537. Of the bank balance, \$500,000 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$6,343,911. \$684,626 held in the District agency accounts are not covered by GUDPA. Pursuant to GASB Statement No. 40, “Deposit and Investment Risk Disclosures” (“GASB 40”), the District’s operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution’s trust department or agent but not in the government’s name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District’s deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

**Investments**

New Jersey statutes permit the Board to purchase the following types of investments; however, there are no investments held by the District at June 30, 2019:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. State of New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.
- d. Bonds or other obligations of the School District.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2019:

|  | Beginning<br>Balance | Increases   | Transfers/<br>Disposals/<br>Reclassifications | Ending<br>Balance |
|--|----------------------|-------------|---|-------------------|
| <b>Governmental activities:</b>              |                      |             |   |                   |
| Capital assets, not being depreciated:       |                      |             |   |                   |
| Land   | \$ 7,307,200         |             |   | \$ 7,307,200      |
| Construction in progress                     | 832,363              | \$1,372,102 | \$ (777,243)                                  | 1,477,222         |
| Total capital assets, not being depreciated  | 8,139,563            | 1,372,102   | (777,243)                                     | 8,734,422         |
| Capital assets, being depreciated:           |                      |             |   |                   |
| Site improvements                            | 10,039,010           | 292,103     |   | 10,331,113        |
| Buildings & building improvements            | 104,765,377          | 2,269,069   | 777,243                                       | 107,811,689       |
| Machinery and equipment                      | 19,426,574           | 651,634     | (94,872)                                      | 19,983,336        |
| Total capital assets being depreciated       | 134,230,961          | 3,212,806   | 682,371                                       | 138,126,138       |
| Less accumulated depreciation for:           |                      |             |   |                   |
| Site improvements                            | (4,598,306)          | (439,467)   |   | (5,037,773)       |
| Buildings and building improvements          | (40,707,229)         | (2,736,361) |   | (43,443,590)      |
| Machinery, equipment and vehicles            | (15,958,165)         | (750,822)   | 94,872  | (16,614,115)      |
| Total accumulated depreciation               | (61,263,700)         | (3,926,650) | 94,872  | (65,095,478)      |
| Total capital assets, being depreciated, net | 72,967,261           | (713,844)   | 777,243                                       | 73,030,660        |
| Governmental activities capital assets, net  | \$81,106,824         | \$ 658,258  | \$ -  | \$81,765,082      |

Depreciation expense was charged to functions/programs of the District as follows:

|                                  |                     |
|----------------------------------|---------------------|
| Regular instruction              | \$ 32,803           |
| Vocational instruction           | 433,561             |
| Support services                 | 8,269               |
| School administrative services   | 164,183             |
| General administrative services  | 14,971              |
| Plant operations and maintenance | 97,035              |
| Unallocated depreciation         | 3,175,828           |
|                                  | <u>\$ 3,926,650</u> |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**4. Capital Assets (continued)**

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2019:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b> | <b>Ending<br/>Balance</b> |
|--|------------------------------|------------------|---------------------------|
| <b>Business-type activities</b>                    |                              |                  |                           |
| Capital assets, being depreciated:                 |                              |                  |                           |
| Equipment  | \$ 101,682                   | \$ 87,869        | \$ 189,551                |
| Less accumulated depreciation for:                 |                              |                  |                           |
| Equipment  | (41,197)                     | (15,402)         | (56,599)                  |
| Total business-type activities capital assets, net | \$ 60,485                    | \$ 72,467        | \$ 132,952                |

**5. Long-Term Liabilities**

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

|   | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Due<br/>within<br/>One Year</b> |
|---|------------------------------|------------------|-------------------|---------------------------|------------------------------------|
| Governmental activities:                    |                              |                  |                   |                           |                                    |
| Compensated absences payable                | \$1,034,274                  | \$ 230,684       | \$ (199,680)      | \$ 1,065,278              | \$ 36,009                          |
| Lease purchase obligations                  | 10,538,130                   |                  | (607,873)         | 9,930,257                 | 413,893                            |
| Subtotal                                    | 11,572,404                   | 230,684          | (807,553)         | 10,995,535                | 449,802                            |
| Net pension liability                       | 17,011,424                   |                  | (2,858,310)       | 14,153,115                |                                    |
| Governmental activity long-term liabilities | \$28,583,828                 | \$ 230,684       | \$ (807,553)      | \$ 25,148,650             | \$ 449,802                         |

The District expects to liquidate the compensated absences, lease purchase obligation and the net pension liability with payments made from the District's general fund.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**5. Long-Term Liabilities (continued)**

**Bonds Payable and Bonds Authorized but Not Issued**

As of June 30, 2019, the District had no bonds payable and no authorized but not issued bonds.

**Debt issued by the County of Middlesex**

Bonds for capital improvements are authorized in accordance with State law by the County of Middlesex Board of Chosen Freeholders by adopting a bond ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County of Middlesex are general obligation bonds of the County of Middlesex and therefore are not recorded as debt of the District. As of June 30, 2019, debt outstanding and recorded in the financial statements of the County of Middlesex related to the District amounted to \$26,640,000.

**Lease Purchase Obligations Payable**

In April of 2015, the Middlesex County Vocational and Technical School District (the Lessee) entered into a lease purchase agreement with TD Equipment Finance, Inc. (the Lessor) to finance the undertaking of an Energy Savings Improvement Program (ESIP) in order to acquire and install certain energy conservation measures and equipment at its facilities located at the East Brunswick Campus and Piscataway Campus.

Under the lease, the District is required to pay basic rent due on each January 15 and July 15, which commenced on July 15, 2015 and will conclude on January 15, 2035. The lease carries an interest rate of 2.5185%. The total principal amount of the lease was \$11,300,000.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**5. Long-Term Liabilities (continued)**

Future Minimum Lease Payments - Future minimum lease payments under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2019 are:

| <u>Year Ending June 30,</u>                        | <u>Amount</u>           |
|--|-------------------------|
| 2020   | \$ 661,420              |
| 2021   | 658,899                 |
| 2022   | 661,140                 |
| 2023   | 679,559                 |
| 2024   | 698,485                 |
| 2025 through 2029                                  | 3,729,379               |
| 2030 through 2034                                  | 4,257,433               |
| 2035   | <u>938,777</u>          |
| <br>Total Minimum Lease Payments                   | <br>12,285,092          |
| <br>Less: Amount representing interest             | <br><u>(2,354,835)</u>  |
| <br>Present Value of Net Minimum Lease<br>Payments | <br><u>\$ 9,930,257</u> |

All lease purchase obligations are presented on Schedule I-2 of this report.

**6. Pension Plans**

**Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employee's Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next six years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2019, the State of New Jersey contributed \$5,039,748 to the TPAF for normal costs of pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,297,613 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2019, 2018, and 2017 were \$714,989, \$676,991, and \$653,838, respectively, equal to the required contributions for each year.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

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

*Public Employee's Retirement System (PERS)*

At June 30, 2019, the District reported a liability of \$14,153,115 for its proportionate share of the net pension liability. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.0718815312 percent, which was a decrease of 0.0011966174 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized full accrual pension expense of \$792,605 in the government-wide financial statements. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources.

|  | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|--|---|--|
| Changes of assumptions   | \$ 2,332,199                                  | \$ 4,525,414                                 |
| Differences between expected and actual experience                           | 269,902                                       | 72,978                                       |
| Changes in proportion  | 143,020                                       | 293,988                                      |
| Difference between projected and actual earnings on pension plan investments |   | 132,757                                      |
| District contributions subsequent to the measurement date                    | 683,607                                       |  |
|  | <b>\$ 3,428,728</b>                           | <b>\$ 5,025,137</b>                          |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The \$683,607 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended June 30:</b> |                             |
|----------------------------|-----------------------------|
| 2020                       | \$ 5,118                    |
| 2021                       | (74,366)                    |
| 2022                       | (1,014,875)                 |
| 2023                       | (894,270)                   |
| 2024                       | <u>(301,623)</u>            |
|                            | <u><u>\$(2,280,016)</u></u> |

*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 included in the measurement:

|                           | <u>June 30, 2018</u> |
|---------------------------|----------------------|
| 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%                |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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 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 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).

Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, 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 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).

*Long-Term 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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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>Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|-------------------------------------|
| Absolute return/risk mitigation   | 5.00%                    | 5.51%                               |
| Cash equivalents                  | 5.50%                    | 1.00%                               |
| U.S. treasuries                   | 3.00%                    | 1.87%                               |
| Investment grade credit           | 10.00%                   | 3.78%                               |
| Public high yield                 | 2.50%                    | 6.82%                               |
| Global diversified credit         | 5.00%                    | 7.10%                               |
| Credit oriented hedge funds       | 1.00%                    | 6.60%                               |
| Debt related private equity       | 2.00%                    | 10.63%                              |
| Debt related real estate          | 1.00%                    | 6.61%                               |
| Private real asset                | 2.50%                    | 11.83%                              |
| Equity related real estate        | 6.25%                    | 9.23%                               |
| U.S. equity                       | 30.00%                   | 8.19%                               |
| Non-U.S. developed markets equity | 11.50%                   | 9.00%                               |
| Emerging markets equity           | 6.50%                    | 11.64%                              |
| Buyouts/venture capital           | 8.25%                    | 13.08%                              |
|                                   | <u>100.00%</u>           |                                     |

*Discount rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

|  | <b>At 1%<br/>Decrease<br/>(4.66%)</b> | <b>At Current<br/>Discount Rate<br/>(5.66%)</b> | <b>At 1%<br/>Increase<br/>(6.66%)</b> |
|--|---------------------------------------|---|---------------------------------------|
| District's proportionate share of<br>the net pension liability | \$ 17,795,911                         | \$ 14,153,115                                   | \$ 11,097,042                         |

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Additional Information*

Collective balances of the Local Group at June 30, 2018 are as follows:

|                                |    |                |
|--------------------------------|----|----------------|
| Deferred outflows of resources | \$ | 4,684,852,302  |
| Deferred inflows of resources  | \$ | 7,646,736,226  |
| Net pension liability          | \$ | 19,689,501,539 |
| District's proportion          |    | 0.0718815312%  |

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,099,708,157.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2018, 2017, 2016, 2015 and 2014 is 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

*Teachers Pensions and Annuity Fund (TPAF)*

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

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2018 was \$107,449,950. The 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 a 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's proportionate share of the TPAF net pension liability associated with the District was 0.1688990540 percent, which was a decrease of 0.0012231902 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$6,263,956 for contributions incurred by the State.

*Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                      |
|---------------------------|----------------------|
|                           | <u>June 30, 2018</u> |
| Inflation rate            | 2.25%                |
| Salary increases          |                      |
| 2011-2026                 | 1.55 – 4.55%         |
| Thereafter                | 2.00 – 5.45%         |
| Investment rate of return | 7.00%                |



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Mortality Rates*

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 a 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 Tables 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.

*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.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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>Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|-------------------------------------|
| Absolute return/risk mitigation   | 5.00%                    | 5.51%                               |
| Cash equivalents                  | 5.50%                    | 1.00%                               |
| U.S. treasuries                   | 3.00%                    | 1.87%                               |
| Investment grade credit           | 10.00%                   | 3.78%                               |
| Public high yield                 | 2.50%                    | 6.82%                               |
| Global diversified credit         | 5.00%                    | 7.10%                               |
| Credit oriented hedge funds       | 1.00%                    | 6.60%                               |
| Debt related private equity       | 2.00%                    | 10.63%                              |
| Debt related real estate          | 1.00%                    | 6.61%                               |
| Private real asset                | 2.50%                    | 11.83%                              |
| Equity related real estate        | 6.25%                    | 9.23%                               |
| U.S. equity                       | 30.00%                   | 8.19%                               |
| Non-U.S. developed markets equity | 11.50%                   | 9.00%                               |
| Emerging markets equity           | 6.50%                    | 11.64%                              |
| Buyouts/venture capital           | 8.25%                    | 13.08%                              |
|                                   | <u>100.00%</u>           |                                     |

*Discount Rate*

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term 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 municipal 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 Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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 State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

|  | <b>At 1%<br/>Decrease<br/>(3.86%)</b> | <b>At Current<br/>Discount Rate<br/>(4.86%)</b> | <b>At 1%<br/>Increase<br/>(5.86%)</b> |
|--|---------------------------------------|---|---------------------------------------|
| District's proportionate share of<br>the net pension liability | \$ 127,003,800                        | \$ 107,449,950                                  | \$ 91,240,284                         |

*Pension plan fiduciary net position*

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

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**Additional Information**

Collective balances of the Local Group at June 30, 2018 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 12,675,037,111 |
| Deferred inflows of resources  | \$ 16,381,811,884 |
| Net pension liability          | \$ 63,806,350,446 |
| District's proportion          | 0.1688990540%     |

Collective pension expense for the plan for the measurement period ended June 30, 2018 is \$3,720,032,991.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2018, 2017, 2016, 2015 and 2014 is 8.3, 8.3, 8.3, 8.3 and 8.5 years, respectively.

**7. Post-Retirement Benefits**

**Plan Description**

The District participates in the New Jersey State Health Benefits Program (the "SHBP"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

**Funding Policy**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2019, 2018 and 2017 were \$1,571,329, \$1,645,471, and \$1,594,415, respectively, which equaled the regional contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

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

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

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

*Total OPEB Liability*

The nonemployer OPEB liability from New Jersey's plan is \$46,110,832,982.

The following members were covered by the benefit terms:

| Local Education  | June 30, 2018 |
|--|---------------|
| Active Plan Members  | 217,131       |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits      | 145,050       |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments | -             |
| Total Plan Members   | 362,181       |

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2018 was \$85,463,086 or 0.19%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

**Total Nonemployer OPEB Liability**

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 total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017. 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:

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

**Actuarial Assumptions and Other Inputs**

|                   |  |                              |
|-------------------|--|------------------------------|
| Inflation rate    | 2.50%  |                              |
|                   | <b>TPAF/ABP</b>                              | <b>PERS</b>                  |
| Salary increases: |  |                              |
| Through 2026      | 1.55 - 4.55%<br>based on years<br>of service | 2.15 - 4.15%<br>based on age |
| Thereafter        | 2.00 - 5.45%<br>based on years<br>of service | 3.15 - 5.15%<br>based on age |

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based in 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 Disabled Male/Female mortality table with fully generational improvements 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, and July 1, 2011 – June 30, 2014 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.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

***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 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 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.

***Changes in the Total Nonemployer OPEB Liability***

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

|   |             |               |
|---|-------------|---------------|
| Balance at June 30, 2018                            |             | \$133,724,194 |
| Increased by:                                       |             |               |
| Service cost  | \$5,468,581 |               |
| Interest cost                                       | 4,943,956   |               |
| Member contributions                                | 78,982      |               |
|   |             | 10,491,519    |
|   |             | 144,215,713   |
| Decreased by:                                       |             |               |
| Changes of assumptions                              | 9,807,317   |               |
| Differences between expected and actual experiences | 46,660,058  |               |
| Gross benefit payments                              | 2,285,252   |               |
|   |             | 58,752,627    |
| Balance at June 30, 2019                            |             | \$ 85,463,086 |



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**7. Post-Retirement Benefits (continued)**

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2018 is \$1,267,090 and \$61,782,969, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

|   | 1% Decrease<br>(2.87%) | At Current Discount Rate<br>(3.87%) | 1% Increase<br>(4.87%) |
|---|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability<br>(Allocable to the District<br>and the responsibility of the<br>State) | \$ 101,034,765         | \$ 85,463,086                       | \$ 73,085,209          |

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|   | 1% Decrease   | Healthcare Cost Trend Rates | 1% Increase    |
|---|---------------|-----------------------------|----------------|
| Net OPEB Liability<br>(Allocable to the District<br>and the responsibility of the<br>State) | \$ 70,640,218 | \$ 85,463,086               | \$ 105,066,896 |

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

For the year ended June 30, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$1,871,346 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2018 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 1,377,313,892  |
| Deferred inflows of resources  | \$ 16,189,378,926 |
| Collective OPEB expense        | \$ 2,129,660,368  |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**8. Risk Management**

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

**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.

**Medical Benefits**

The District terminated its relationship during 2004 with the Middlesex County Joint Health Insurance Fund. Any resulting claims payable will be absorbed at the County level. The District is now using the State Employees' Health Benefits Program as their health insurance provider.

**Worker's Compensation**

The District was self-insured for its workers' compensation insurance through July 1, 2009. The claims administrator, Scibal Associates, established an annual rate based on expenses, projected claims and a margin for fluctuation, thereby providing a predictable monthly premium. Each month the District deposits this predetermined amount into an interest-bearing checking account. The claims are filed with Scibal and periodically the District pays those claims from this account. The District has acquired insurance which caps an individual claim at \$350,000, thus, limiting the District's exposure on a per claims basis. The incurred and unpaid claims are reflected on the statement of net position and general fund balance sheet as insurance claims payable. Changes in the District's insurance claims liability amount in fiscal years 2019, 2018, and 2017 were:

| <u>Year</u> | <u>Beginning<br/>of Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>Balance<br/>at End<br/>Of Year</u> |
|-------------|--|---|---------------------------|---------------------------------------|
| 2018-2019   | \$ 47,229                                  |   | (10)                      | \$ 47,219                             |
| 2017-2018   | 107,807                                    | 14,647  | (75,225)                  | 47,229                                |
| 2016-2017   | 55,719                                     | 4,961   | (52,873)                  | 107,807                               |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**9. 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. Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan. Since the District does not hold the assets in a trustee capacity, the related assets are not included in the District's Fiduciary Fund Financial Statements. The administrators of the District's plans are Valic and Equitable.

**10. Interfund Receivables and Payables**

The total interfund accounts receivables and payables for the District are as follows at June 30, 2019:

| Fund                           | Interfund<br>Receivable | Interfund<br>Payable |
|--------------------------------|-------------------------|----------------------|
| General Fund                   | \$ 275,734              | \$ 584,486           |
| Special Revenue Fund           |                         | 308,105              |
| Capital Projects Fund          | 332,400                 |                      |
| Enterprise Fund - Food Service | 284,484                 |                      |
| Agency Fund                    |                         | 27                   |
|                                | \$ 892,618              | \$ 892,618           |

The interfund payable in the special revenue fund represents an amount loaned from the general fund as a result of the reimbursement procedures under which the District must spend the funds before requesting reimbursement from the State of New Jersey. The interfunds between the general fund, capital projects fund, the enterprise fund – food service and the payroll agency fund represent short-term loans between the funds.

All interfunds are expected to be repaid within one year.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**11. Economic Dependency**

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

**12. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), relating to its capital projects. The District is required to expend funds in accordance with its approved final eligible costs.

The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. 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.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

**13. Capital Reserve Account**

A capital reserve account was established by the District, in prior years, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by a Board approved transfer between June 1 and June 30 of each fiscal year. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

|                                  |    |                |
|----------------------------------|----|----------------|
| Beginning Balance, June 30, 2018 | \$ | 475,100        |
| June Deposit                     |    | 475,000        |
| Ending Balance, June 30, 2019    | \$ | <u>950,100</u> |

At June 30, 2019, the amount deposited in the capital reserve account does not exceed the District's local share reported in its Long-Range Facility Plan.

**14. Restricted Assets**

The amount classified as restricted assets (cash and cash equivalents) are funds set-aside in a capital reserve fund.

**15. Commitments**

The District has contractual commitments at June 30, 2019 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$774,837.

In addition, the District has \$2,145,722 of contractual commitments at June 30, 2019 to vendors related to the ongoing construction projects, recorded as restricted for capital projects, in the capital projects fund.

## **Required Supplementary Information – Part II**

Schedules Related to Accounting and Reporting for Pensions and  
OPEBs (GASB 68 and 75)

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employee's Retirement System

Last Ten Fiscal Years\*

|   | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) - Local Group  | 0.0718815312% | 0.0730781486% | 0.0735984367% | 0.0732122503% | 0.0714014190% | 0.0713357094% | Not available | Not available | Not available | Not available |
| District's proportionate share of the net pension liability (asset)   | \$ 14,153,115 | \$ 17,011,425 | \$ 21,797,746 | \$ 16,434,683 | \$ 13,368,298 | \$ 13,633,671 | Not available | Not available | Not available | Not available |
| District's covered-employee payroll   | \$ 5,081,261  | \$ 5,043,426  | \$ 5,139,312  | \$ 5,065,509  | \$ 4,991,828  | \$ 4,921,659  | \$ 4,893,029  | \$ 4,948,467  | \$ 5,275,784  | \$ 5,191,673  |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 278.54%       | 337.30%       | 424.14%       | 324.44%       | 267.80%       | 277.01%       | Not available | Not available | Not available | Not available |
| Plan fiduciary net position as a percentage of the total pension liability - Local Group                            | 53.60%        | 48.10%        | 40.14%        | 47.93%        | 52.08%        | 48.72%        | Not available | Not available | Not available | Not available |

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

\* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See accompanying notes to required supplementary information.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
Schedule of District Contributions  
Public Employee's Retirement System  
Last Ten Fiscal Years

|  | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 714,989   | \$ 685,623   | \$ 676,991   | \$ 653,838   | \$ 629,429   | \$ 588,623   | \$ 537,500   | \$ 547,852   | \$ 586,443   | \$ 587,880   |
| Contributions in relation to the contractually required contribution | (714,989)    | (685,623)    | (676,991)    | (653,838)    | (629,429)    | (588,623)    | (537,500)    | (547,852)    | (586,443)    | (587,880)    |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| District's covered-employee payroll                                  | \$ 5,085,413 | \$ 5,081,261 | \$ 5,043,426 | \$ 5,139,312 | \$ 5,065,509 | \$ 4,991,828 | \$ 4,921,659 | \$ 4,893,029 | \$ 4,948,467 | \$ 5,275,784 |
| Contributions as a percentage of covered-employee payroll            | 14.06%       | 13.49%       | 13.42%       | 12.72%       | 12.43%       | 11.79%       | 10.92%       | 11.20%       | 11.85%       | 11.14%       |

See accompanying notes to required supplementary information.



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District  
Teachers' Pension and Annuity Fund

Last Ten Fiscal Years\*

|  | 2019           | 2018           | 2017           | 2016           | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          |
|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| State's proportion of the net pension liability (asset) associated with the District - Local Group | 0.1688990540%  | 0.1701222442%  | 0.1720627833%  | 0.1733467542%  | 0.1725283819% | 0.1830768662% | Not available | Not available | Not available | Not available |
| District's proportionate share of the net pension liability (asset)                                | \$ -           | \$ -           | \$ -           | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| State's proportionate share of the net pension liability (asset) associated with the District      | \$ 107,449,950 | \$ 114,702,551 | \$ 135,355,541 | \$ 109,562,551 | \$ 92,210,805 | \$ 92,525,608 | Not available | Not available | Not available | Not available |
| Total proportionate share of the net pension liability (asset) associated with the District        | \$ 107,449,950 | \$ 114,702,551 | \$ 135,355,541 | \$ 109,562,551 | \$ 92,210,805 | \$ 92,525,608 | \$ -          | \$ -          | \$ -          | \$ -          |
| Plan fiduciary net position as a percentage of the total pension liability                         | 26.49%         | 25.41%         | 22.33%         | 28.71%         | 33.64%        | 33.76%        | Not available | Not available | Not available | Not available |

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

\* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

See accompanying notes to required supplementary information.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District  
State Health Benefit Local Education Retired Employees Plan

Last Ten Fiscal Years\*

|  | Year Ended June 30,<br>2019 | Year Ended June 30,<br>2018 |
|--|-----------------------------|-----------------------------|
| State's proportion of the OPEB Liability associated with the District          | 0.19%                       | 0.25%                       |
| District's proportionate share of the OPEB liability                           | \$ -                        | \$ -                        |
| State's proportionate share of the OPEB liability associated with the District | 85,463,086                  | 133,724,194                 |
| Total proportionate share of the OPEB liability associated with the District   | <u>\$ 85,463,086</u>        | <u>\$ 133,724,194</u>       |
| Balance, beginning of year   | \$ 133,724,194              | \$ 142,358,487              |
| Increased by:  |                             |                             |
| Service cost   | 5,468,581                   | 6,534,945                   |
| Interest cost  | 4,943,956                   | 4,201,250                   |
| Member contributions   | 78,982                      | 114,052                     |
|  | 144,215,713                 | 153,208,734                 |
| Decreased by:  |                             |                             |
| Changes of assumptions   | 9,807,317                   | 16,387,204                  |
| Differences between expected and actual experiences                            | 46,660,058                  | -                           |
| Gross benefit payments   | 2,285,252                   | 3,097,336                   |
| Balance, end of year   | <u>\$ 85,463,086</u>        | <u>\$ 133,724,194</u>       |
| Covered by employee payroll  | \$ 22,954,009               | \$ 22,566,052               |
| Total OPEB liability as a percentage of covered employee payroll.              | 372.32%                     | 592.59%                     |

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See Note to Required Supplementary Information

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Notes to Required Supplementary Information

Year Ended June 30, 2019

**1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

*Benefit Changes*

There were none.

*Changes of Assumptions*

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

**2. TEACHERS PENSION AND ANNUITY FUND**

*Benefit Changes*

There were none.

*Changes of Assumptions*

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

**3. NONEMPLOYER OPEB LIABILITY FOR THE STATE HEALTH BENEFIT LOCAL  
EDUCATION RETIRED EMPLOYEES PLAN**

*Benefit Changes*

There were none.

*Changes of Assumptions*

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

## **Required Supplementary Information – Part III**

Budgetary Comparison Schedules

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2019

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| <b>REVENUES:</b>   |                    |                     |                   |                   |                             |
| Local Sources:   |                    |                     |                   |                   |                             |
| Local Tax Levy   | \$ 26,837,956      |                     | \$ 26,837,956     | \$ 26,837,956     |                             |
| Tuition Charges  | 712,600            |                     | 712,600           | 507,425           | \$ (205,175)                |
| Miscellaneous  | 461,030            |                     | 461,030           | 557,440           | 96,410                      |
| <b>Total - Local Sources</b>                                   | <b>28,011,586</b>  | <b>-</b>            | <b>28,011,586</b> | <b>27,902,821</b> | <b>(108,765)</b>            |
| State Sources:   |                    |                     |                   |                   |                             |
| Equalization Aid   | 12,182,856         |                     | 12,182,856        | 12,182,856        |                             |
| Special Education Categorical Aid                              | 1,421,678          |                     | 1,421,678         | 1,421,678         |                             |
| Security Aid   | 592,489            |                     | 592,489           | 592,489           |                             |
| TPAF Social Security (Reimbursed - Non-Budgeted)               |                    |                     |                   | 1,297,613         | 1,297,613                   |
| TPAF Pension (On-Behalf - Non-Budgeted)                        |                    |                     |                   | 3,464,142         | 3,464,142                   |
| TPAF Post-Retirement Medical Contribution                      |                    |                     |                   | 1,575,606         | 1,575,606                   |
| <b>Total State Sources</b>                                     | <b>14,197,023</b>  | <b>-</b>            | <b>14,197,023</b> | <b>20,534,384</b> | <b>6,337,361</b>            |
| Federal Sources:   |                    |                     |                   |                   |                             |
| Medicaid Reimbursement   | 52,026             |                     | 52,026            | 22,874            | (29,152)                    |
| Medicaid Admin Clearing Reimbursement                          |                    |                     |                   | 7,842             | 7,842                       |
| <b>Total Federal Sources</b>                                   | <b>52,026</b>      | <b>-</b>            | <b>52,026</b>     | <b>30,716</b>     | <b>(21,310)</b>             |
| <b>Total Revenues</b>  | <b>42,260,635</b>  | <b>-</b>            | <b>42,260,635</b> | <b>48,467,921</b> | <b>6,207,286</b>            |
| <b>EXPENDITURES:</b>   |                    |                     |                   |                   |                             |
| <b>Current Expenditures:</b>                                   |                    |                     |                   |                   |                             |
| <b>Regular Programs - Instruction</b>                          |                    |                     |                   |                   |                             |
| Grades 9-12 - Salaries of Teachers                             | 5,539,589          | \$ (40,000)         | 5,499,589         | 5,454,740         | 44,849                      |
| Purchased Educational Services                                 | 25,000             | (15,000)            | 10,000            |                   | 10,000                      |
| Other Purchased Services                                       | 3,907              |                     | 3,907             |                   | 3,907                       |
| General Supplies   | 262,500            | 318,737             | 581,237           | 479,473           | 101,764                     |
| Textbooks  | 126,250            |                     | 126,250           | 95,864            | 30,386                      |
| Other Objects  | 4,000              |                     | 4,000             |                   | 4,000                       |
| <b>Regular Programs - Home Instruction</b>                     |                    |                     |                   |                   |                             |
| Salaries of Teachers   | 35,000             |                     | 35,000            | 20,447            | 14,553                      |
| Purchased Educational Services                                 | 20,000             |                     | 20,000            | 14,390            | 5,610                       |
| <b>Total Regular Programs</b>                                  | <b>6,016,246</b>   | <b>263,737</b>      | <b>6,279,983</b>  | <b>6,064,914</b>  | <b>215,069</b>              |
| <b>Bilingual Education - Instruction</b>                       |                    |                     |                   |                   |                             |
| Salaries of Teachers   | 138,540            | (8,000)             | 130,540           | 105,020           | 25,520                      |
| General Supplies   | 3,820              |                     | 3,820             | 457               | 3,363                       |
| <b>Total Bilingual Education - Instruction</b>                 | <b>142,360</b>     | <b>(8,000)</b>      | <b>134,360</b>    | <b>105,477</b>    | <b>28,883</b>               |
| <b>Regular Vocational Programs - Local - Instruction</b>       |                    |                     |                   |                   |                             |
| Salaries of Teachers   | 2,881,487          | 20,000              | 2,901,487         | 2,889,984         | 11,503                      |
| Purchased Professional-Educational Services                    | 25,000             | (3,000)             | 22,000            | 3,850             | 18,150                      |
| Other Purchased Services                                       | 367,350            | 15,000              | 382,350           | 363,377           | 18,973                      |
| General Supplies   | 527,600            | 111,918             | 639,518           | 541,419           | 98,099                      |
| Textbooks  | 32,450             | 5,000               | 37,450            | 35,415            | 2,035                       |
| Other Objects  | 4,000              | 3,750               | 7,750             | 6,731             | 1,019                       |
| <b>Total Regular Vocational Programs - Local - Instruction</b> | <b>3,837,887</b>   | <b>152,668</b>      | <b>3,990,555</b>  | <b>3,840,776</b>  | <b>149,779</b>              |
| <b>Special Vocational Programs - Local - Instruction</b>       |                    |                     |                   |                   |                             |
| Salaries of Teachers   | 3,425,625          | (75,000)            | 3,350,625         | 3,270,340         | 80,285                      |
| Purchased Professional-Educational Services                    | 5,000              |                     | 5,000             |                   | 5,000                       |
| Other Purchased Services                                       | 207,785            | 15,000              | 222,785           | 212,970           | 9,815                       |
| General Supplies   | 309,537            | 9,713               | 319,250           | 261,382           | 57,868                      |
| Textbooks  | 30,000             | (4,817)             | 25,183            | 22,362            | 2,821                       |
| Other Objects  | 4,000              |                     | 4,000             | 400               | 3,600                       |
| <b>Total Special Vocational Programs - Local - Instruction</b> | <b>3,981,947</b>   | <b>(55,104)</b>     | <b>3,926,843</b>  | <b>3,767,454</b>  | <b>159,389</b>              |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2019

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| <b>School-Spon. Co curricular Actvts. - Instruction</b>               |                    |                     |                   |                   |                             |
| Salaries  | \$ 158,696         | \$ 15,000           | \$ 173,696        | \$ 171,200        | \$ 2,496                    |
| General Supplies  | 7,500              | (1,000)             | 6,500             | 1,229             | 5,271                       |
| Other Objects   | 19,000             | 9,000               | 28,000            | 27,576            | 424                         |
| Transfers to Cover Deficit (Agency Funds)                             | 2,000              |                     | 2,000             |                   | 2,000                       |
| <b>Total School-Spon. Co curricular Actvts. - Instruction</b>         | <u>187,196</u>     | <u>23,000</u>       | <u>210,196</u>    | <u>200,005</u>    | <u>10,191</u>               |
| <b>School-Spon. Athletics - Instruction</b>                           |                    |                     |                   |                   |                             |
| Salaries  | 348,250            |                     | 348,250           | 339,096           | 9,154                       |
| Purchased Services  | 46,540             |                     | 46,540            | 43,445            | 3,095                       |
| Supplies and Materials  | 92,020             | 5,501               | 97,521            | 81,815            | 15,706                      |
| Other Objects   | 25,600             |                     | 25,600            | 22,348            | 3,252                       |
| <b>Total School-Spon. Athletics - Instruction</b>                     | <u>512,410</u>     | <u>5,501</u>        | <u>517,911</u>    | <u>486,704</u>    | <u>31,207</u>               |
| <b>Total Instruction</b>  | <u>14,678,046</u>  | <u>381,802</u>      | <u>15,059,848</u> | <u>14,465,330</u> | <u>594,518</u>              |
| <b>Undistributed Expenditures:</b>                                    |                    |                     |                   |                   |                             |
| <b>Undist. Expend. - Health Services</b>                              |                    |                     |                   |                   |                             |
| Salaries  | 396,185            | 15,000              | 411,185           | 410,524           | 661                         |
| Purchased Professional Services                                       | 45,000             | 15,000              | 60,000            | 56,387            | 3,613                       |
| Supplies and Materials  | 17,500             |                     | 17,500            | 11,573            | 5,927                       |
| Other Objects   | 1,000              |                     | 1,000             | 199               | 801                         |
| <b>Total Undistributed Expenditures - Health Services</b>             | <u>459,685</u>     | <u>30,000</u>       | <u>489,685</u>    | <u>478,683</u>    | <u>11,002</u>               |
| <b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>   |                    |                     |                   |                   |                             |
| Salaries of Other Professional Staff                                  | 74,438             | 6,000               | 80,438            | 74,837            | 5,601                       |
| Educational Services  | 1,000              |                     | 1,000             |                   | 1,000                       |
| Supplies and Materials  | 3,000              | 262                 | 3,262             | 1,389             | 1,873                       |
| <b>Total Undist. Expend.-Other Supp. Serv. Students-Related Serv.</b> | <u>78,438</u>      | <u>6,262</u>        | <u>84,700</u>     | <u>76,226</u>     | <u>8,474</u>                |
| <b>Undist. Expend. - Guidance</b>                                     |                    |                     |                   |                   |                             |
| Salaries of Other Professional Staff                                  | 959,744            | 105,000             | 1,064,744         | 1,060,954         | 3,790                       |
| Salaries of Secretarial and Clerical Assistants                       | 218,940            |                     | 218,940           | 218,364           | 576                         |
| Unused Vacation Payment   | 500                |                     | 500               |                   | 500                         |
| Other Purchased and Technical Services                                | 2,000              |                     | 2,000             |                   | 2,000                       |
| Other Purchased Services  | 2,500              |                     | 2,500             | 100               | 2,400                       |
| Supplies and Materials  | 23,500             |                     | 23,500            | 18,827            | 4,673                       |
| Other Objects   | 5,000              |                     | 5,000             | 500               | 4,500                       |
| <b>Total Undist. Expend. - Guidance</b>                               | <u>1,212,184</u>   | <u>105,000</u>      | <u>1,317,184</u>  | <u>1,298,745</u>  | <u>18,439</u>               |
| <b>Undist. Expend. - Child Study Teams</b>                            |                    |                     |                   |                   |                             |
| Salaries of Other Professional Staff                                  | 680,181            | (105,000)           | 575,181           | 544,371           | 30,810                      |
| Salaries of Secretarial and Clerical Assistants                       | 230,519            | (2,000)             | 228,519           | 213,523           | 14,996                      |
| Unused Vacation Payment   | 500                | 2,000               | 2,500             | 1,802             | 698                         |
| Other Purchased and Technical Services                                | 15,000             | 2,000               | 17,000            | 16,545            | 455                         |
| Other Purchased Services  | 6,400              |                     | 6,400             |                   | 6,400                       |
| Supplies and Materials  | 7,700              | 2,000               | 9,700             | 6,371             | 3,329                       |
| Other Objects   | 2,750              |                     | 2,750             |                   | 2,750                       |
| <b>Total Undist. Expend. - Child Study Teams</b>                      | <u>943,050</u>     | <u>(101,000)</u>    | <u>842,050</u>    | <u>782,612</u>    | <u>59,438</u>               |
| <b>Undist. Expend. - Improvement of Inst. Serv.</b>                   |                    |                     |                   |                   |                             |
| Salaries of Supervisor of Instruction                                 | 411,500            |                     | 411,500           | 389,178           | 22,322                      |
| Salaries of Secretarial and Clerical Assistants                       | 101,600            | (2,000)             | 99,600            | 81,303            | 18,297                      |
| Unused Vacation Payment   | 500                | 2,000               | 2,500             | 1,347             | 1,153                       |
| Purchased Professional - Educational Services                         | 8,875              |                     | 8,875             | 1,306             | 7,569                       |
| Other Purchased Prof. and Tech. Services                              | 10,650             | (7,500)             | 3,150             |                   | 3,150                       |
| Other Purchased Services  | 6,500              |                     | 6,500             | 3,340             | 3,160                       |
| Supplies and Materials  | 19,000             | 491                 | 19,491            | 4,810             | 14,681                      |
| Other Objects   | 1,900              | 750                 | 2,650             | 400               | 2,250                       |
| <b>Total Undist. Expend. - Improvement of Inst. Serv.</b>             | <u>560,525</u>     | <u>(6,259)</u>      | <u>554,266</u>    | <u>481,684</u>    | <u>72,582</u>               |
| <b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>                |                    |                     |                   |                   |                             |
| Salaries  | 366,115            | 5,000               | 371,115           | 370,160           | 955                         |
| Supplies and Materials  | 52,000             | 10,000              | 62,000            | 52,447            | 9,553                       |
| <b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>          | <u>418,115</u>     | <u>15,000</u>       | <u>433,115</u>    | <u>422,607</u>    | <u>10,508</u>               |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2019

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| <b>Undist. Expend. - Instructional Staff Training Serv.</b>           |                    |                     |                  |                  |                             |
| Salaries of Supervisors of Instruction                                | \$ 72,618          | \$ 1,000            | \$ 73,618        | \$ 73,030        | \$ 588                      |
| Salaries of Secretarial and Clerical Assistants                       | 17,929             | (1,000)             | 16,929           | 14,348           | 2,581                       |
| Purchased Professional - Educational Services                         | 24,375             | 12,450              | 36,825           | 24,865           | 11,960                      |
| Other Purchased Prof. and Tech. Services                              | 650                |                     | 650              |                  | 650                         |
| Other Purchased Services  | 17,500             | 1,000               | 18,500           | 16,835           | 1,665                       |
| Supplies and Materials  | 3,000              |                     | 3,000            |                  | 3,000                       |
| Other Objects   | 2,000              |                     | 2,000            |                  | 2,000                       |
| <b>Total Undist. Expend. - Instructional Staff Training Serv.</b>     | <b>138,072</b>     | <b>13,450</b>       | <b>151,522</b>   | <b>129,078</b>   | <b>22,444</b>               |
| <b>Undist. Expend. - Supp. Serv. - General Admin.</b>                 |                    |                     |                  |                  |                             |
| Salaries  | 569,841            | (35,000)            | 534,841          | 505,887          | 28,954                      |
| Other Purchased Professional Services                                 | 55,400             | 40,000              | 95,400           | 81,400           | 14,000                      |
| Purchased Technical Services  | 159,000            | 119,350             | 278,350          | 185,770          | 92,580                      |
| Communications/Telephone  | 267,400            | (35,000)            | 232,400          | 205,889          | 26,511                      |
| BOE Other Purchased Services  | 5,500              |                     | 5,500            | 3,237            | 2,263                       |
| Other Purchased Services  | 135,320            | (1,000)             | 134,320          | 109,179          | 25,141                      |
| Supplies and Materials  | 30,000             | 3,128               | 33,128           | 20,393           | 12,735                      |
| BOE Meeting Supplies  | 3,000              |                     | 3,000            |                  | 3,000                       |
| Miscellaneous Expenditures  | 50,775             | 24,000              | 74,775           | 66,202           | 8,573                       |
| BOE Membership Dues and Fees  | 36,500             | 1,000               | 37,500           | 36,714           | 786                         |
| <b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>           | <b>1,312,736</b>   | <b>116,478</b>      | <b>1,429,214</b> | <b>1,214,671</b> | <b>214,543</b>              |
| <b>Undist. Expend. - Support Serv. - School Admin.</b>                |                    |                     |                  |                  |                             |
| Salaries of Principals/Assistant Principals                           | 2,026,055          | 35,000              | 2,061,055        | 2,055,711        | 5,344                       |
| Salaries of Secretarial and Clerical Assistants                       | 646,331            | (20,000)            | 626,331          | 612,791          | 13,540                      |
| Purchased Professional and Technical Services                         | 500                |                     | 500              |                  | 500                         |
| Other Purchased Services  | 20,500             | 30,000              | 50,500           | 47,630           | 2,870                       |
| Supplies and Materials  | 132,363            | 57,989              | 190,352          | 98,188           | 92,164                      |
| Other Objects   | 14,000             | 20,000              | 34,000           | 24,362           | 9,638                       |
| <b>Total Undist. Expend. - Support Serv. - School Admin.</b>          | <b>2,839,749</b>   | <b>122,989</b>      | <b>2,962,738</b> | <b>2,838,682</b> | <b>124,056</b>              |
| <b>Undist. Expend. - Support Serv.-Central Services</b>               |                    |                     |                  |                  |                             |
| Salaries  | 788,852            | (35,000)            | 753,852          | 707,341          | 46,511                      |
| Purchased Professional Services                                       | 500                |                     | 500              |                  | 500                         |
| Purchased Technical Services  | 500                |                     | 500              |                  | 500                         |
| Other Purchased Services  | 32,400             |                     | 32,400           | 28,712           | 3,688                       |
| Supplies and Materials  | 28,100             | 1,075               | 29,175           | 23,410           | 5,765                       |
| Other Objects   | 4,000              |                     | 4,000            | 2,580            | 1,420                       |
| <b>Total Undist. Expend. - Support Serv.-Central Services</b>         | <b>854,352</b>     | <b>(33,925)</b>     | <b>820,427</b>   | <b>762,043</b>   | <b>58,384</b>               |
| <b>Undist. Expend. - Support Serv. - Admin. Info. Technology</b>      |                    |                     |                  |                  |                             |
| Salaries  | 528,730            | 25,000              | 553,730          | 553,546          | 184                         |
| Purchased Professional Services                                       | 1,000              |                     | 1,000            |                  | 1,000                       |
| Purchased Technical Services  | 4,500              |                     | 4,500            | 850              | 3,650                       |
| Other Purchased Services  | 12,500             | 67                  | 12,567           | 3,525            | 9,042                       |
| Supplies and Materials  | 102,500            | 87,133              | 189,633          | 121,076          | 68,557                      |
| Other Objects   | 1,000              |                     | 1,000            |                  | 1,000                       |
| <b>Total Undist. Expend. - Support Serv.- Admin. Info. Technology</b> | <b>650,230</b>     | <b>112,200</b>      | <b>762,430</b>   | <b>678,997</b>   | <b>83,433</b>               |
| <b>Undist. Expend. - Required Maint. For Sch. Facilities</b>          |                    |                     |                  |                  |                             |
| Salaries  | 507,080            | (110,000)           | 397,080          | 379,769          | 17,311                      |
| Unused Vacation Payment   | 500                |                     | 500              |                  | 500                         |
| Cleaning, Repair and Maintenance Services                             | 490,392            | 296,909             | 787,301          | 464,028          | 323,273                     |
| General Supplies  | 149,500            | 55,360              | 204,860          | 162,230          | 42,630                      |
| <b>Total Undist. Expend. - Required Maint. For Sch. Facilities</b>    | <b>1,147,472</b>   | <b>242,269</b>      | <b>1,389,741</b> | <b>1,006,027</b> | <b>383,714</b>              |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2019

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| <b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>        |                    |                     |                   |                   |                             |
| Salaries   | \$ 1,912,342       |                     | \$ 1,912,342      | \$ 1,865,844      | \$ 46,498                   |
| Unused Vacation Payment  | 500                | \$ 5,000            | 5,500             | 4,383             | 1,117                       |
| Purchased Professional and Technical Services                    | 400,000            | 65,587              | 465,587           | 390,430           | 75,157                      |
| Cleaning, Repair and Maintenance Services                        | 314,423            | 80,833              | 395,256           | 381,769           | 13,487                      |
| Lease Purchase Payment - ESIP                                    | 870,000            |                     | 870,000           | 868,831           | 1,169                       |
| Other Purchased Property Services                                | 130,900            | 70,000              | 200,900           | 168,383           | 32,517                      |
| Insurance  | 267,500            |                     | 267,500           | 235,727           | 31,773                      |
| Miscellaneous Purchased Services                                 | 5,000              |                     | 5,000             | 2,000             | 3,000                       |
| General Supplies   | 162,500            | (17,558)            | 144,942           | 129,056           | 15,886                      |
| Energy (Natural Gas)   | 311,055            | 40,000              | 351,055           | 325,862           | 25,193                      |
| Energy (Electricity)   | 1,163,458          |                     | 1,163,458         | 1,110,556         | 52,902                      |
| Other Objects  | 15,000             | 5,000               | 20,000            | 17,581            | 2,419                       |
| <b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b> | <b>5,552,678</b>   | <b>248,862</b>      | <b>5,801,540</b>  | <b>5,500,422</b>  | <b>301,118</b>              |
| <b>Care and Upkeep of Grounds</b>                                |                    |                     |                   |                   |                             |
| Salaries   | 483,052            |                     | 483,052           | 474,210           | 8,842                       |
| Unused Vacation Payment  | 500                |                     | 500               | 500               | 500                         |
| Purchased Professional and Technical Services                    | 500                |                     | 500               | 500               | 500                         |
| Cleaning, Repair and Maintenance Services                        | 170,000            | 28,674              | 198,674           | 165,872           | 32,802                      |
| General Supplies   | 70,000             | 715                 | 70,715            | 52,617            | 18,098                      |
| Other Objects  | 1,000              |                     | 1,000             | 190               | 810                         |
| <b>Total Care and Upkeep of Grounds</b>                          | <b>725,052</b>     | <b>29,389</b>       | <b>754,441</b>    | <b>692,889</b>    | <b>61,552</b>               |
| <b>Security</b>  |                    |                     |                   |                   |                             |
| Purchased Professional and Technical Services                    | 310,000            | 15,000              | 325,000           | 311,591           | 13,409                      |
| Cleaning, Repair and Maintenance Services                        | 27,500             | 10,000              | 37,500            | 21,505            | 15,995                      |
| General Supplies   | 15,000             | 30,000              | 45,000            | 11,549            | 33,451                      |
| Other Objects  | 1,000              |                     | 1,000             |                   | -                           |
| <b>Total Security</b>  | <b>353,500</b>     | <b>55,000</b>       | <b>408,500</b>    | <b>345,645</b>    | <b>62,855</b>               |
| <b>Undist. Expend. - Student Transportation Serv.</b>            |                    |                     |                   |                   |                             |
| Contract Services (Other than Between Home & Sch) - Vendors      | 186,165            | 46,000              | 232,165           | 213,877           | 18,288                      |
| <b>Total Undist. Expend. - Student Transportation Serv.</b>      | <b>186,165</b>     | <b>46,000</b>       | <b>232,165</b>    | <b>213,877</b>    | <b>18,288</b>               |
| <b>Unallocated Benefits</b>                                      |                    |                     |                   |                   |                             |
| Social Security Contributions                                    | 505,000            |                     | 505,000           | 493,773           | 11,227                      |
| Other Retirement Contributions - Regular                         | 710,000            | 10,000              | 720,000           | 718,799           | 1,201                       |
| Unemployment Compensation  | 92,440             | (25,000)            | 67,440            | 31,052            | 36,388                      |
| Workmen's Compensation   | 354,500            | (70,000)            | 284,500           | 254,575           | 29,925                      |
| Health Benefits  | 7,577,189          | (600,000)           | 6,977,189         | 6,722,218         | 254,971                     |
| Tuition Reimbursement  | 100,000            | 5,000               | 105,000           | 93,596            | 11,404                      |
| Unused Sick Payment  | 80,000             |                     | 80,000            | 61,950            | 18,050                      |
| <b>Total Unallocated Benefits</b>                                | <b>9,419,129</b>   | <b>(680,000)</b>    | <b>8,739,129</b>  | <b>8,375,963</b>  | <b>363,166</b>              |
| TPAF Social Security (Reimbursed - Non-Budgeted)                 |                    |                     |                   | 1,297,613         | (1,297,613)                 |
| TPAF Pension (On-Behalf - Non-Budgeted)                          |                    |                     |                   | 3,464,142         | (3,464,142)                 |
| TPAF Post-Retirement Medical Contribution                        |                    |                     |                   | 1,575,606         | (1,575,606)                 |
| <b>Total On-behalf Contributions</b>                             |                    |                     |                   | <b>6,337,361</b>  | <b>(6,337,361)</b>          |
| <b>Total Personal Services-Employee Benefits</b>                 | <b>9,419,129</b>   | <b>(680,000)</b>    | <b>8,739,129</b>  | <b>14,713,324</b> | <b>(5,974,195)</b>          |
| <b>Total Undistributed Expenditures</b>                          | <b>26,851,132</b>  | <b>321,715</b>      | <b>27,172,847</b> | <b>31,636,212</b> | <b>(4,463,365)</b>          |
| <b>Total General Current Expense</b>                             | <b>41,529,178</b>  | <b>703,517</b>      | <b>42,232,695</b> | <b>46,101,542</b> | <b>(3,868,847)</b>          |
| <b>CAPITAL OUTLAY:</b>   |                    |                     |                   |                   |                             |
| <b>Facilities Acquisition and Construction Services</b>          |                    |                     |                   |                   |                             |
| Architecture/Engineering Services                                | 35,000             | (35,000)            |                   |                   |                             |
| Construction Services  | 365,000            | 35,000              | 400,000           | 400,000           |                             |
| Assessment for Debt Serv on SDA Funding                          | 98,382             |                     | 98,382            | 98,382            |                             |
| <b>Total Facilities Acquisition and Construction Services</b>    | <b>498,382</b>     | <b>-</b>            | <b>498,382</b>    | <b>498,382</b>    | <b>-</b>                    |
| <b>Total Capital Outlay</b>                                      | <b>498,382</b>     | <b>-</b>            | <b>498,382</b>    | <b>498,382</b>    | <b>-</b>                    |



The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2019

|  | Original<br>Budget    | Budget<br>Transfers | Final<br>Budget       | Actual              | Variance<br>Final to Actual |
|--|-----------------------|---------------------|-----------------------|---------------------|-----------------------------|
| <b>Special Schools:</b>  |                       |                     |                       |                     |                             |
| <b>Post - Secondary Programs - Instruction</b>   |                       |                     |                       |                     |                             |
| Salaries of Teachers   | \$ 683,605            |                     | \$ 683,605            | \$ 679,599          | \$ 4,006                    |
| Purchased Prof. and Tech. Services   | 5,800                 |                     | 5,800                 |                     | 5,800                       |
| Other Purchased Services   | 5,200                 |                     | 5,200                 |                     | 5,200                       |
| General Supplies   | 65,500                | \$ (27,000)         | 38,500                | 24,781              | 13,719                      |
| Textbooks  | 4,675                 |                     | 4,675                 |                     | 4,675                       |
| Other Objects  | 3,200                 |                     | 3,200                 |                     | 3,200                       |
| <b>Total Post - Secondary Programs - Instruction</b>                                   | <u>767,980</u>        | <u>(27,000)</u>     | <u>740,980</u>        | <u>704,380</u>      | <u>36,600</u>               |
| <b>Post - Secondary Programs - Support Services</b>                                    |                       |                     |                       |                     |                             |
| Salaries   | 82,545                |                     | 82,545                | 82,545              | -                           |
| Unused Vacation Payment  | 500                   |                     | 500                   |                     | 500                         |
| Other Purchased Services   | 2,000                 |                     | 2,000                 |                     | 2,000                       |
| Supplies and Materials   | 4,000                 |                     | 4,000                 |                     | 4,000                       |
| Other Objects  | 2,000                 |                     | 2,000                 | 140                 | 1,860                       |
| <b>Total Post - Secondary Programs - Support Services</b>                              | <u>91,045</u>         |                     | <u>91,045</u>         | <u>82,685</u>       | <u>8,360</u>                |
| <b>Total Post - Secondary Programs</b>   | <u>859,025</u>        | <u>(27,000)</u>     | <u>832,025</u>        | <u>787,065</u>      | <u>44,960</u>               |
| <b>Vocational Evening-Local-Instruction</b>  |                       |                     |                       |                     |                             |
| Salaries of Teachers   | 219,213               |                     | 219,213               | 180,180             | 39,033                      |
| Other Salaries for Instruction   | 1,000                 |                     | 1,000                 |                     | 1,000                       |
| General Supplies   | 84,900                |                     | 84,900                | 13,978              | 70,922                      |
| Textbooks  | 16,300                |                     | 16,300                |                     | 16,300                      |
| <b>Total Vocational Evening-Local-Instruction</b>                                      | <u>321,413</u>        | <u>-</u>            | <u>321,413</u>        | <u>194,158</u>      | <u>127,255</u>              |
| <b>Vocational Evening-Local-Support Serv.</b>  |                       |                     |                       |                     |                             |
| Salaries   | 300,137               |                     | 300,137               | 281,586             | 18,551                      |
| Unused Vacation Payment  | 500                   |                     | 500                   |                     | 500                         |
| Supplies and Materials   | 23,750                | 1,407               | 25,157                | 6,706               | 18,451                      |
| Other Objects  | 28,250                | 2,500               | 30,750                | 29,238              | 1,512                       |
| <b>Total Vocational Evening-Local-Support Serv.</b>                                    | <u>352,637</u>        | <u>3,907</u>        | <u>356,544</u>        | <u>317,530</u>      | <u>39,014</u>               |
| <b>Total Vocational Evening-Local</b>  | <u>674,050</u>        | <u>3,907</u>        | <u>677,957</u>        | <u>511,688</u>      | <u>166,269</u>              |
| <b>Total Special Schools</b>   | <u>1,533,075</u>      | <u>(23,093)</u>     | <u>1,509,982</u>      | <u>1,298,753</u>    | <u>211,229</u>              |
| <b>Total Expenditures</b>  | <u>43,560,635</u>     | <u>680,424</u>      | <u>44,241,059</u>     | <u>47,898,677</u>   | <u>(3,657,618)</u>          |
| <b>(Deficiency) Excess of Revenues<br/>(Under) Over Expenditures</b>                   | <u>(1,300,000)</u>    | <u>(680,424)</u>    | <u>(1,980,424)</u>    | <u>569,244</u>      | <u>2,549,668</u>            |
| <b>Fund Balance, July 1</b>  | <u>5,008,912</u>      |                     | <u>5,008,912</u>      | <u>5,008,912</u>    |                             |
| <b>Fund Balance, June 30</b>   | <u>\$ 3,708,912</u>   | <u>\$ (680,424)</u> | <u>\$ 3,028,488</u>   | <u>\$ 5,578,156</u> | <u>\$ 2,549,668</u>         |
| <b>Recapitulation of (deficiency) excess of revenues<br/>(under) over expenditures</b> |                       |                     |                       |                     |                             |
| Budgeted fund balance  | \$ (1,300,000)        |                     | \$ (1,300,000)        | \$ 1,249,668        | \$ 2,549,668                |
| Adjustment for prior year encumbrances   |                       | \$ (680,424)        | (680,424)             | (680,424)           |                             |
| Total  | <u>\$ (1,300,000)</u> | <u>\$ (680,424)</u> | <u>\$ (1,980,424)</u> | <u>\$ 569,244</u>   | <u>\$ 2,549,668</u>         |
| <b>Recapitulation of fund balance:</b>   |                       |                     |                       |                     |                             |
| Restricted Fund Balance:   |                       |                     |                       |                     |                             |
| Capital reserve account - restricted   |                       |                     |                       | \$ 950,100          |                             |
| Excess Surplus - Designated for Subsequent Year's Expenditures                         |                       |                     |                       | 81,788              |                             |
| Excess Surplus - Current Year  |                       |                     |                       | 59,540              |                             |
| Assigned Fund Balance:   |                       |                     |                       |                     |                             |
| Year-end encumbrances - assigned   |                       |                     |                       | 774,837             |                             |
| Designated for subsequent year's expenditures - assigned                               |                       |                     |                       | 1,218,212           |                             |
| Unassigned Fund Balance  |                       |                     |                       | 2,493,679           |                             |
|  |                       |                     |                       | 5,578,156           |                             |
| <b>Reconciliation to Governmental Funds Statements (GAAP):</b>                         |                       |                     |                       |                     |                             |
| Last State Aid Payments not recognized on GAAP basis                                   |                       |                     |                       | (1,409,865)         |                             |
| Fund Balance per Governmental Funds (GAAP)   |                       |                     |                       | <u>\$ 4,168,291</u> |                             |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Special Revenue Fund  
Year Ended June 30, 2019**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| <b>REVENUES:</b>   |                            |                             |                         |                  |                                     |
| Local Sources  | \$ 392,532                 | \$ 5,169                    | \$ 397,701              | \$ 169,572       | \$ (228,129)                        |
| State Sources  | 384,926                    |                             | 384,926                 | 248,256          | (136,670)                           |
| Federal Sources  | 2,423,769                  | 121,162                     | 2,544,931               | 2,338,942        | (205,989)                           |
| <b>Total Revenues</b>  | <u>3,201,227</u>           | <u>126,331</u>              | <u>3,327,558</u>        | <u>2,756,770</u> | <u>(570,788)</u>                    |
| <b>EXPENDITURES:</b>   |                            |                             |                         |                  |                                     |
| <b>Instruction</b>   |                            |                             |                         |                  |                                     |
| Salaries of Teachers   | 870,374                    | (22,728)                    | 847,646                 | 739,301          | 108,345                             |
| Purchased Professional and Technical Services                    | 103,700                    |                             | 103,700                 | 43,076           | 60,624                              |
| Other Purchased Services   | 9,200                      |                             | 9,200                   | 2,200            | 7,000                               |
| General Supplies   | 480,685                    | (2,730)                     | 477,955                 | 342,325          | 135,630                             |
| <b>Total Instruction</b>   | <u>1,463,959</u>           | <u>(25,458)</u>             | <u>1,438,501</u>        | <u>1,126,902</u> | <u>311,599</u>                      |
| <b>Support Services</b>  |                            |                             |                         |                  |                                     |
| Salaries of Other Professional Staff                             | 605,128                    | 7,861                       | 612,989                 | 526,024          | 86,965                              |
| Personal Services - Employee Benefits                            | 329,711                    | 33,392                      | 363,103                 | 344,913          | 18,190                              |
| Other Purchased Professional Services                            | 125,408                    | 56,711                      | 182,119                 | 107,967          | 74,152                              |
| Travel   | 12,081                     | (590)                       | 11,491                  | 4,574            | 6,917                               |
| Other Purchased Services   | 138,117                    | 21,683                      | 159,800                 | 104,942          | 54,858                              |
| Supplies & Materials   | 29,100                     | (969)                       | 28,131                  | 10,024           | 18,107                              |
| <b>Total Support Services</b>                                    | <u>1,239,545</u>           | <u>118,088</u>              | <u>1,357,633</u>        | <u>1,098,444</u> | <u>259,189</u>                      |
| <b>Facilities Acquisition and Construction Services</b>          |                            |                             |                         |                  |                                     |
| Instructional Equipment  | 497,723                    | 33,701                      | 531,424                 | 531,424          | -                                   |
| <b>Total Facilities Acquisition and Construction Services</b>    | <u>497,723</u>             | <u>33,701</u>               | <u>531,424</u>          | <u>531,424</u>   | <u>-</u>                            |
| <b>Total Expenditures</b>  | <u>3,201,227</u>           | <u>126,331</u>              | <u>3,327,558</u>        | <u>2,756,770</u> | <u>570,788</u>                      |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>                         |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
Budget to GAAP Reconciliation  
Year Ended June 30, 2019**

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

|   | <u>General<br/>Fund</u>    | <u>Special<br/>Revenue<br/>Fund</u> |
|---|----------------------------|-------------------------------------|
| <b>Sources/inflows of resources</b>   |                            |                                     |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule  | [C-1] \$ 48,467,921        | [C-2] \$ 2,756,770                  |
| Difference - budgetary to GAAP:   |                            |                                     |
| State aid payments recognized for budgetary purposes,<br>not recognized for GAAP statements                                 |                            |                                     |
| Prior year  | 1,374,482                  |                                     |
| Current year  | (1,409,865)                |                                     |
| Total revenues as reported on the statement of revenues, expenditures<br>and changes in fund balances - governmental funds. | [B-2] <u>\$ 48,432,538</u> | [B-2] <u>\$ 2,756,770</u>           |

## **Supplementary Information**

## **Special Revenue Fund**

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
Year Ended June 30, 2019

|   | Total Brought Forward (Ex. E-1a) | Title I Part A Regular Program | Title II Part A Regular Program | Title IV Regular Program | I.D.E.A Part B Regular Program | County Voc Partnership Grant Cohort 3 | WSSC School Health Project PI | WSSC School Health Project WB | Carl Perkins Entitlement Secondary Program Federal | Carl Perkins Entitlement Secondary Program Reserve | Totals              |
|---|----------------------------------|--------------------------------|---------------------------------|--------------------------|--------------------------------|---------------------------------------|-------------------------------|-------------------------------|--|--|---------------------|
| <b>REVENUES:</b>  |                                  |                                |                                 |                          |                                |                                       |                               |                               |  |  |                     |
| Local Sources   | \$ 169,572                       |                                |                                 |                          |                                |                                       |                               |                               |  |  | \$ 169,572          |
| State Sources   | 147,110                          |                                |                                 |                          |                                | \$ 101,146                            |                               |                               |  |  | 248,256             |
| Federal Sources   | 309,547                          | \$ 548,271                     | \$ 75,237                       | \$ 9,781                 | \$ 576,821                     |                                       | \$ 1,720                      | \$ 3,768                      | \$ 739,386   | \$ 74,411  | 2,338,942           |
| <b>Total Revenues</b>   | <u>\$ 626,229</u>                | <u>\$ 548,271</u>              | <u>\$ 75,237</u>                | <u>\$ 9,781</u>          | <u>\$ 576,821</u>              | <u>\$ 101,146</u>                     | <u>\$ 1,720</u>               | <u>\$ 3,768</u>               | <u>\$ 739,386</u>                                  | <u>\$ 74,411</u>                                   | <u>\$ 2,756,770</u> |
| <b>EXPENDITURES:</b>  |                                  |                                |                                 |                          |                                |                                       |                               |                               |  |  |                     |
| <b>Instruction</b>  |                                  |                                |                                 |                          |                                |                                       |                               |                               |  |  |                     |
| Salaries of Teachers  | \$ 122,869                       | \$ 326,201                     |                                 |                          | \$ 149,826                     | \$ 45,000                             |                               | \$ 198                        | \$ 95,207  |  | \$ 739,301          |
| Purchased Professional and Technical Services                 | -                                |                                |                                 |                          |                                | 43,076                                |                               |                               |  |  | 43,076              |
| Other Purchased Services                                      | 2,200                            |                                |                                 |                          |                                |                                       |                               |                               |  |  | 2,200               |
| General Supplies  | 74,510                           | 78,314                         |                                 |                          |                                |                                       |                               |                               | 184,742  | \$ 4,759   | 342,325             |
| <b>Total Instruction</b>                                      | <u>199,579.00</u>                | <u>404,515</u>                 |                                 |                          | <u>149,826</u>                 | <u>88,076</u>                         |                               | <u>198</u>                    | <u>279,949</u>                                     | <u>4,759</u>                                       | <u>1,126,902</u>    |
| <b>Support Services</b>                                       |                                  |                                |                                 |                          |                                |                                       |                               |                               |  |  |                     |
| Salaries of Other Professional Staff                          | 233,650                          | 6,720                          |                                 |                          | 276,974                        |                                       | \$ 1,720                      | 1,200                         | 5,760  |  | 526,024             |
| Personal Services - Employee Benefits                         | 56,013                           | 100,643                        |                                 |                          | 150,021                        | 4,657                                 |                               |                               | 33,579   |  | 344,913             |
| Other Purchased Professional & Technical Services             | 16,795                           |                                | \$ 72,165                       | \$ 9,781                 |                                |                                       |                               | 2,060                         | 7,166  |  | 107,967             |
| Travel  | 4,574                            |                                |                                 |                          |                                |                                       |                               |                               |  |  | 4,574               |
| Other Purchased Services                                      | 53,728                           | 35,111                         | 3,072                           |                          |                                | 8,413                                 |                               |                               | 4,618  |  | 104,942             |
| Supplies & Materials  | 8,432                            | 1,282                          |                                 |                          |                                |                                       |                               | 310                           |  |  | 10,024              |
| <b>Total Support Services</b>                                 | <u>373,192</u>                   | <u>143,756</u>                 | <u>75,237</u>                   | <u>9,781</u>             | <u>426,995</u>                 | <u>13,070</u>                         | <u>1,720</u>                  | <u>3,570</u>                  | <u>51,123</u>                                      |  | <u>1,098,444</u>    |
| <b>Facilities Acquisition and Construction Services</b>       |                                  |                                |                                 |                          |                                |                                       |                               |                               |  |  |                     |
| Instructional Equipment                                       | 53,458                           |                                |                                 |                          |                                |                                       |                               |                               | 408,314  | 69,652   | 531,424             |
| <b>Total Facilities Acquisition and Construction Services</b> | <u>53,458</u>                    |                                |                                 |                          |                                |                                       |                               |                               | <u>408,314</u>                                     | <u>69,652</u>                                      | <u>531,424</u>      |
| <b>Total Expenditures</b>                                     | <u>\$ 626,229</u>                | <u>\$ 548,271</u>              | <u>\$ 75,237</u>                | <u>\$ 9,781</u>          | <u>\$ 576,821</u>              | <u>\$ 101,146</u>                     | <u>\$ 1,720</u>               | <u>\$ 3,768</u>               | <u>\$ 739,386</u>                                  | <u>\$ 74,411</u>                                   | <u>\$ 2,756,770</u> |

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
Year Ended June 30, 2019

|   | Total Brought Forward (Ex. E-1b) | Carl Perkins Entitlement Postsecondary Program State | Apprentice Coordinator Program | Preapprentice Port Authority Grant | CTSO HOSA Grant   | CTSO HOSA Grant Jul/Aug | Pre ETS Grant     | Youth Transition to Work Grant | ACS HACH Professional Development Grant | Walmart Grant   | Total Carried Forward |
|---|----------------------------------|--|--------------------------------|------------------------------------|-------------------|-------------------------|-------------------|--------------------------------|---|-----------------|-----------------------|
| <b>REVENUES:</b>  |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 |                       |
| Local Sources   | \$ 165,247                       |  |                                | \$ 1,207                           |                   |                         |                   |                                | \$ 1,303                                | \$ 1,815        | \$ 169,572            |
| State Sources   |                                  | \$ 122,070   | \$ 20,422                      |                                    | \$ 128,962        | \$ 15,435               | \$ 165,150        | \$ 4,618                       |   |                 | 147,110               |
| Federal Sources   |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 | 309,547               |
| <b>Total Revenues</b>                                   | <u>\$ 165,247</u>                | <u>\$ 122,070</u>                                    | <u>\$ 20,422</u>               | <u>\$ 1,207</u>                    | <u>\$ 128,962</u> | <u>\$ 15,435</u>        | <u>\$ 165,150</u> | <u>\$ 4,618</u>                | <u>\$ 1,303</u>                         | <u>\$ 1,815</u> | <u>\$ 626,229</u>     |
| <b>EXPENDITURES:</b>                                    |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 |                       |
| <b>Instruction</b>                                      |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 |                       |
| Salaries of Teachers                                    | \$ 58,481                        |  |                                |                                    |                   |                         | \$ 64,388         |                                |   |                 | \$ 122,869            |
| Purchased Professional and Technical Services           | -                                |  |                                |                                    |                   |                         |                   |                                |   |                 | -                     |
| Other Purchased Services                                | 2,200                            |  |                                |                                    |                   |                         |                   |                                |   |                 | 2,200                 |
| General Supplies  | 3,911                            | \$ 68,612  |                                |                                    |                   |                         | 1,987             |                                |   |                 | 74,510                |
| <b>Total Instruction</b>                                | <u>64,592</u>                    | <u>68,612</u>  |                                |                                    |                   |                         | <u>66,375</u>     |                                |   |                 | <u>199,579</u>        |
| <b>Support Services</b>                                 |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 |                       |
| Salaries of Other Professional Staff                    | 53,000                           |  | \$ 14,800                      |                                    | \$ 87,761         | \$ 12,999               | 65,090            |                                |   |                 | 233,650               |
| Personal Services - Employee Benefits                   | 18,790                           |  |                                |                                    | 10,233            | 1,305                   | 25,685            |                                |   |                 | 56,013                |
| Other Purchased Professional & Technical Services       | 4,775                            |  |                                |                                    | 2,730             |                         | 8,000             |                                |   | \$ 1,290        | 16,795                |
| Travel  | -                                |  |                                |                                    | 3,897             | 34                      |                   |                                | \$ 548                                  |                 | 4,574                 |
| Other Purchased Services                                | 23,890                           |  | 3,645                          | \$ 1,207                           | 19,118            |                         |                   | \$ 4,618                       | 725                                     | 525             | 53,728                |
| Supplies & Materials                                    | 200                              |  | 1,882                          |                                    | 5,223             | 1,097                   |                   |                                | 30                                      |                 | 8,432                 |
| <b>Total Support Services</b>                           | <u>100,655</u>                   |  | <u>20,422</u>                  | <u>1,207</u>                       | <u>128,962</u>    | <u>15,435</u>           | <u>98,775</u>     | <u>4,618</u>                   | <u>1,303</u>                            | <u>1,815</u>    | <u>373,192</u>        |
| <b>Facilities Acquisition and Construction Services</b> |                                  |  |                                |                                    |                   |                         |                   |                                |   |                 |                       |
| Instructional Equipment                                 |                                  | 53,458   |                                |                                    |                   |                         |                   |                                |   |                 | 53,458                |
| <b>Facilities Acquisition and Construction Services</b> |                                  | <u>53,458</u>  |                                |                                    |                   |                         |                   |                                |   |                 | <u>53,458</u>         |
| <b>Total Expenditures</b>                               | <u>\$ 165,247</u>                | <u>\$ 122,070</u>                                    | <u>\$ 20,422</u>               | <u>\$ 1,207</u>                    | <u>\$ 128,962</u> | <u>\$ 15,435</u>        | <u>\$ 165,150</u> | <u>\$ 4,618</u>                | <u>\$ 1,303</u>                         | <u>\$ 1,815</u> | <u>\$ 626,229</u>     |

**The Board of Education**  
**of the Vocational and Technical High Schools**  
**County of Middlesex**  
**State of New Jersey**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Year Ended June 30, 2019**

|   | Alcohol<br>Adolescents<br>Program | Sustainable<br>Jersey NJEA Grant | NJSBAIG<br>Safety Grant | PSA<br>Contest | Mini Arts<br>Grant | Inmate Education   |                  | Alcohol<br>Adolescents<br>Program C/O | Ingersoll and<br>Rand | Total<br>Carried<br>Forward |
|---|-----------------------------------|----------------------------------|-------------------------|----------------|--------------------|--------------------|------------------|---------------------------------------|-----------------------|-----------------------------|
|   |                                   |                                  |                         |                |                    | Regular<br>Program | Carryover        |                                       |                       |                             |
| <b>REVENUES:</b>                                  |                                   |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| Local Sources                                     | \$ 54,422                         | \$ 8,000                         | \$ 19,840               | \$ 200         | \$ 2,200           | \$ 38,963          | \$ 38,477        | \$ 3,000                              | \$ 145                | \$ 165,247                  |
| <b>Total Revenues</b>                             | <u>\$ 54,422</u>                  | <u>\$ 8,000</u>                  | <u>\$ 19,840</u>        | <u>\$ 200</u>  | <u>\$ 2,200</u>    | <u>\$ 38,963</u>   | <u>\$ 38,477</u> | <u>\$ 3,000</u>                       | <u>\$ 145</u>         | <u>\$ 165,247</u>           |
| <b>EXPENDITURES</b>                               |                                   |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| <b>Instruction</b>                                |                                   |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| Salaries of Teachers                              |                                   |                                  |                         |                |                    | \$ 29,530          | \$ 28,951        |                                       |                       | \$ 58,481                   |
| Purchased Professional and Technical Services     |                                   |                                  |                         |                |                    |                    |                  |                                       |                       | 2,200                       |
| Other Purchased Services                          |                                   |                                  |                         |                | \$ 2,200           | 53                 | 116              |                                       | \$ 145                | 3,911                       |
| General Supplies                                  | \$ 3,597                          |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| <b>Total Instruction</b>                          | <u>3,597</u>                      |                                  |                         |                | <u>2,200</u>       | <u>29,583</u>      | <u>29,067</u>    |                                       | <u>145</u>            | <u>64,592</u>               |
| <b>Support Services</b>                           |                                   |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| Salaries of Other Professional Staff              | 45,000                            | \$ 8,000                         |                         |                |                    |                    |                  |                                       |                       | 53,000                      |
| Personal Services - Employee Benefits             |                                   |                                  |                         |                |                    | 9,380              | 9,410            |                                       |                       | 18,790                      |
| Other Purchased Professional & Technical Services | 4,775                             |                                  |                         |                |                    |                    |                  |                                       |                       | 4,775                       |
| Travel  |                                   |                                  |                         |                |                    |                    |                  |                                       |                       |                             |
| Other Purchased Services                          | 1,050                             |                                  | \$ 19,840               |                |                    |                    |                  | \$ 3,000                              |                       | 23,890                      |
| Supplies & Materials                              |                                   |                                  |                         | \$ 200         |                    |                    |                  |                                       |                       | 200                         |
| <b>Total Support Services</b>                     | <u>50,825</u>                     | <u>8,000</u>                     | <u>19,840</u>           | <u>200</u>     |                    | <u>9,380</u>       | <u>9,410</u>     | <u>3,000</u>                          |                       | <u>100,655</u>              |
| <b>Total Expenditures</b>                         | <u>\$ 54,422</u>                  | <u>\$ 8,000</u>                  | <u>\$ 19,840</u>        | <u>\$ 200</u>  | <u>\$ 2,200</u>    | <u>\$ 38,963</u>   | <u>\$ 38,477</u> | <u>\$ 3,000</u>                       | <u>\$ 145</u>         | <u>\$ 165,247</u>           |



## **Capital Projects Fund**

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Summary Schedule of Project Expenditures - Budgetary Basis  
Year Ended June 30, 2019**

| Project Title/Issue                         | Original Date | Appropriations       | Expenditures to Date |                     | Unexpended Balance<br>June 30, 2019 |
|---|---------------|----------------------|----------------------|---------------------|-------------------------------------|
|   |               |                      | Prior Years          | Current Year        |                                     |
| Insurance Reimbursements - Superstorm Sandy | 7/1/2012      | \$ 50,183            |                      |                     | \$ 50,183                           |
| Capital Outlay - County                     | 7/1/2012      | 3,100,000            | \$ 3,047,645         | \$ 52,355           |                                     |
| Capital Outlay - County                     | 7/1/2013      | 3,100,000            | 3,044,473            | 55,527              |                                     |
| Capital Outlay - County                     | 7/1/2014      | 1,752,649            | 1,548,996            | 156,169             | 47,484                              |
| ROD Grant East Brunswick Roof               | 7/1/2014      | 1,236,658            | 1,236,658            |                     |                                     |
| ROD East Brunswick Grant Science Lab        | 7/1/2014      | 423,140              | 423,140              |                     |                                     |
| ROD Grant East Brunswick Mechatronics       | 7/1/2014      | 503,461              | 503,461              |                     |                                     |
| Energy Savings Improvement Plan             | 7/1/2014      | 11,300,000           | 10,873,103           | 81,117              | 345,780                             |
| Capital Outlay - County                     | 7/1/2015      | 2,440,549            | 2,432,533            | 8,016               |                                     |
| ROD Grant Piscataway HVAC                   | 7/1/2015      | 1,110,000            | 1,110,000            |                     |                                     |
| Capital Outlay - County                     | 7/1/2016      | 3,000,000            | 3,000,000            |                     |                                     |
| E-Rate                                      | 7/1/2016      | 177,257              | 24,605               | 81,363              | 71,289                              |
| Capital Outlay -County                      | 7/1/2017      | 3,000,000            | 1,423,143            | 1,576,857           |                                     |
| Capital Reserve Transfer                    | 7/1/2017      | 450,000              |                      | 155,386             | 294,614                             |
| Capital Outlay -County                      | 7/1/2018      | 3,100,000            |                      | 1,486,693           | 1,613,307                           |
| Interest and Miscellaneous Income           | 6/30/2019     | 32,831               |                      |                     | 32,831                              |
|   |               | <u>\$ 34,776,728</u> | <u>\$ 28,667,757</u> | <u>\$ 3,653,483</u> | <u>\$ 2,455,488</u>                 |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis  
Year Ended June 30, 2019**

**Revenue**

|                             |                  |
|-----------------------------|------------------|
| State Sources - SDA Grants  | \$ (8,431)       |
| County Capital Contribution | 3,100,000        |
| Interest Income             | 16,271           |
| Total Revenue               | <u>3,107,840</u> |

**Expenditures**

|   |                  |
|---|------------------|
| Purchased Professional and Technical Services | 313,381          |
| Construction Services                         | 3,208,849        |
| Other Objects                                 | 11,043           |
| Equipment Purchases                           | 120,210          |
| Total Expenditures                            | <u>3,653,483</u> |

(Deficiency) of revenues over expenditures (545,643)

|                                   |                     |
|-----------------------------------|---------------------|
| Fund Balance - Beginning - July 1 | 3,001,131           |
| Fund Balance - Ending - June 30   | <u>\$ 2,455,488</u> |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years      | Current Year       | Totals           |
|--|------------------|--------------------|------------------|
| Revenue and Other Financing Sources                          |                  |                    |                  |
| County Capital Contribution - 2012/2013                      | \$ 3,100,000     |                    | \$ 3,100,000     |
| Total Revenue and Other Financing Sources                    | <u>3,100,000</u> |                    | <u>3,100,000</u> |
| Expenditures   |                  |                    |                  |
| Purchased Professional and Technical Services                | 302,016          |                    | 302,016          |
| Construction Services  | 2,346,032        | \$ 52,355          | 2,398,387        |
| Other Objects  | 8,640            |                    | 8,640            |
| Equipment Purchases  | 390,957          |                    | 390,957          |
| Total Expenditures   | <u>3,047,645</u> | <u>52,355</u>      | <u>3,100,000</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 52,355</u> | <u>\$ (52,355)</u> | <u>\$ -</u>      |
| Additional Project Information:                              |                  |                    |                  |
| Project Number   |                  | N/A                |                  |
| Grant Date   |                  | N/A                |                  |
| Bond Authorization Date                                      |                  | N/A                |                  |
| Bonds Authorized   |                  | N/A                |                  |
| Bonds Issued   |                  | N/A                |                  |
| Original Eligible Cost                                       | \$ 3,100,000     |                    |                  |
| Additional Eligible Cost                                     |                  |                    |                  |
| Revised Eligible Cost  | \$ 3,100,000     |                    |                  |
| Percentage Increase over Original<br>Authorized Cost         |                  | 0.00%              |                  |
| Percentage Completion  |                  | 100%               |                  |
| Original Target Completion Date                              |                  | Jun-14             |                  |
| Revised Target Completion Date                               |                  | Complete           |                  |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years  | Current Year | Totals       |
|--|--------------|--------------|--------------|
| Revenue and Other Financing Sources                          |              |              |              |
| County Capital Contribution - 2013/2014                      | \$ 3,100,000 |              | \$ 3,100,000 |
| Total Revenue and Other Financing Sources                    | 3,100,000    |              | 3,100,000    |
| Expenditures   |              |              |              |
| Purchased Professional and Technical Services                | 291,726      |              | 291,726      |
| Construction Services  | 2,347,664    | \$ 55,527    | 2,403,191    |
| Other Objects  | 10,341       |              | 10,341       |
| Equipment Purchases  | 394,742      |              | 394,742      |
| Total Expenditures   | 3,044,473    | 55,527       | 3,100,000    |
| Excess (deficiency) of revenues<br>Over (under) expenditures | \$ 55,527    | \$ (55,527)  | \$ -         |
| Additional Project Information:                              |              |              |              |
| Project Number   | N/A          |              |              |
| Grant Date   | N/A          |              |              |
| Bond Authorization Date                                      | N/A          |              |              |
| Bonds Authorized   | N/A          |              |              |
| Bonds Issued   | N/A          |              |              |
| Original Eligible Cost                                       | \$ 3,100,000 |              |              |
| Additional Eligible Cost                                     |              |              |              |
| Revised Eligible Cost  | \$ 3,100,000 |              |              |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%        |              |              |
| Percentage Completion  | 100%         |              |              |
| Original Target Completion Date                              | Jun-15       |              |              |
| Revised Target Completion Date                               | Complete     |              |              |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years       | Current Year        | Totals           |
|--|-------------------|---------------------|------------------|
| Revenue and Other Financing Sources                          |                   |                     |                  |
| County Capital Contribution - 2014/2015                      | \$ 1,726,107      | \$ 26,542           | \$ 1,752,649     |
| Total Revenue and Other Financing Sources                    | <u>1,726,107</u>  | <u>26,542</u>       | <u>1,752,649</u> |
| Expenditures   |                   |                     |                  |
| Purchased Professional and Technical Services                | 36,976            |                     | 36,976           |
| Construction Services  | 1,203,873         | 156,169             | 1,360,042        |
| Other Objects  | 1,720             |                     | 1,720            |
| Equipment Purchases  | 306,427           |                     | 306,427          |
| Total Expenditures   | <u>1,548,996</u>  | <u>156,169</u>      | <u>1,705,165</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 177,111</u> | <u>\$ (129,627)</u> | <u>\$ 47,484</u> |
| Additional Project Information:                              |                   |                     |                  |
| Project Number   |                   | N/A                 |                  |
| Grant Date   |                   | N/A                 |                  |
| Bond Authorization Date                                      |                   | N/A                 |                  |
| Bonds Authorized   |                   | N/A                 |                  |
| Bonds Issued   |                   | N/A                 |                  |
| Original Eligible Cost                                       | \$ 1,691,983      |                     |                  |
| Additional Eligible Cost                                     | 34,124            |                     |                  |
| Revised Eligible Cost  | \$ 1,726,107      |                     |                  |
| Percentage Increase over Original<br>Authorized Cost         |                   | 0.00%               |                  |
| Percentage Completion  |                   | 97%                 |                  |
| Original Target Completion Date                              |                   | Jun-16              |                  |
| Revised Target Completion Date                               |                   | Jun-20              |                  |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
ROD Grant East Brunswick Roof  
Year Ended June 30, 2019**

|  | Prior Years          | Current Year      | Totals           |
|--|----------------------|-------------------|------------------|
| Revenue and Other Financing Sources                          |                      |                   |                  |
| State Sources - SDA Grants                                   | \$ 505,956           | \$ (3,996)        | \$ 501,960       |
| County Capital Contribution - 2014/2015                      | 740,547              | (5,849)           | 734,698          |
| Total Revenue and Other Financing Sources                    | <u>1,246,503</u>     | <u>(9,845)</u>    | <u>1,236,658</u> |
| Expenditures   |                      |                   |                  |
| Purchased Professional and Technical Services                | 108,138              |                   | 108,138          |
| Construction Services  | 1,128,520            |                   | 1,128,520        |
| Other Objects  |                      |                   |                  |
| Equipment Purchases  |                      |                   |                  |
| Total Expenditures   | <u>1,236,658</u>     | <u>-</u>          | <u>1,236,658</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 9,845</u>      | <u>\$ (9,845)</u> | <u>\$ -</u>      |
| Additional Project Information:                              |                      |                   |                  |
| Project Number   | 3150-040-14-1003-G04 |                   |                  |
| Grant Date   | 1/6/2014             |                   |                  |
| Bond Authorization Date                                      | N/A                  |                   |                  |
| Bonds Authorized   | N/A                  |                   |                  |
| Bonds Issued   | N/A                  |                   |                  |
| Original Eligible Cost                                       | \$ 1,470,000         |                   |                  |
| Additional Eligible Cost                                     | (233,342)            |                   |                  |
| Revised Eligible Cost  | \$ 1,236,658         |                   |                  |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%                |                   |                  |
| Percentage Completion  | 100%                 |                   |                  |
| Original Target Completion Date                              | Jun-16               |                   |                  |
| Revised Target Completion Date                               | Complete             |                   |                  |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
ROD Grant East Brunswick Science Lab  
Year Ended June 30, 2019**

|  | Prior Years          | Current Year       | Totals         |
|--|----------------------|--------------------|----------------|
| <b>Revenue and Other Financing Sources</b>                   |                      |                    |                |
| State Sources - SDA Grants                                   | \$ 109,593           |                    | \$ 109,593     |
| County Capital Contribution - 2014/2015                      | 327,748              | \$ (14,201)        | 313,547        |
| Total Revenue and Other Financing Sources                    | <u>437,341</u>       | <u>(14,201)</u>    | <u>423,140</u> |
| <b>Expenditures</b>  |                      |                    |                |
| Purchased Professional and Technical Services                | 38,212               |                    | 38,212         |
| Construction Services  | 383,803              |                    | 383,803        |
| Other Objects  | 1,125                |                    | 1,125          |
| Equipment Purchases  |                      |                    |                |
| Total Expenditures   | <u>423,140</u>       | <u>-</u>           | <u>423,140</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 14,201</u>     | <u>\$ (14,201)</u> | <u>\$ -</u>    |
| <b>Additional Project Information:</b>                       |                      |                    |                |
| Project Number   | 3150-040-14-1002-G04 |                    |                |
| Grant Date   | 1/6/2014             |                    |                |
| Bond Authorization Date                                      | N/A                  |                    |                |
| Bonds Authorized   | N/A                  |                    |                |
| Bonds Issued   | N/A                  |                    |                |
| Original Eligible Cost                                       | \$ 270,000           |                    |                |
| Additional Eligible Cost                                     |                      |                    |                |
| Revised Eligible Cost  | \$ 270,000           |                    |                |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%                |                    |                |
| Percentage Completion  | 100%                 |                    |                |
| Original Target Completion Date                              | Jun-16               |                    |                |
| Revised Target Completion Date                               | Complete             |                    |                |



**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
ROD Grant East Brunswick Mechatronics  
Year Ended June 30, 2019**

|  | Prior Years          | Current Year       | Totals         |
|--|----------------------|--------------------|----------------|
| Revenue and Other Financing Sources                          |                      |                    |                |
| State Sources - SDA Grants                                   | \$ 208,790           | \$ (4,435)         | \$ 204,355     |
| County Capital Contribution - 2014/2015                      | 305,598              | (6,492)            | 299,106        |
| Total Revenue and Other Financing Sources                    | <u>514,388</u>       | <u>(10,927)</u>    | <u>503,461</u> |
| Expenditures   |                      |                    |                |
| Purchased Professional and Technical Services                | 47,956               |                    | 47,956         |
| Construction Services  | 452,880              |                    | 452,880        |
| Other Objects  | 2,625                |                    | 2,625          |
| Equipment Purchases  |                      |                    |                |
| Total Expenditures   | <u>503,461</u>       | <u>-</u>           | <u>503,461</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 10,927</u>     | <u>\$ (10,927)</u> | <u>\$ -</u>    |
| Additional Project Information:                              |                      |                    |                |
| Project Number   | 3150-040-14-1001-G04 |                    |                |
| Grant Date   | 1/6/2014             |                    |                |
| Bond Authorization Date                                      | N/A                  |                    |                |
| Bonds Authorized   | N/A                  |                    |                |
| Bonds Issued   | N/A                  |                    |                |
| Original Eligible Cost                                       | \$ 630,000           |                    |                |
| Additional Eligible Cost                                     | (126,539)            |                    |                |
| Revised Eligible Cost  | \$ 503,461           |                    |                |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%                |                    |                |
| Percentage Completion  | 100%                 |                    |                |
| Original Target Completion Date                              | Jun-16               |                    |                |
| Revised Target Completion Date                               | Complete             |                    |                |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Energy Savings Improvement Program  
Year Ended June 30, 2019**

|  | Prior Years   | Current Year | Totals        |
|--|---------------|--------------|---------------|
| Revenue and Other Financing Sources                          |               |              |               |
| Lease Purchases  | \$ 11,300,000 |              | \$ 11,300,000 |
| Total Revenue and Other Financing Sources                    | 11,300,000    |              | 11,300,000    |
| Expenditures   |               |              |               |
| Purchased Professional and Technical Services                | 2,474,294     | \$ 26,967    | 2,501,261     |
| Construction Services  | 8,360,999     | 54,150       | 8,415,149     |
| Other Objects  | 37,810        |              | 37,810        |
| Equipment Purchases  |               |              |               |
| Total Expenditures   | 10,873,103    | 81,117       | 10,954,220    |
| Excess (deficiency) of revenues<br>Over (under) expenditures | \$ 426,897    | \$ (81,117)  | \$ 345,780    |
| Additional Project Information:                              |               |              |               |
| Project Number   |               | N/A          |               |
| Grant Date   |               | N/A          |               |
| Bond Authorization Date                                      |               | N/A          |               |
| Bonds Authorized   |               | N/A          |               |
| Bonds Issued   |               | N/A          |               |
| Original Eligible Cost                                       | \$ 11,300,000 |              |               |
| Additional Eligible Cost                                     |               |              |               |
| Revised Eligible Cost  | \$ 11,300,000 |              |               |
| Percentage Increase over Original<br>Authorized Cost         |               | 0.00%        |               |
| Percentage Completion  |               | 97%          |               |
| Original Target Completion Date                              |               | Jun-16       |               |
| Revised Target Completion Date                               |               | Jun-20       |               |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years  | Current Year | Totals       |
|--|--------------|--------------|--------------|
| Revenue and Other Financing Sources                          |              |              |              |
| County Capital Contribution - 2015/2016                      | \$ 2,440,549 |              | \$ 2,440,549 |
| Total Revenue and Other Financing Sources                    | 2,440,549    |              | 2,440,549    |
| Expenditures   |              |              |              |
| Purchased Professional and Technical Services                | 167,860      |              | 167,860      |
| Construction Services  | 2,051,757    |              | 2,051,757    |
| Other Objects  | 9,923        |              | 9,923        |
| Equipment Purchases  | 202,993      | \$ 8,016     | 211,009      |
| Total Expenditures   | 2,432,533    | 8,016        | 2,440,549    |
| Excess (deficiency) of revenues<br>Over (under) expenditures | \$ 8,016     | \$ (8,016)   | \$ -         |
| Additional Project Information:                              |              |              |              |
| Project Number   | N/A          |              |              |
| Grant Date   | N/A          |              |              |
| Bond Authorization Date                                      | N/A          |              |              |
| Bonds Authorized   | N/A          |              |              |
| Bonds Issued   | N/A          |              |              |
| Original Eligible Cost                                       | \$ 2,440,549 |              |              |
| Additional Eligible Cost                                     |              |              |              |
| Revised Eligible Cost  | \$ 2,440,549 |              |              |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%        |              |              |
| Percentage Completion  | 100%         |              |              |
| Original Target Completion Date                              | Jun-16       |              |              |
| Revised Target Completion Date                               | Complete     |              |              |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
ROD Grant Piscataway HVAC  
Year Ended June 30, 2019**

|  | Prior Years          | Current Year | Totals           |
|--|----------------------|--------------|------------------|
| Revenue and Other Financing Sources                          |                      |              |                  |
| State Sources - SDA Grants                                   | \$ 450,549           |              | \$ 450,549       |
| County Capital Contribution - 2015/2016                      | 659,451              |              | 659,451          |
| Total Revenue and Other Financing Sources                    | <u>1,110,000</u>     | <u>-</u>     | <u>1,110,000</u> |
| Expenditures   |                      |              |                  |
| Purchased Professional and Technical Services                | 154,604              |              | 154,604          |
| Construction Services  | 955,396              |              | 955,396          |
| Other Objects  |                      |              |                  |
| Equipment Purchases  |                      |              |                  |
| Total Expenditures   | <u>1,110,000</u>     | <u>-</u>     | <u>1,110,000</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ -</u>          | <u>\$ -</u>  | <u>\$ -</u>      |
| Additional Project Information:                              |                      |              |                  |
| Project Number   | 3150-030-14-1004-G04 |              |                  |
| Grant Date   | 1/6/2014             |              |                  |
| Bond Authorization Date                                      | N/A                  |              |                  |
| Bonds Authorized   | N/A                  |              |                  |
| Bonds Issued   | N/A                  |              |                  |
| Original Eligible Cost                                       | \$ 1,110,000         |              |                  |
| Additional Eligible Cost                                     |                      |              |                  |
| Revised Eligible Cost  | \$ 1,110,000         |              |                  |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%                |              |                  |
| Percentage Completion  | 100%                 |              |                  |
| Original Target Completion Date                              | Jun-17               |              |                  |
| Revised Target Completion Date                               | Complete             |              |                  |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years       | Current Year       | Totals           |
|--|-------------------|--------------------|------------------|
| <b>Revenue and Other Financing Sources</b>                   |                   |                    |                  |
| County Capital Contribution - 2016/2017                      | \$ 3,000,000      | -                  | \$ 3,000,000     |
| E-Rate   | 177,257           | -                  | 177,257          |
| Total Revenue and Other Financing Sources                    | <u>3,177,257</u>  | <u>-</u>           | <u>3,177,257</u> |
| <b>Expenditures</b>  |                   |                    |                  |
| Purchased Professional and Technical Services                | 165,272           | \$ 2,451           | 167,723          |
| Construction Services  | 2,443,194         | 25,800             | 2,468,994        |
| Other Objects  | 6,737             | -                  | 6,737            |
| Equipment Purchases  | 409,402           | 53,112             | 462,514          |
| Total Expenditures   | <u>3,024,605</u>  | <u>81,363</u>      | <u>3,105,968</u> |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 152,652</u> | <u>\$ (81,363)</u> | <u>\$ 71,289</u> |
| <b>Additional Project Information:</b>                       |                   |                    |                  |
| Project Number   | N/A               |                    |                  |
| Grant Date   | N/A               |                    |                  |
| Bond Authorization Date                                      | N/A               |                    |                  |
| Bonds Authorized   | N/A               |                    |                  |
| Bonds Issued   | N/A               |                    |                  |
| Original Eligible Cost                                       | \$ 3,000,000      |                    |                  |
| Additional Eligible Cost                                     | 177,257           |                    |                  |
| Revised Eligible Cost  | \$ 3,177,257      |                    |                  |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%             |                    |                  |
| Percentage Completion  | 98%               |                    |                  |
| Original Target Completion Date                              | Jun-17            |                    |                  |
| Revised Target Completion Date                               | Jun-20            |                    |                  |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years         | Current Year          | Totals            |
|--|---------------------|-----------------------|-------------------|
| <b>Revenue and Other Financing Sources</b>                   |                     |                       |                   |
| County Capital Contribution - 2017/2018                      | \$ 3,000,000        |                       | \$ 3,000,000      |
| Transfer from Capital Reserve                                | 450,000             |                       | 450,000           |
| Total Revenue and Other Financing Sources                    | <u>3,450,000</u>    | -                     | <u>3,450,000</u>  |
| <b>Expenditures</b>  |                     |                       |                   |
| Purchased Professional and Technical Services                | 260,118             | \$ 95,872             | 355,990           |
| Construction Services  | 1,029,529           | 1,599,182             | 2,628,711         |
| Other Objects  | 10,765              | 6,400                 | 17,165            |
| Equipment Purchases  | 122,731             | 30,789                | 153,520           |
| Total Expenditures   | <u>1,423,143</u>    | <u>1,732,243</u>      | <u>3,155,386</u>  |
| Excess (deficiency) of revenues<br>Over (under) expenditures | <u>\$ 2,026,857</u> | <u>\$ (1,732,243)</u> | <u>\$ 294,614</u> |
| <b>Additional Project Information:</b>                       |                     |                       |                   |
| Project Number   | N/A                 |                       |                   |
| Grant Date   | N/A                 |                       |                   |
| Bond Authorization Date                                      | N/A                 |                       |                   |
| Bonds Authorized   | N/A                 |                       |                   |
| Bonds Issued   | N/A                 |                       |                   |
| Original Eligible Cost                                       | \$ 3,450,000        |                       |                   |
| Additional Eligible Cost                                     |                     |                       |                   |
| Revised Eligible Cost  | \$ 3,450,000        |                       |                   |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%               |                       |                   |
| Percentage Completion  | 91%                 |                       |                   |
| Original Target Completion Date                              | Jun-18              |                       |                   |
| Revised Target Completion Date                               | Jun-20              |                       |                   |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis  
Capital Outlay  
Year Ended June 30, 2019**

|  | Prior Years | Current Year     | Totals       |
|--|-------------|------------------|--------------|
| <b>Revenue and Other Financing Sources</b>                   |             |                  |              |
| County Capital Contribution - 2018/2019                      |             | \$ 3,100,000     | \$ 3,100,000 |
| Total Revenue and Other Financing Sources                    | -           | 3,100,000        | 3,100,000    |
| <b>Expenditures</b>  |             |                  |              |
| Purchased Professional and Technical Services                |             | 188,091          | 188,091      |
| Construction Services  |             | 1,265,666        | 1,265,666    |
| Other Objects  |             | 4,643            | 4,643        |
| Equipment Purchases  |             | 28,293           | 28,293       |
| Total Expenditures   | -           | 1,486,693        | 1,486,693    |
| Excess (deficiency) of revenues<br>Over (under) expenditures | -           | \$ 1,613,307     | \$ 1,613,307 |
| <b>Additional Project Information:</b>                       |             |                  |              |
| Project Number   |             | N/A              |              |
| Grant Date   |             | N/A              |              |
| Bond Authorization Date                                      |             | N/A              |              |
| Bonds Authorized   |             | N/A              |              |
| Bonds Issued   |             | N/A              |              |
| Original Eligible Cost                                       | \$          | 3,100,000        |              |
| Additional Eligible Cost                                     |             |                  |              |
| Revised Eligible Cost  | \$          | 3,100,000        |              |
| Percentage Increase over Original<br>Authorized Cost         |             | 0.00%            |              |
| Percentage Completion  |             | 48%              |              |
| Original Target Completion Date                              |             | Jun-19           |              |
| Revised Target Completion Date                               |             | Not determinable |              |

## **Fiduciary Fund**



**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019**

|   | Trust                               | Agency            |                   |                   | Total<br>Agency   |
|---|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|   | Private-Purpose<br>Scholarship Fund | Student Activity  | Payroll           | HOSA              |                   |
| <b>ASSETS</b>                               |                                     |                   |                   |                   |                   |
| Cash and cash equivalents                   | \$ 6,028                            | \$ 138,371        | \$ 609,775        | \$ 106,883        | \$ 855,029        |
| Accounts Receivable                         |                                     |                   |                   | 13,283            | 13,283            |
| Total assets                                | <u>6,028</u>                        | <u>\$ 138,371</u> | <u>\$ 609,775</u> | <u>\$ 120,166</u> | <u>\$ 868,312</u> |
| <b>LIABILITIES</b>                          |                                     |                   |                   |                   |                   |
| Interfund payable                           |                                     |                   | \$ 27             |                   | \$ 27             |
| Accounts Payable                            |                                     |                   |                   | \$ 32,619         | 32,619            |
| Other liabilities                           |                                     |                   |                   | 823               | 823               |
| Payable to student groups                   |                                     | \$ 138,371        |                   |                   | 138,371           |
| Held on behalf of a third party             |                                     |                   |                   | 86,724            | 86,724            |
| Payroll deductions and withholdings payable |                                     |                   | \$ 609,748        |                   | 609,748           |
| Total liabilities                           | <u>\$ -</u>                         | <u>\$ 138,371</u> | <u>\$ 609,775</u> | <u>\$ 120,166</u> | <u>\$ 868,312</u> |
| <b>NET POSITION</b>                         |                                     |                   |                   |                   |                   |
| Held in trust for scholarships              | <u>6,028</u>                        |                   |                   |                   |                   |
| Total net position                          | <u>\$ 6,028</u>                     |                   |                   |                   |                   |

**The Board of Education**  
**of the Vocational and Technical High Schools**  
**County of Middlesex**  
**State of New Jersey**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**Year Ended June 30, 2019**

|                                    | <u>Private-Purpose<br/>Scholarship Fund</u> |
|------------------------------------|---|
| <b>ADDITIONS</b>                   |   |
| Investment earnings:               |   |
| Interest                           | \$ <u>12</u>                                |
| Total additions                    | <u>12</u>                                   |
| <b>DEDUCTIONS</b>                  |   |
| Bank service charges               | <u>210</u>                                  |
| Total deductions                   | <u>210</u>                                  |
| Change in net position             | (198)                                       |
| Net position—beginning of the year | <u>6,226</u>                                |
| Net position—end of the year       | <u>\$ <u>6,028</u></u>                      |

**The Board of Education**  
**of the Vocational and Technical High Schools**  
**County of Middlesex**  
**State of New Jersey**  
**Schedule of Cash Receipts and Cash Disbursements**  
**Student Activity Agency Fund**  
**Year Ended June 30, 2019**

| <b>Schools</b>    | <b>Balance<br/>July 1, 2018</b> | <b>Cash<br/>Receipts</b> | <b>Cash<br/>Disbursements</b> | <b>Balance<br/>June 30, 2019</b> |
|-------------------|---------------------------------|--------------------------|-------------------------------|----------------------------------|
| Perth Amboy       | \$ 12,226                       | \$ 35,706                | \$ 36,069                     | \$ 11,863                        |
| East Brunswick    | 36,310                          | 90,222                   | 82,687                        | 43,845                           |
| Woodbridge        | 17,764                          | 104,911                  | 101,605                       | 21,070                           |
| Piscataway        | 40,074                          | 66,261                   | 75,179                        | 31,156                           |
| The Academy       | 28,149                          | 82,816                   | 80,528                        | 30,437                           |
|                   | <hr/>                           | <hr/>                    | <hr/>                         | <hr/>                            |
| Total all schools | \$ 134,523                      | \$ 379,916               | \$ 376,068                    | \$ 138,371                       |
|                   | <hr/> <hr/>                     | <hr/> <hr/>              | <hr/> <hr/>                   | <hr/> <hr/>                      |

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Schedule of Cash Receipts and Cash Disbursements  
Payroll Agency Fund  
Year Ended June 30, 2019**

|   | <u>Balance<br/>July 1, 2018</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance<br/>June 30, 2019</u> |
|---|---------------------------------|--------------------------|-------------------------------|----------------------------------|
| <b>Assets:</b>                              |                                 |                          |                               |                                  |
| Cash and cash equivalents                   | \$ 506,068                      | \$ 13,358,925            | \$ 13,255,218                 | \$ 609,775                       |
| Total assets                                | <u>\$ 506,085</u>               | <u>\$ 13,358,925</u>     | <u>\$ 13,255,218</u>          | <u>\$ 609,775</u>                |
| <b>Liabilities:</b>                         |                                 |                          |                               |                                  |
| Payroll deductions and withholdings payable | \$ 506,085                      | \$ 11,745,735            | \$ 11,642,072                 | \$ 609,748                       |
| Interfund payable                           | (17)                            | 1,613,190                | 1,613,146                     | 27                               |
| Total liabilities                           | <u>\$ 506,068</u>               | <u>\$ 13,358,925</u>     | <u>\$ 13,255,218</u>          | <u>\$ 609,775</u>                |

**The Board of Education**  
**of the Vocational and Technical High Schools**  
**County of Middlesex**  
**State of New Jersey**  
**Schedule of Amount Held On-Behalf of Third Party**  
**HOSA Agency Fund**  
**Year Ended June 30, 2019**

|  | HOSA<br>Agency Fund |
|--|---------------------|
| <b>ADDITIONS</b>   |                     |
| Contributions:   |                     |
| Conference Fees  | \$ 93,467           |
| Membership Fees  | 23,919              |
|  | 117,386             |
| Miscellaneous income   | 4,995               |
| Total additions  | 122,381             |
| <b>DEDUCTIONS</b>  |                     |
| Conference Registration fees                                 | 25,350              |
| Supplies   | 15,504              |
| Scholarships awarded   | 1,450               |
| Purchased professional services                              | 1,220               |
| Rental   | 15,754              |
| Other purchased services                                     | 44,008              |
| Travel   | 11,134              |
| Other expense  | 1,310               |
| Total deductions   | 115,730             |
| Change   | 6,651               |
| Amount held on-behalf of third party — beginning of the year | 80,073              |
| Amount held on-behalf of third party — end of the year       | \$ 86,724           |

## **Long-Term Debt**

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Schedule of Obligations Under Capital Leases  
Year Ended June 30, 2019**

I-2

| <b>Purpose</b>         | <b>Interest<br/>Rate</b> | <b>Amount of<br/>Original<br/>Issue</b> | <b>Balance<br/>Balance<br/>July 1, 2018</b> | <b>Paid</b>       | <b>Balance<br/>June 30, 2019</b> |
|------------------------|--------------------------|---|---|-------------------|----------------------------------|
| Energy<br>Conservation | 2.5185%                  | \$ 11,300,000                           | \$ 10,538,130                               | \$ 607,873        | \$ 9,930,257                     |
|                        |                          |   | <u>\$ 10,538,130</u>                        | <u>\$ 607,873</u> | <u>\$ 9,930,257</u>              |

**Statistical Section  
(Unaudited)**



**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

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

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Net Position by Component  
Last Ten Fiscal Years  
Unaudited  
(accrual basis of accounting)**

|  | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 63,980,883        | \$ 64,241,294        | \$ 64,418,541        | \$ 66,265,008        | \$ 66,298,193        | \$ 67,537,157        | \$ 68,853,997        | \$ 69,374,863        | \$ 70,995,591        | \$ 72,180,605        |
| Restricted   | 3,397,498            | 3,428,961            | 3,981,049            | 2,919,426            | 3,679,450            | 3,226,677            | 3,961,033            | 3,952,931            | 3,260,916            | 3,201,136            |
| Unrestricted (deficit)                             | (274,861)            | 19,141               | 1,002,500            | 949,902              | 817,724              | (13,068,657)         | (13,124,793)         | (14,307,778)         | (14,577,721)         | (14,541,454)         |
| <b>Total governmental activities net position</b>  | <u>\$ 67,103,520</u> | <u>\$ 67,689,396</u> | <u>\$ 69,402,090</u> | <u>\$ 70,134,336</u> | <u>\$ 70,795,367</u> | <u>\$ 57,695,177</u> | <u>\$ 59,690,237</u> | <u>\$ 59,020,016</u> | <u>\$ 59,678,786</u> | <u>\$ 60,840,287</u> |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 15,104            | \$ 13,310            | \$ 11,516            | \$ 9,721             | \$ 8,057             | \$ 25,609            | \$ 22,065            | \$ 24,563            | \$ 60,485            | \$ 132,952           |
| Unrestricted                                       | 18,203               | 20,700               | 45,167               | 59,931               | 58,037               | 90,919               | 146,033              | 211,984              | 266,586              | 248,069              |
| <b>Total business-type activities net position</b> | <u>\$ 33,307</u>     | <u>\$ 34,010</u>     | <u>\$ 56,683</u>     | <u>\$ 69,652</u>     | <u>\$ 66,094</u>     | <u>\$ 116,528</u>    | <u>\$ 168,098</u>    | <u>\$ 236,547</u>    | <u>\$ 327,071</u>    | <u>\$ 381,021</u>    |
| <b>District-wide</b>                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 63,995,987        | \$ 64,254,604        | \$ 64,430,057        | \$ 66,274,729        | \$ 66,306,250        | \$ 67,562,766        | \$ 68,876,062        | \$ 69,399,426        | \$ 71,056,076        | \$ 72,313,557        |
| Restricted   | 3,397,498            | 3,428,961            | 3,981,049            | 2,919,426            | 3,679,450            | 3,226,677            | 3,961,033            | 3,952,931            | 3,260,916            | 3,201,136            |
| Unrestricted (deficit)                             | (256,658)            | 39,841               | 1,047,667            | 1,009,833            | 875,761              | (12,977,738)         | (12,978,760)         | (14,095,794)         | (14,311,135)         | (14,293,385)         |
| <b>Total district net position</b>                 | <u>\$ 67,136,827</u> | <u>\$ 67,723,406</u> | <u>\$ 69,458,773</u> | <u>\$ 70,203,988</u> | <u>\$ 70,861,461</u> | <u>\$ 57,811,705</u> | <u>\$ 59,858,335</u> | <u>\$ 59,256,563</u> | <u>\$ 60,005,857</u> | <u>\$ 61,221,308</u> |

Source: CAFR Schedule A-1 and District records.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$13,633,671. This amount is not reflected in the June 30, 2014 Net Position above.

The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Changes in Net Position  
Last Ten Fiscal Years  
Unaudited  
(accrual basis of accounting)

|   | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   | Fiscal Year Ended June 30, |                        | 2012                   | 2011                   | 2010                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|
|   |                        |                        |                        |                        |                        | 2014                       | 2013                   |                        |                        |                        |
| <b>Expenses</b>   |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Governmental activities                                   |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Instruction   |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Regular   | \$ 10,718,554          | \$ 12,222,730          | \$ 11,635,410          | \$ 10,307,538          | \$ 9,948,028           | \$ 8,270,558               | \$ 8,456,946           | \$ 7,922,226           | \$ 7,776,472           | \$ 7,801,676           |
| Other special instruction                                 | 182,506                | 234,427                | 216,129                | 205,640                | 191,623                | 162,138                    | 171,658                | 163,490                | 156,056                | 151,288                |
| Vocational  | 13,348,904             | 15,690,140             | 14,404,618             | 13,082,690             | 12,585,189             | 11,254,516                 | 10,983,617             | 10,566,743             | 11,029,468             | 11,573,325             |
| Other instruction   | 1,060,995              | 1,174,394              | 1,042,272              | 974,667                | 868,378                | 764,677                    | 730,939                | 628,912                | 570,248                | 540,165                |
| Support Services:   |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Support services - students & instruction                 | 7,063,782              | 8,218,438              | 7,388,852              | 6,636,688              | 6,509,940              | 5,841,283                  | 6,130,209              | 5,662,462              | 5,700,459              | 5,839,958              |
| School administrative services                            | 4,953,371              | 5,863,013              | 5,352,252              | 4,507,749              | 1,603,265              | 3,883,373                  | 3,820,950              | 3,875,926              | 3,362,272              | 3,849,331              |
| General administrative services                           | 1,577,011              | 1,947,997              | 1,867,246              | 1,655,094              | 4,383,951              | 1,399,392                  | 1,422,230              | 1,376,369              | 1,392,144              | 1,337,274              |
| Plant operations and maintenance                          | 9,135,194              | 10,112,693             | 9,488,523              | 9,006,236              | 8,833,953              | 8,419,669                  | 8,087,010              | 7,769,241              | 7,977,047              | 7,150,030              |
| Pupil transportation                                      | 213,877                | 184,127                | 173,030                | 182,001                | 183,989                | 158,097                    | 150,246                | 97,885                 | 89,482                 | 94,530                 |
| Other Support Services                                    | 2,366,024              | 3,087,012              | 2,713,222              | 2,486,937              | 2,099,542              | 1,913,408                  | 1,885,153              | 1,795,036              | 1,782,884              | 1,805,929              |
| Special Schools   | 2,194,245              | 2,633,621              | 2,423,852              | 2,254,297              | 2,210,559              | 1,898,010                  | 2,070,029              | 2,168,539              | 2,224,705              | 2,981,975              |
| Interest Expense  | 253,618                | 277,874                | 287,798                | 286,471                | 53,756                 | -                          | -                      | -                      | -                      | -                      |
| Unallocated depreciation                                  | 3,175,828              | 2,949,643              | 2,557,841              | 2,215,122              | 2,135,750              | 2,135,093                  | 2,002,468              | 1,883,850              | 1,843,699              | 1,784,089              |
| Total governmental activities expenses                    | <u>56,243,909</u>      | <u>64,596,109</u>      | <u>59,551,045</u>      | <u>53,801,130</u>      | <u>51,607,923</u>      | <u>46,100,214</u>          | <u>45,911,455</u>      | <u>43,910,679</u>      | <u>43,904,936</u>      | <u>44,909,570</u>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Food service  | 704,751                | 635,954                | 679,432                | 651,573                | 642,294                | 682,670                    | 682,939                | 606,486                | 604,450                | 622,131                |
| Total business-type activities expense                    | <u>704,751</u>         | <u>635,954</u>         | <u>679,432</u>         | <u>651,573</u>         | <u>642,294</u>         | <u>682,670</u>             | <u>682,939</u>         | <u>606,486</u>         | <u>604,450</u>         | <u>622,131</u>         |
| Total district expenses                                   | <u>\$ 56,948,660</u>   | <u>\$ 65,232,063</u>   | <u>\$ 60,230,477</u>   | <u>\$ 54,452,703</u>   | <u>\$ 52,250,217</u>   | <u>\$ 46,782,884</u>       | <u>\$ 46,594,394</u>   | <u>\$ 44,517,165</u>   | <u>\$ 44,509,386</u>   | <u>\$ 45,531,701</u>   |
| Operating grants and contributions                        | \$ 2,225,346           | \$ 1,975,195           | \$ 2,159,969           | \$ 2,084,888           | \$ 2,089,246           | \$ 1,603,173               | \$ 1,787,651           | \$ 1,949,498           | \$ 2,317,745           | \$ 2,050,912           |
| Capital grants and contributions                          | -                      | 252,827                | 186,154                | 729,817                | 97,659                 | -                          | -                      | -                      | -                      | -                      |
| Total governmental activities program revenues            | <u>2,225,346</u>       | <u>2,228,022</u>       | <u>2,346,123</u>       | <u>2,814,705</u>       | <u>2,186,905</u>       | <u>1,603,173</u>           | <u>1,787,651</u>       | <u>1,949,498</u>       | <u>2,317,745</u>       | <u>2,050,912</u>       |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Food service  | 272,516                | 248,098                | 260,886                | 251,358                | 239,175                | 230,385                    | 252,010                | 257,829                | 249,210                | 279,717                |
| Operating grants and contributions                        | 486,185                | 478,380                | 486,995                | 451,785                | 453,553                | 448,727                    | 422,879                | 371,330                | 349,404                | 373,048                |
| Capital grants and contributions                          | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | -                      | -                      |
| Total business type activities program revenues           | <u>758,701</u>         | <u>726,478</u>         | <u>747,881</u>         | <u>703,143</u>         | <u>692,728</u>         | <u>679,112</u>             | <u>674,889</u>         | <u>629,159</u>         | <u>598,614</u>         | <u>652,765</u>         |
| Total district program revenues                           | <u>\$ 2,984,047</u>    | <u>\$ 2,954,500</u>    | <u>\$ 3,094,004</u>    | <u>\$ 3,517,848</u>    | <u>\$ 2,879,633</u>    | <u>\$ 2,282,285</u>        | <u>\$ 2,462,540</u>    | <u>\$ 2,578,657</u>    | <u>\$ 2,916,359</u>    | <u>\$ 2,703,677</u>    |
| <b>Net (Expense)/Revenue</b>                              |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Governmental activities                                   | \$ (54,018,563)        | \$ (62,368,087)        | \$ (57,204,922)        | \$ (50,986,425)        | \$ (49,421,018)        | \$ (44,497,041)            | \$ (44,123,804)        | \$ (41,961,181)        | \$ (41,587,191)        | \$ (42,858,658)        |
| Business-type activities                                  | 53,950                 | 90,524.00              | 68,449                 | 51,570                 | 50,434                 | (3,558)                    | (8,050)                | 22,673                 | (5,836)                | 30,634                 |
| Total district-wide net expense                           | <u>\$ (53,964,613)</u> | <u>\$ (62,277,563)</u> | <u>\$ (57,136,473)</u> | <u>\$ (50,934,855)</u> | <u>\$ (49,370,584)</u> | <u>\$ (44,500,599)</u>     | <u>\$ (44,131,854)</u> | <u>\$ (41,938,508)</u> | <u>\$ (41,593,027)</u> | <u>\$ (42,828,024)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Property taxes levied for general purposes                | \$ 26,837,956          | \$ 25,964,306          | \$ 25,443,790          | \$ 24,990,260          | \$ 24,435,550          | \$ 23,813,430              | \$ 23,314,842          | \$ 23,314,842          | \$ 23,314,842          | \$ 22,751,798          |
| Unrestricted grants and contributions                     | 23,991,400             | 32,403,759             | 26,510,054             | 23,466,398             | 21,160,476             | 16,832,840                 | 17,132,804             | 15,990,034             | 14,655,266             | 15,569,023             |
| County capital contribution                               | 3,100,000              | 3,000,000              | 3,000,000              | 3,100,000              | 3,100,000              | 3,100,000                  | 3,100,000              | 3,100,000              | 3,100,000              | 3,000,000              |
| E-Rate  | -                      | -                      | 177,257                | -                      | -                      | -                          | -                      | -                      | -                      | -                      |
| Gain on refunding of bonds for ERIP                       | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | -                      | -                      |
| Tuition received  | 507,425                | 681,891                | 689,538                | 714,812                | 624,349                | 707,455                    | 695,788                | 697,332                | 667,574                | 609,807                |
| Investment earnings                                       | 16,271                 | 11,030                 | 2,879                  | 461                    | 190                    | -                          | -                      | 628                    | 4,942                  | 18,070                 |
| Miscellaneous income                                      | 727,012                | 965,871                | 711,183                | 709,554                | 633,934                | 704,347                    | 612,616                | 571,039                | 436,942                | 570,721                |
| Disposition of capital assets                             | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | -                      | -                      |
| Other financing (uses)                                    | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | -                      | (142,304)              |
| Transfers   | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | (6,500)                | -                      |
| Total governmental activities                             | <u>55,180,064</u>      | <u>63,026,857</u>      | <u>56,534,701</u>      | <u>52,981,485</u>      | <u>49,954,499</u>      | <u>45,158,072</u>          | <u>44,856,050</u>      | <u>43,673,875</u>      | <u>42,173,066</u>      | <u>42,377,115</u>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Investment earnings                                       | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | -                      | 195                    |
| Miscellaneous income                                      | -                      | -                      | -                      | -                      | -                      | -                          | 21,019                 | -                      | 6,500                  | -                      |
| Transfers   | -                      | -                      | -                      | -                      | -                      | -                          | -                      | -                      | 6,539                  | -                      |
| Total business-type activities                            | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>                   | <u>21,019</u>          | <u>-</u>               | <u>6,539</u>           | <u>195</u>             |
| Total district-wide                                       | <u>\$ 55,180,064</u>   | <u>\$ 63,026,857</u>   | <u>\$ 56,534,701</u>   | <u>\$ 52,981,485</u>   | <u>\$ 49,954,499</u>   | <u>\$ 45,158,072</u>       | <u>\$ 44,877,069</u>   | <u>\$ 43,673,875</u>   | <u>\$ 42,179,605</u>   | <u>\$ 42,377,310</u>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                            |                        |                        |                        |                        |
| Governmental activities                                   | \$ 1,161,501           | \$ 658,770             | \$ (670,221)           | \$ 1,995,060           | \$ 533,481             | \$ 661,031                 | \$ 732,246             | \$ 1,712,694           | \$ 585,875             | \$ (481,543)           |
| Business-type activities                                  | 53,950                 | 90,524                 | 68,449                 | 51,570                 | 50,434                 | (3,558)                    | 12,969                 | 22,673                 | 703                    | 30,829                 |
| Total district  | <u>\$ 1,215,451</u>    | <u>\$ 749,294</u>      | <u>\$ (601,772)</u>    | <u>\$ 2,046,630</u>    | <u>\$ 583,915</u>      | <u>\$ 657,473</u>          | <u>\$ 745,215</u>      | <u>\$ 1,735,367</u>    | <u>\$ 586,578</u>      | <u>\$ (450,714)</u>    |

Source: CAFR Schedule A-2 and District records.  
GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Unaudited  
(modified accrual basis of accounting)**

|                                    | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                 | 2016                | 2017                | 2018                | 2019                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund                       |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Reserved                           | \$ 1,218,201        |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Unreserved                         | 1,577,795           |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Restricted for                     |                     | \$ 100              | \$ 100              | \$ 100              | \$ 69,078           | \$ 158,427           | \$ 781,719          | \$ 830,595          | \$ 695,113          | \$ 1,091,428        |
| Assigned to                        |                     | 1,590,769           | 2,006,688           | 1,947,838           | 1,427,509           | 1,323,177            | 1,773,950           | 1,639,387           | 1,842,199           | 1,993,049           |
| Unassigned                         |                     | 590,989             | 858,781             | 757,059             | 1,010,338           | 1,018,391            | 982,681             | 1,080,858           | 1,097,118           | 1,083,814           |
| Total general fund                 | <u>\$ 2,795,996</u> | <u>\$ 2,181,858</u> | <u>\$ 2,865,569</u> | <u>\$ 2,704,997</u> | <u>\$ 2,506,925</u> | <u>\$ 2,499,995</u>  | <u>\$ 3,538,350</u> | <u>\$ 3,550,840</u> | <u>\$ 3,634,430</u> | <u>\$ 4,168,291</u> |
| All Other Governmental Funds       |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Reserved                           | \$ 2,139,326        |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Unreserved, reported in:           |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Special revenue fund               |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Capital projects fund              | 523,517             |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Restricted for:                    |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Capital Projects Fund              |                     | \$ 3,428,861        | \$ 3,980,949        | \$ 2,919,326        | \$ 3,610,372        | \$ 11,861,372        | \$ 5,748,796        | \$ 4,164,865        | \$ 2,992,700        | \$ 2,455,488        |
| Assigned to:                       |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Capital Projects Fund              |                     |                     |                     |                     |                     |                      |                     |                     |                     |                     |
| Total all other governmental funds | <u>\$ 2,662,843</u> | <u>\$ 3,428,861</u> | <u>\$ 3,980,949</u> | <u>\$ 2,919,326</u> | <u>\$ 3,610,372</u> | <u>\$ 11,861,372</u> | <u>\$ 5,748,796</u> | <u>\$ 4,164,865</u> | <u>\$ 2,992,700</u> | <u>\$ 2,455,488</u> |
| Total Fund Balances                | <u>\$ 5,458,839</u> | <u>\$ 5,610,719</u> | <u>\$ 6,846,518</u> | <u>\$ 5,624,323</u> | <u>\$ 6,117,297</u> | <u>\$ 14,361,367</u> | <u>\$ 9,287,146</u> | <u>\$ 7,715,705</u> | <u>\$ 6,627,130</u> | <u>\$ 6,623,779</u> |

Source: CAFR Schedule B-1 and District records.

GASB # 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey**  
**Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Unaudited**  
*(modified accrual basis of accounting)*

|  | Fiscal year ended June 30, |                       |                       |                       |                     |                   |                       |                     |                   |                     |
|--|----------------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------------|-----------------------|---------------------|-------------------|---------------------|
|  | 2019                       | 2018                  | 2017                  | 2016                  | 2015                | 2014              | 2013                  | 2012                | 2011              | 2010                |
| <b>Revenues</b>  |                            |                       |                       |                       |                     |                   |                       |                     |                   |                     |
| Tax levy and county capital contribution                       | \$ 29,937,956              | \$ 28,964,306         | \$ 28,443,790         | \$ 28,090,260         | \$ 27,535,550       | \$ 26,913,430     | \$ 26,414,842         | \$ 26,414,842       | \$ 26,414,842     | \$ 25,751,798       |
| Tuition charges  | 507,425                    | 681,891               | 689,538               | 714,812               | 624,349             | 707,455           | 695,788               | 697,332             | 667,574           | 609,807             |
| E-Rate   |                            |                       | 177,257               |                       |                     |                   |                       |                     |                   |                     |
| Interest earnings  | 16,271                     | 11,030                | 2,879                 | 461                   | 190                 |                   | -                     | 628                 | 4,942             | 18,070              |
| Miscellaneous  | 727,012                    | 965,871               | 711,183               | 709,554               | 633,933             | 737,638           | 695,899               | 855,068             | 714,085           | 833,290             |
| State sources  | 20,747,257                 | 19,791,166            | 18,493,680            | 18,653,456            | 17,179,597          | 16,524,779        | 17,035,451            | 15,386,571          | 14,474,782        | 13,220,937          |
| Federal sources  | 2,369,658                  | 1,999,893             | 2,105,953             | 2,315,468             | 2,143,154           | 1,741,201         | 1,618,021             | 2,268,932           | 2,221,086         | 4,136,429           |
| <b>Total revenue</b>   | <b>54,305,579</b>          | <b>52,414,157</b>     | <b>50,624,280</b>     | <b>50,484,011</b>     | <b>48,116,773</b>   | <b>46,624,503</b> | <b>46,460,001</b>     | <b>45,623,373</b>   | <b>44,497,311</b> | <b>44,570,331</b>   |
| <b>Expenditures</b>  |                            |                       |                       |                       |                     |                   |                       |                     |                   |                     |
| <b>Instruction</b>   |                            |                       |                       |                       |                     |                   |                       |                     |                   |                     |
| Regular instruction  | 6,531,874                  | 6,067,582             | 6,364,179             | 6,140,186             | 6,178,520           | 5,809,370         | 5,896,677             | 5,681,845           | 5,776,683         | 5,727,954           |
| Other special instruction                                      | 105,477                    | 109,636               | 112,091               | 117,509               | 114,223             | 111,567           | 115,830               | 113,345             | 110,833           | 109,039             |
| Vocational education instruction                               | 8,268,172                  | 8,159,022             | 8,222,784             | 8,084,533             | 8,213,995           | 8,072,835         | 7,788,033             | 7,631,425           | 8,005,312         | 8,520,272           |
| Other instruction  | 686,709                    | 638,756               | 611,480               | 623,385               | 581,921             | 576,153           | 541,036               | 466,510             | 436,270           | 410,384             |
| <b>Support Services:</b>                                       |                            |                       |                       |                       |                     |                   |                       |                     |                   |                     |
| Student & instruction related services                         | 4,423,166                  | 4,202,134             | 4,146,857             | 4,064,384             | 4,076,121           | 4,167,061         | 4,327,023             | 4,148,636           | 4,266,863         | 4,445,912           |
| General administration   | 1,214,671                  | 1,264,393             | 1,292,629             | 1,205,343             | 1,180,438           | 1,134,988         | 1,151,125             | 1,143,568           | 1,176,211         | 1,149,300           |
| School administrative services                                 | 2,838,682                  | 2,720,021             | 2,739,109             | 2,594,880             | 2,618,894           | 2,621,641         | 2,561,962             | 2,663,714           | 2,308,088         | 2,748,779           |
| Plant operations and maintenance                               | 7,544,983                  | 7,749,335             | 7,308,870             | 6,780,044             | 6,748,295           | 7,014,912         | 6,630,454             | 6,459,037           | 6,714,794         | 6,054,915           |
| Pupil transportation   | 213,877                    | 184,127               | 173,030               | 182,001               | 183,989             | 158,097           | 150,246               | 97,885              | 89,482            | 94,530              |
| Other support services   | 1,441,040                  | 1,547,631             | 1,483,951             | 1,528,945             | 1,409,313           | 1,346,551         | 1,328,131             | 1,308,929           | 1,339,052         | 1,376,465           |
| Employee benefits  | 15,058,237                 | 14,172,407            | 13,121,441            | 12,366,833            | 11,823,832          | 10,954,986        | 11,294,910            | 10,358,244          | 9,637,522         | 9,724,128           |
| Capital outlay   | 4,683,289                  | 5,413,627             | 5,309,940             | 10,562,048            | 6,678,510           | 2,954,528         | 4,618,288             | 2,761,179           | 2,850,713         | 2,660,332           |
| Special schools  | 1,298,753                  | 1,274,061             | 1,309,360             | 1,308,141             | 1,364,652           | 1,345,582         | 1,462,181             | 1,553,257           | 1,627,108         | 2,187,681           |
| <b>Total expenditures</b>                                      | <b>54,308,930</b>          | <b>53,502,732</b>     | <b>52,195,721</b>     | <b>55,558,232</b>     | <b>51,172,703</b>   | <b>46,268,271</b> | <b>47,865,896</b>     | <b>44,387,574</b>   | <b>44,338,931</b> | <b>45,209,691</b>   |
| Excess (Deficiency) of revenues over (under) expenditures      | (3,351)                    | (1,088,575)           | (1,571,441)           | (5,074,221)           | (3,055,930)         | 356,232           | (1,405,895)           | 1,235,799           | 158,380           | (639,360)           |
| <b>Other Financing sources (uses)</b>                          |                            |                       |                       |                       |                     |                   |                       |                     |                   |                     |
| Insurance recovery related to other costs of Super Storm Sandy |                            |                       |                       |                       |                     | 136,742           | 183,700               |                     |                   |                     |
| Lease purchase proceeds  |                            |                       |                       |                       | 11,300,000          |                   | -                     | -                   | -                 | -                   |
| Transfers in   |                            | 450,000               |                       |                       |                     |                   |                       |                     |                   |                     |
| Transfers out  |                            | (450,000)             |                       |                       |                     |                   |                       |                     | (6,500)           | (142,304)           |
| <b>Total other financing sources (uses)</b>                    | <b>-</b>                   | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>11,300,000</b>   | <b>136,742</b>    | <b>183,700</b>        | <b>-</b>            | <b>(6,500)</b>    | <b>(142,304)</b>    |
| <b>Net change in fund balances</b>                             | <b>\$ (3,351)</b>          | <b>\$ (1,088,575)</b> | <b>\$ (1,571,441)</b> | <b>\$ (5,074,221)</b> | <b>\$ 8,244,070</b> | <b>\$ 492,974</b> | <b>\$ (1,222,195)</b> | <b>\$ 1,235,799</b> | <b>\$ 151,880</b> | <b>\$ (781,664)</b> |
| 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%               |

**Source: District records; CAFR Schedule B-2**

Note: Noncapital expenditures are total expenditures less capital outlay.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited  
(modified accrual basis of accounting)**

| <u>Fiscal Year<br/>Ended June 30,</u> | <u>Sale of<br/>Materials</u> | <u>Registration<br/>Fees</u> | <u>Rentals</u> | <u>Prior Year<br/>Refunds</u> | <u>Sale of<br/>Obsolete<br/>Equipment</u> | <u>Miscellaneous</u> | <u>Annual Totals</u> |
|---------------------------------------|------------------------------|------------------------------|----------------|-------------------------------|---|----------------------|----------------------|
| 2010                                  | \$ 55,774                    | \$ 430,908                   | \$ 34,625      | \$ 4,804                      |   | \$ 44,610            | \$ 570,721           |
| 2011                                  | 42,890                       | 308,769                      | 25,461         | 16,994                        |   | 42,828               | 436,942              |
| 2012                                  | 45,144                       | 409,806                      | 29,518         | 20,748                        |   | 65,823               | 571,039              |
| 2013                                  | 37,592                       | 322,456                      | 20,274         | 2,493                         | \$ 46,101                                 |                      | 428,916              |
| 2014                                  | 29,328                       | 375,634                      | 16,988         | 4,491                         | 13,070                                    | 128,094              | 567,605              |
| 2015                                  | 30,433                       | 362,138                      | 18,820         | 2,944                         | 27,610                                    | 32,151               | 474,096              |
| 2016                                  | 45,328                       | 393,943                      | 14,213         | 17,626                        | 35,528                                    | 21,813               | 528,451              |
| 2017                                  | 32,969                       | 380,972                      | 18,723         | 27,892                        | 9,074                                     | 56,171               | 525,801              |
| 2018                                  | 27,471                       | 381,303                      | 30,154         | 2,660                         | 6,094                                     | 372,775              | 820,457              |
| 2019                                  | 35,061                       | 411,529                      | 33,050         | 4,834                         | 4,940                                     | 68,026               | 557,440              |

Source: District records

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited**

| <u>Year</u> | <u>Population <sup>a</sup></u> | <u>Personal Income <sup>b</sup></u> | <u>Per Capita<br/>Personal Income <sup>c</sup></u> | <u>Unemployment<br/>Rate <sup>d</sup></u> |
|-------------|--------------------------------|-------------------------------------|--|---|
| 2010        | 810,666                        | \$ 38,349,365,796                   | \$ 47,306  | 8.7%                                      |
| 2011        | 815,082                        | 41,410,241,010                      | 50,805   | 8.4%                                      |
| 2012        | 819,347                        | 43,494,216,148                      | 53,084   | 8.5%                                      |
| 2013        | 821,844                        | 42,689,864,736                      | 51,944   | 7.4%                                      |
| 2014        | 824,349                        | 43,864,434,639                      | 53,211   | 6.0%                                      |
| 2015        | 825,867                        | 44,744,648,193                      | 54,179   | 5.0%                                      |
| 2016        | 825,907                        | 45,870,874,780                      | 55,540   | 4.4%                                      |
| 2017        | 827,684                        | 47,672,943,032                      | 57,598   | 4.1%                                      |
| 2018        | 829,685                        | N/A                                 | N/A  | 3.6%                                      |
| 2019        | N/A                            | N/A                                 | N/A  | N/A                                       |

**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 municipality estimated based upon the 2014 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A - Information was not available.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited**

| <b><u>Function/Program</u></b>         | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Regular                                | 77                 | 77                 | 77                 | 79                 | 82                 | 86                 | 81                 | 85                 | 80                 | 79                 |
| Vocational                             | 93                 | 86                 | 84                 | 87                 | 88                 | 88                 | 84                 | 90                 | 85                 | 83                 |
| Support Services:                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Student & instruction related services | 53                 | 49                 | 49                 | 53                 | 54                 | 52                 | 52                 | 52                 | 50                 | 51                 |
| General administration                 | 4                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 4                  | 4                  |
| School administrative services         | 40                 | 33                 | 38                 | 32                 | 34                 | 34                 | 32                 | 31                 | 31                 | 33                 |
| Central services                       | 13                 | 12                 | 11                 | 11                 | 11                 | 11                 | 11                 | 10                 | 10                 | 10                 |
| Administrative Information Technology  | 6                  | 5                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  |
| Plant operations and maintenance       | 50                 | 47                 | 48                 | 48                 | 48                 | 49                 | 49                 | 49                 | 48                 | 48                 |
| Special Schools                        | 19                 | 19                 | 18                 | 16                 | 15                 | 15                 | 15                 | 16                 | 14                 | 13                 |
| <b>Total</b>                           | <b><u>355</u></b>  | <b><u>334</u></b>  | <b><u>337</u></b>  | <b><u>338</u></b>  | <b><u>344</u></b>  | <b><u>347</u></b>  | <b><u>336</u></b>  | <b><u>345</u></b>  | <b><u>328</u></b>  | <b><u>327</u></b>  |

**Source:** District Personnel Records



**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited**

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |               |                    | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|--------------------|---|---|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   |                             | Elementary          | Middle School | Senior High School |   |   |                                      |                               |
| 2010        | 2,448.5    | \$ 42,549,359                       | \$ 17,378      | -4.85%            | 221                         | N/A                 | N/A           | 1:11.1             | 2,419.1                                     | 2,317.4                                     | 17.86%                               | 95.80%                        |
| 2011        | 2,293.5    | 41,488,218                          | 18,089         | 4.10%             | 208                         | N/A                 | N/A           | 1:11               | 2,048.6                                     | 1,917.0                                     | -17.28%                              | 93.60%                        |
| 2012        | 2,279.5    | 41,626,395                          | 18,261         | 0.95%             | 204                         | N/A                 | N/A           | 1:11.2             | 2,001.7                                     | 1,875.9                                     | -2.14%                               | 93.70%                        |
| 2013        | 2,321.0    | 43,247,608                          | 18,633         | 2.04%             | 221                         | N/A                 | N/A           | 1:10.5             | 2,046.1                                     | 1,923.4                                     | 2.53%                                | 94.00%                        |
| 2014        | 2,436.0    | 43,313,743                          | 17,781         | -4.58%            | 222                         | N/A                 | N/A           | 1:11               | 1,983.3                                     | 1,856.1                                     | -3.50%                               | 93.59%                        |
| 2015        | 2,441.5    | 44,494,193                          | 18,224         | 2.49%             | 228                         | N/A                 | N/A           | 1:11               | 1,980.7                                     | 1,850.7                                     | -0.29%                               | 94.14%                        |
| 2016        | 2,530.5    | 44,996,184                          | 17,782         | -2.43%            | 221                         | N/A                 | N/A           | 1:11               | 2,089.7                                     | 1,958.2                                     | 5.81%                                | 93.71%                        |
| 2017        | 2,534.0    | 46,885,781                          | 18,503         | 4.06%             | 226                         | N/A                 | N/A           | 1:11               | 2,046.6                                     | 1,946.6                                     | -0.59%                               | 95.11%                        |
| 2018        | 2,524.5    | 48,089,105                          | 19,049         | 2.95%             | 215                         | N/A                 | N/A           | 1:12               | 2,047.6                                     | 1,946.7                                     | 0.00%                                | 95.08%                        |
| 2019        | 2,538.5    | 49,625,641                          | 19,549         | 2.63%             | 218                         | N/A                 | N/A           | 1:10               | 2,077.0                                     | 1,979.4                                     | 1.68%                                | 95.30%                        |

**Sources:** District records

**Note:** Enrollment based on annual October 15 District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
School Building Information  
Last Ten Fiscal Years  
Unaudited**

|                                 | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b><u>District Building</u></b> |         |         |         |         |         |         |         |         |         |         |
| <b><u>High School</u></b>       |         |         |         |         |         |         |         |         |         |         |
| Perth Amboy - New (2004)        |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 | 126,000 |
| Capacity (students)             | 442     | 442     | 442     | 442     | 442     | 442     | 442     | 442     | 442     | 442     |
| Enrollment                      | 361     | 300     | 295     | 299     | 298     | 294     | 295     | 292     | 285     | 289     |
| Woodbridge (1938)               |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  | 52,754  |
| Capacity (students)             | 221     | 221     | 221     | 221     | 221     | 221     | 221     | 221     | 221     | 221     |
| Enrollment                      | 204     | 224     | 182     | 252     | 272     | 292     | 315     | 317     | 312     | 311     |
| East Brunswick (1970)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 | 278,124 |
| Capacity (students)             | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     | 985     |
| Enrollment                      | 684     | 645     | 616     | 651     | 665     | 679     | 708     | 717     | 711     | 739     |
| Piscataway (1950)               |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 | 233,500 |
| Capacity (students)             | 693     | 693     | 693     | 693     | 693     | 693     | 693     | 693     | 693     | 693     |
| Enrollment                      | 586     | 573     | 510     | 570     | 618     | 602     | 610     | 608     | 625     | 611     |
| Academy (2000)                  |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  | 29,900  |
| Capacity (students)             | 119     | 119     | 119     | 119     | 119     | 119     | 119     | 119     | 119     | 119     |
| Enrollment                      | 150     | 154     | 156     | 161     | 167     | 167     | 166     | 160     | 159     | 159     |

Number of Schools at June 30, 2019  
Senior High School = 5

**Source:** District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October 15, District count.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

|                         | Perth<br>Amboy<br>New | Woodbridge          | East<br>Brunswick   | Piscataway          | Academy           | Total                |
|-------------------------|-----------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| 2010                    | \$ 170,141            | \$ 113,953          | \$ 256,268          | \$ 219,574          | \$ 42,328         | \$ 802,264           |
| 2011                    | 151,006               | 113,836             | 450,580             | 246,747             | 28,358            | 990,527              |
| 2012                    | 194,046               | 133,234             | 460,450             | 271,210             | 35,470            | 1,094,410            |
| 2013                    | 215,613               | 121,421             | 565,391             | 317,535             | 42,536            | 1,262,496            |
| 2014                    | 197,527               | 140,475             | 507,190             | 573,754             | 62,784            | 1,481,730            |
| 2015                    | 202,987               | 125,611             | 343,924             | 334,754             | 55,076            | 1,062,352            |
| 2016                    | 204,369               | 68,665              | 362,773             | 394,418             | 71,289            | 1,101,514            |
| 2017                    | 212,725               | 96,241              | 385,806             | 440,345             | 41,094            | 1,176,211            |
| 2018                    | 320,575               | 140,353             | 294,041             | 314,446             | 39,550            | 1,108,965            |
| 2019                    | 115,444               | 138,704             | 428,930             | 283,289             | 39,660            | 1,006,027            |
| Total School Facilities | <u>\$ 1,984,433</u>   | <u>\$ 1,192,493</u> | <u>\$ 4,055,353</u> | <u>\$ 3,396,072</u> | <u>\$ 458,145</u> | <u>\$ 11,086,496</u> |

Source: District records  
School facilities as defined under EFCFA.

**The Board of Education  
of the Vocational and Technical High Schools  
County of Middlesex  
State of New Jersey  
Insurance Schedule  
Year Ended June 30, 2019  
Unaudited**

| <u>Type of Coverage</u>   | <u>Coverage</u>                             | <u>Deductible</u>                         |
|---|---|---|
| 1) School package - New Jersey School Boards Association Insurance Group                                      |   |   |
| A) Property Blanket Bldg & Contents   | \$ 500,000,000                              | \$ 5,000                                  |
| B) Comprehensive General Liability  | 11,000,000 Aggregate                        |   |
|   | 11,000,000 Per occurrence                   |   |
|   | 11,000,000 Personal & adv. injury limit     |   |
|   | 1,000,000 Terrorism                         |   |
|   | 10,000 Medical expense limit                |   |
|   | 11,000,000 Employee benefits liabilities    | 1,000                                     |
| C) Crime Coverage   | 250,000 Public Employee Dishonesty          | 1,000                                     |
|   | 25,000 Theft                                | 500                                       |
|   | 250,000 Forgery                             | 1,000                                     |
| 2) Comprehensive Automobile Liability - NJ School Boards Assoc. Ins. Group (Garage keepers coverage included) | 11,000,000 per accident                     |   |
|   | 1,000,000 Combined single limit - collision | 1,000                                     |
|   |   | Per accident - other than collision 1,000 |
| 3) Boiler & Machinery - NJ School Boards Assoc. Ins. Group  | 100,000,000                                 | 5,000                                     |
| 4) School Board Legal Liability - NJ School Boards Assoc. Ins. Group  | 11,000,000 Coverage                         | 15,000                                    |
| 5) Environmental Impairment - NJ School Boards Assoc. Ins. Group  | 1,000,000 Coverage                          | 100,000                                   |
| 6) Nurses Liability - Evanston Insurance  | 1,000,000 Per medical incident              | 1,000                                     |
|   | 3,000,000 Annual aggregate                  | 1,000                                     |
| 7) Fidelity Bonds   | 285,000 Business Adm./Board Secretary       |   |
|   | 285,000 Treasurer                           |   |
| 8) Workers Compensation NJ School Boards Assoc. Ins. Group  | 2,000,000 Each Accident                     |   |
|   | 2,000,000 Aggregate Limit                   |   |
| 9) Excess workers comp - NJ School Boards Assoc. Ins. Group   | 100,000 Aggregate Limit                     |   |
| 10) Excess weekly indemnity - NJ School Boards Assoc. Ins. Group  | 2,500 per week                              |   |

Source: District Records

## **Single Audit Section**

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

Independent Auditors' Report

**Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools  
County of Middlesex  
East Brunswick, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Middlesex County Vocational and Technical High Schools, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2019.

**Internal Control Over Financial Reporting**

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

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

PKF O'CONNOR DAVIES, LLP  
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | [www.pkfod.com](http://www.pkfod.com)

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 2

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

December 2, 2019  
Cranford, New Jersey

*David J. Gannon*

David J. Gannon  
Licensed Public School Accountant  
No. 2305

**Report on Compliance For Each Major Federal and State Program and  
on Internal Control Over Compliance Required by The Uniform Guidance  
and New Jersey OMB 15-08**

Independent Auditors' Report

**Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools  
County of Middlesex  
East Brunswick, New Jersey**

**Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Middlesex County Vocational and Technical High Schools', in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*



**Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 2

(Uniform Guidance); and New Jersey OMB 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 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the District'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 federal and state program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

**Report on Internal Control Over Compliance**

Management of the District 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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 the District'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

**Honorable President and Members  
of the Board of Education of the  
Middlesex County Vocational and  
Technical High Schools**

Page 3

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

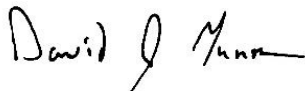
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

December 2, 2019  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant  
No. 2305

THE BOARD OF EDUCATION  
OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS  
COUNTY OF MIDDLESEX

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/<br>Program Title    | Federal<br>CFDA<br>Number | Federal<br>FAIN<br>Number | Grant Period    | Award<br>Amount | Balance at<br>June 30, 2018 | Carryover<br>Amount | Adjustments  | Cash<br>Received | Budgetary<br>Expenditures | Repayment of<br>Prior Years<br>Balances | (Accounts<br>Receivable) at<br>June 30, 2019 | Unearned<br>Revenue at<br>June 30, 2019 | Due to Grantor<br>at<br>June 30, 2019 |
|---|---------------------------|---------------------------|-----------------|-----------------|-----------------------------|---------------------|--------------|------------------|---------------------------|---|--|---|---------------------------------------|
| <b>U.S. Department of Education</b>                       |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| <b>Passed-Through State Department of Education:</b>      |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| Medical Assistance Program                                | 93.778                    | 1905NJ5MAP                | 7/1/18-6/30/19  | \$ 30,716       |                             |                     |              | \$ 30,716        | \$ (30,716)               |   |  |   |                                       |
| Total General Fund  |                           |                           |                 |                 |                             |                     |              | 30,716           | (30,716)                  |   |  |   |                                       |
| <b>U.S. Department of Education</b>                       |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| <b>Passed-Through State Department of Education:</b>      |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| Title I   | 84.010A                   | S010A190030               | 7/1/18-6/30/19  | 591,149         |                             |                     |              | 396,980          | (548,271)                 |   | \$ (151,291)                                 |   |                                       |
| Title I   | 84.010A                   | S010A180030               | 7/1/17-6/30/18  | 558,477         | \$ (158,383)                |                     |              | 158,383          |                           |   |  |   |                                       |
| Title II - A  | 84.367                    | S367A190029               | 7/1/18-6/30/19  | 121,255         |                             |                     |              | 67,957           | (75,237)                  |   | (7,280)                                      |   |                                       |
| Title II - A  | 84.367                    | S367A180029               | 7/1/17-6/30/18  | 67,289          | (2,200)                     |                     |              | 2,200            |                           |   |  |   |                                       |
| Title IV  | 84.424                    | S424A190031               | 7/1/18-6/30/19  | 42,475          |                             |                     |              | 281              | (9,781)                   |   | (9,500)                                      |   |                                       |
| I.D.E.A. Part B   | 84.027                    | S027A190100               | 7/1/18-6/30/19  | 576,821         |                             |                     |              | 404,274          | (576,821)                 |   | (172,547)                                    |   |                                       |
| I.D.E.A. Part B   | 84.027                    | S027A180100               | 7/1/17-6/30/18  | 576,754         | (166,983)                   |                     |              | 166,983          |                           |   |  |   |                                       |
| Carl Perkins - Entitlement Federal                        | 84.048                    | S048A190030               | 7/1/18-6/30/19  | 739,386         |                             |                     |              | 603,740          | (739,386)                 |   | (135,646)                                    |   |                                       |
| Carl Perkins - Entitlement Reserve                        | 84.048                    | S048A190030               | 7/1/18-6/30/19  | 75,117          |                             |                     |              | 20,498           | (74,411)                  |   | (53,913)                                     |   |                                       |
| Carl Perkins - Entitlement Federal                        | 84.048                    | S048A180030               | 7/1/17-6/30/18  | 666,649         | (74,646)                    |                     |              | 74,646           |                           |   |  |   |                                       |
| Carl Perkins - Entitlement Reserve                        | 84.048                    | S048A180030               | 7/1/17-6/30/18  | 66,884          | (10,414)                    |                     |              | 10,414           |                           |   |  |   |                                       |
| CTSO-HOSA   | 84.000                    | 18BE60G06                 | 9/1/18-8/31/19  | 146,500         |                             |                     |              | 87,013           | (128,962)                 |   | (41,949)                                     |   |                                       |
| CTSO-HOSA   | 84.000                    | 18BE60G06                 | 9/1/17-8/31/18  | 146,500         | (32,220)                    |                     |              | 47,655           | (15,435)                  |   |  |   |                                       |
| WSCC School Health PI                                     | 84.000                    | not available             | 8/15/18-6/30/19 | 6,000           |                             |                     |              | 4,000            | (1,720)                   |   |  | \$ 2,280                                |                                       |
| WSCC School Health WB                                     | 84.000                    | not available             | 9/1/18-6/30/19  | 6,000           |                             |                     |              | 4,000            | (3,768)                   |   |  | 232                                     |                                       |
| Sustainable Jersey  | 84.000                    | not available             | 9/1/17-6/30/18  | 4,000           | (1,500)                     |                     |              | 1,500            |                           |   |  |   |                                       |
| Pre-Employment Transition Services                        | 84.126A                   | not available             | 4/1/18-3/31/19  | 200,000         | (14,387)                    |                     |              | 135,373          | (165,150)                 |   | (44,164)                                     |   |                                       |
| Total Special Revenue                                     |                           |                           |                 |                 | (460,733)                   |                     |              | 2,185,897        | (2,338,942)               | -                                       | (616,290)                                    | 2,512                                   | -                                     |
| <b>U.S. Department of Agriculture</b>                     |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| <b>Passed - Through State Department of Education:</b>    |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| Child Nutrition Cluster:                                  |                           |                           |                 |                 |                             |                     |              |                  |                           |   |  |   |                                       |
| Food Donation Program (NC)                                | 10.555                    | 191NJ304N1099             | 7/1/18-6/30/19  | 49,456          |                             |                     |              | 49,456           | (49,456)                  |   |  |   |                                       |
| National School Lunch Program                             | 10.555                    | 191NJ304N1099             | 7/1/18-6/30/19  | 313,159         |                             |                     |              | 287,408          | (313,159)                 |   | (25,751)                                     |   |                                       |
| National School Lunch Program                             | 10.555                    | 181NJ304N1099             | 7/1/17-6/30/18  | 305,107         | (27,502)                    |                     |              | 27,502           |                           |   |  |   |                                       |
| School Breakfast Program                                  | 10.553                    | 191NJ304N1099             | 7/1/18-6/30/19  | 107,866         |                             |                     |              | 98,536           | (107,866)                 |   | (9,330)                                      |   |                                       |
| School Breakfast Program                                  | 10.553                    | 181NJ304N1099             | 7/1/17-6/30/18  | 108,587         | (9,717)                     |                     |              | 9,717            |                           |   |  |   |                                       |
| Subtotal Child Nutrition Cluster                          |                           |                           |                 |                 | (37,219)                    |                     |              | 472,619          | (470,481)                 |   | (35,081)                                     |   |                                       |
| Federal PB Lunch - Healthy Hunger - Free Kids Act of 2010 | 10.555                    | 191NJ304N1099             | 7/1/18-6/30/19  | 8,318           |                             |                     |              | 7,651            | (8,318)                   |   | (667)  |   |                                       |
| Federal PB Lunch - Healthy Hunger - Free Kids Act of 2010 | 10.555                    | 181NJ304N1099             | 7/1/17-6/30/18  | 8,170           | (730)                       |                     |              | 730              |                           |   |  |   |                                       |
| Total Enterprise Fund                                     |                           |                           |                 |                 | (37,949)                    |                     |              | 481,000          | (478,799)                 |   | (35,748)                                     |   |                                       |
| Total Federal Awards                                      |                           |                           |                 | \$ (498,682)    | \$ -                        | \$ -                | \$ 2,697,613 | \$ (2,848,457)   | \$ -                      | \$ (652,038)                            | \$ 2,512                                     | \$ -                                    |                                       |

NC - represents noncash expenditures

See the accompanying notes to schedules of expenditures of federal awards and state financial assistance.

THE BOARD OF EDUCATION  
OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS  
COUNTY OF MIDDLESEX

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2019

| State Grantor Program Title  | Grant or State Project Number | Grant Period     | Balance at June 30, 2018 |                            |                |                  |               | Balance at June 30, 2019 |            |                       | MEMO             |                |                      |                               |
|--|-------------------------------|------------------|--------------------------|----------------------------|----------------|------------------|---------------|--------------------------|------------|-----------------------|------------------|----------------|----------------------|-------------------------------|
|  |                               |                  | Award Amount             | Unearned Rev/ (Accts. Rec) | Due to Grantor | Carryover Amount | Cash Received | Budgetary Expenditures   | Canceled   | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| <b>State Department of Education:</b>                                  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| Equalization Aid   | 19-495-034-5120-078           | 7/1/18-6/30/19   | \$ 12,182,856            |                            |                |                  | \$ 10,973,012 | \$ (12,182,856)          |            |                       |                  | \$ (1,209,844) | \$ (12,182,856)      |                               |
| Special Education Categorical Aid                                      | 19-495-034-5120-089           | 7/1/18-6/30/19   | 1,421,678                |                            |                |                  | 1,280,495     | (1,421,678)              |            |                       |                  | (141,183)      | (1,421,678)          |                               |
| Security Aid   | 19-495-034-5120-084           | 7/1/18-6/30/19   | 592,489                  |                            |                |                  | 533,651       | (592,489)                |            |                       |                  | (58,838)       | (592,489)            |                               |
| Equalization Aid   | 18-495-034-5120-078           | 7/1/17-6/30/18   | 12,182,856               | \$ (1,209,637)             |                |                  | 1,209,637     |                          |            |                       |                  |                |                      |                               |
| Special Education Categorical Aid                                      | 18-495-034-5120-089           | 7/1/17-6/30/18   | 1,159,017                | (115,077)                  |                |                  | 115,077       |                          |            |                       |                  |                |                      |                               |
| Security Aid   | 18-495-034-5120-084           | 7/1/17-6/30/18   | 117,501                  | (11,668)                   |                |                  | 11,668        |                          |            |                       |                  |                |                      |                               |
| Adult Ed Aid   | 18-100-034-5120-510           | 7/1/17-6/30/18   | 322,318                  | (31,983)                   |                |                  | 31,983        |                          |            |                       |                  |                |                      |                               |
| Per Pupil Growth Aid   | 18-495-034-5120-097           | 7/1/17-6/30/18   | 20,160                   | (2,002)                    |                |                  | 2,002         |                          |            |                       |                  |                |                      |                               |
| PARCC Readiness  | 18-495-034-5120-098           | 7/1/17-6/30/18   | 20,160                   | (2,002)                    |                |                  | 2,002         |                          |            |                       |                  |                |                      |                               |
| Professional Learning Community Aid                                    | 18-495-034-5120-101           | 7/1/17-6/30/18   | 21,280                   | (2,113)                    |                |                  | 2,113         |                          |            |                       |                  |                |                      |                               |
| TPAF Social Security Aid   | 19-495-034-5095-002           | 7/1/18-6/30/19   | 1,297,613                |                            |                |                  | 1,297,613     | (1,297,613)              |            |                       |                  |                | (1,297,613)          |                               |
| On-Behalf TPAF Contributions:  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| Pension Benefit Contributions  | 19-495-034-5095-006           | 7/1/18-6/30/19   | 3,464,142                |                            |                |                  | 3,464,142     | (3,464,142)              |            |                       |                  |                | (3,464,142)          |                               |
| Long-Term Disability Insurance Contribution                            | 19-495-034-5095-001           | 7/1/18-6/30/19   | 4,277                    |                            |                |                  | 4,277         | (4,277)                  |            |                       |                  |                | (4,277)              |                               |
| Post Retirement Medical Contribution                                   | 19-495-034-5095-001           | 7/1/18-6/30/19   | 1,571,329                |                            |                |                  | 1,571,329     | (1,571,329)              |            |                       |                  |                | (1,571,329)          |                               |
| Total General Fund   |                               |                  |                          | (1,374,482)                |                |                  | 20,499,001    | (20,534,384)             |            |                       |                  | (1,409,865)    | (20,534,384)         |                               |
|  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| Vocational Education-Apprentice Coordinator                            | 19-100-034-5062-032           | 7/1/18-6/30/19   | 21,222                   |                            |                |                  | 14,360        | (20,422)                 | \$ (6,062) |                       |                  |                | (20,422)             |                               |
| Vocational Education-Apprentice Coordinator                            | 18-100-034-5062-032           | 7/1/17-6/30/18   | 20,000                   | (5,714)                    |                |                  | 5,714         |                          |            |                       |                  |                |                      |                               |
| Vocational Education-Carl Perkins Post-Secondary                       | 19-100-034-5062-032           | 7/1/18-6/30/19   | 122,070                  |                            |                |                  | 122,070       | (122,070)                |            |                       |                  |                | (122,070)            |                               |
| County Vocational Partnership Grant, Cohort 3                          | Not available                 | 5/1/17-6/30/20   | 329,784                  | (24,079)                   |                |                  | 87,998        | (101,146)                |            | (37,227)              |                  |                | (101,146)            |                               |
| DVRS Summer Paid Internship 2017                                       | Not available                 | 7/10/17-8/11/17  | 43,200                   | (1,428)                    |                |                  | 1,428         |                          |            |                       |                  |                |                      |                               |
| DVRS Paid Internship 2018  | Not available                 | 1/1/18-6/30/18   | 34,560                   | (7,044)                    |                |                  | 7,044         |                          |            |                       |                  |                |                      |                               |
| Youth Transition to Work Grant 2019                                    | Not available                 | 1/1/19-6/30/19   | 7,313                    |                            |                |                  |               | (4,618)                  |            | (4,618)               |                  |                | (4,618)              |                               |
| Total Special Revenue Fund   |                               |                  |                          | (38,265)                   |                |                  | 238,614       | (248,256)                |            | (47,907)              |                  |                | (248,256)            |                               |
|  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| Addt. State School Bldg Aid-SDA Grant                                  | 03-495-034-5120-016           | 7/1/02-present   | 2,340,000                |                            |                |                  |               |                          |            |                       |                  |                | (2,213,801)          |                               |
| Addt. State School Bldg Aid-SDA Grant                                  |                               | 7/1/15-present   | 1,412,532                | (824,339)                  |                |                  |               |                          | \$ 8,431   | (815,908)             |                  |                | (827,476)            |                               |
| Addt. State School Bldg Aid-SDA Grant                                  |                               | 7/1/16 - present | 450,549                  | (450,549)                  |                |                  |               |                          |            | (450,549)             |                  |                | (438,981)            |                               |
| Total Capital Projects Fund  |                               |                  |                          | (1,274,888)                |                |                  |               |                          | 8,431      | (1,266,457)           |                  |                | (3,480,258)          |                               |
|  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| National School Lunch Program (State Share)                            | 19-100-010-3350-023           | 7/1/18-6/30/19   | 7,386                    |                            |                |                  | 6,793         | (7,386)                  |            | (593)                 |                  |                | (7,386)              |                               |
| National School Lunch Program (State Share)                            | 18-100-010-3350-023           | 7/1/17-6/30/18   | 7,263                    | (649)                      |                |                  | 649           |                          |            |                       |                  |                |                      |                               |
| Total Enterprise Fund  |                               |                  |                          | (649)                      |                |                  | 7,442         | (7,386)                  |            | (593)                 |                  |                | (7,386)              |                               |
| Total State Financial Assistance                                       |                               |                  | \$ (2,688,284)           | \$ -                       | \$ -           | \$ -             | \$ 20,745,057 | \$ (20,790,026)          | \$ 8,431   | \$ (1,314,957)        | \$ -             | \$ -           | \$ (1,409,865)       | \$ (24,270,284)               |
| <b>State Financial Assistance</b>                                      |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| <b>Not Subject to Single Audit Determination</b>                       |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| General Fund   |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| On-Behalf TPAF Contributions:  |                               |                  |                          |                            |                |                  |               |                          |            |                       |                  |                |                      |                               |
| Pension Benefit Contributions  | 19-495-034-5095-006           | 7/1/18-6/30/19   | 3,464,142                |                            |                |                  | \$ 3,464,142  | \$ (3,464,142)           |            |                       |                  |                | \$ (3,464,142)       |                               |
| Long-Term Disability Insurance Contribution                            | 19-495-034-5095-001           | 7/1/18-6/30/19   | 4,277                    |                            |                |                  | 4,277         | (4,277)                  |            |                       |                  |                | (4,277)              |                               |
| Post Retirement Medical Contribution                                   | 19-495-034-5095-001           | 7/1/18-6/30/19   | 1,571,329                |                            |                |                  | 1,571,329     | (1,571,329)              |            |                       |                  |                | (1,571,329)          |                               |
| Total State Financial Assistance Subject to Single Audit Determination |                               |                  | \$ (2,688,284)           | \$ -                       | \$ -           | \$ -             | \$ 15,705,309 | \$ (15,750,278)          | \$ 8,431   | \$ (1,314,957)        | \$ -             | \$ -           | \$ (1,409,865)       | \$ (19,230,536)               |

See the accompanying notes to schedules of expenditures of federal awards and state financial assistance.

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2019

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance programs of the District. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal 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.

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2019

**3. Relationship to Basic Financial Statements (continued)**

For GAAP purposes, those 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 net adjustment is (\$35,383) to reconcile from the budgetary basis to the GAAP basis for the general fund and no adjustment for the special revenue fund. See note 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 (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

**4. Relationship to Federal and State Financial Reports**

|                                  | <u>Federal</u>      | <u>State</u>         | <u>Total</u>         |
|----------------------------------|---------------------|----------------------|----------------------|
| General Fund                     | \$ 30,716           | \$ 20,499,001        | \$ 20,529,717        |
| Special Revenue Fund             | 2,338,942           | 248,256              | 2,587,198            |
| Food Service Enterprise Fund     | 478,799             | 7,386                | 486,185              |
| Total financial awarded revenues | <u>\$ 2,848,457</u> | <u>\$ 20,754,643</u> | <u>\$ 23,603,100</u> |

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

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value of USDA commodities received and current year distributions, respectively. TPAF Social Security Contributions represent 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.

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2019

**5. Other (continued)**

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2018 amounted to \$5,039,748. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, as directed by the funding agency.

**6. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?            Yes    √    No

Are any significant deficiencies identified?            Yes    √    None Reported

Is any noncompliance material to financial statements noted?            Yes    √    No

**Federal Awards Section**

Internal control over major federal programs:

Are any material weaknesses identified?            Yes    √    No

Are any significant deficiencies identified?            Yes    √    None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            Yes    √    No

Identification of major federal programs:

| <b>CFDA Number(s)</b> | <b>FAIN Number</b> | <b>Name of Federal Program or Cluster</b>               |
|-----------------------|--------------------|---|
| 84.048                | S048A180030        | Career and Technical Education – Basic Grants to States |

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

Auditee qualified as low-risk auditee?    √    Yes            No



The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

**Part I – Summary of Auditor’s Results**

**State Awards Section**

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 on compliance for major programs: Unmodified

Internal control over major state programs:

Material weakness(es) identified?      Yes √ No

Significant deficiencies identified that are not considered to be material weaknesses?      Yes √ None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable      Yes √ No

Identification of major state programs:

| <b>GMIS/Program Number</b> | <b>Name of State Program or Cluster</b> |
|----------------------------|---|
| 495-034-5120-078           | State Aid Cluster:                      |
| 495-034-5120-089           | Equalization Aid                        |
| 495-034-5120-084           | Special Education Categorical Aid       |
|                            | Security Aid                            |

The Board of Education of the Vocational and Technical High Schools  
County of Middlesex

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

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

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

The Board of Education of the Vocational and Technical High  
Schools County of Middlesex

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

**Part III – Schedule of Federal and State Award Findings and  
Questioned Costs**

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance or NJ OMB Circular Letter 15-08.

The Board of Education of the Vocational and Technical High  
Schools County of Middlesex

Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2019

No prior year findings were noted.