

**ESSEX COUNTY VOCATIONAL SCHOOLS  
NEWARK, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**Prepared by:**

**Essex County Vocational Schools  
Board of Education  
Finance Department**

# **Comprehensive Annual Financial Report**

**of the**

**Essex County Vocational Schools  
Newark, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Essex County Vocational Schools  
Board of Education**

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## INTRODUCTORY SECTION



# Essex County Schools of Technology BOARD OF EDUCATION

REV. EDWIN D. LEAHY, O.S.B.  
PRESIDENT

ADRIANNE DAVIS  
VICE PRESIDENT

MEMBERS

SALVATORE CARNOVALE  
JENNIFER M. CARRILLO-PEREZ  
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DR. CHRIS T. PERNELL

DR. JAMES M. PEDERSEN  
SUPERINTENDENT

DICXIANA A. CARBONELL  
ASSIST. SUPERINTENDENT OF  
CURRICULUM & INSTRUCTION

BERNETTA DAVIS  
BUSINESS ADMINISTRATOR

LORI TANNER  
BOARD SECRETARY

M. MURPHY DURKIN, ESQ.  
BOARD ATTORNEY

January 20, 2021

Honorable President and Members  
of the Board of Education  
Essex County Schools District  
County of Essex  
Newark, New Jersey 07102

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Essex County Vocational Schools District for the fiscal year ended June 30, 2020 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 Essex County Vocational 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 reported in a manner designed to present fairly the financial position and results of operations of various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08). Information related to this single audit including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

ESSEX COUNTY VOCATIONAL TECHNICAL SCHOOLS WAS ORGANIZED IN 1923

60 NELSON PLACE, 1 NORTH, NEWARK, NJ 07102 -TELEPHONE (973) 412-2050 - FAX (973) 242-3041

[www.essextech.org](http://www.essextech.org)



## 1. REPORTING ENTITY AND ITS SERVICES

As the county regional vocational school system, the district provides a full range of vocational and technical training to adult and high school students residing in Essex County. Over 96% of the district's high school students are full-time and receive a full range of educational services, academic programs and vocational-technical training in grades 9 to 12. The high school programs serve a wide range of students including special education programs for handicapped students and advanced tech prep programs for academically talented students.

Apart from full-time day and evening adult programs, the District oversees all apprenticeship training in the County and provides a wide-range of part-time vocational-technical training programs, customized training programs and basic skills, GED and ESL programs for adults.

The District reflected a 0.02% increase in average daily enrollment for high school students in 2019-2020. The District operated at full capacity and received more than two applications for every one student that it accepts into the 9<sup>th</sup> grade. The following details the changes in the student enrollment of the district over the last ten (10) years.

Year	Average Daily Enrollment	Average Daily Attendance	Attendance Percent	% Change in Average Daily Enrollment
2019-20	2354	2287	97.1	0.02
2018-19	2,316	2211	95.5	0.03
2017-18	2,238	2140	95.6	0.62
2016-17	2,106	2,012	95.6	-0.02
2015-16	2,157	2,059	95.5	-0.05
2014-15	2,282	2,094	94.1	0.17
2013-14	2,215	2,109	95.2	0.50
2012-13	2,492	2,361	94.7	-0.30
2011-12	2,057	1,955	95.0	1.70
2010-11	2,023	1,892	93.5	-1.20
2009-10	2,048	1,882	91.9	-2.20

## 2. ECONOMIC CONDITIONS

The County of Essex continues to be a vital economic region being a center for insurance, health care, retail trade and transportation services. The total assessed valuation for property in Essex County and the unemployment rate for Essex County in 2019-2020 was 3.9%.

## 3. STATE CERTIFICATION AND PROGRAM IMPROVEMENT

The District has achieved continuous improvement over the last eight years. All four of its schools and the district itself has achieved No Child Left Behind Annual Yearly Performance goals for two or more years and is under no monitoring status. The District continues to add rigorous academic and career and technical education curriculum to its offerings. Additionally, two of its four schools have been awarded with National Blue Ribbon Awards by the U.S. Department of Education for achievement.

#### **4. INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance and recognized 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 and GASB 34.

As a recipient of Federal and State financial assistance, the District is responsible for ensuring adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's 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 CONTROL**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

#### **6. ACCOUNTING SYSTEM AND REPORTS**

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

#### **7. FINANCIAL INFORMATION OF FISCAL YEAR-END**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2020, and the amount and percentages of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>% of Total</u>
Local Sources	\$ 5,573,195	10%
Tuition	15,105,202	28%
State Sources	29,525,441	55%
Federal Sources	<u>3,753,572</u>	<u>7%</u>
<b>Total</b>	<b><u>\$ 53,957,410</u></b>	<b><u>100%</u></b>

The following schedule presents a summary of general fund and special revenue expenditures for the fiscal year ended June 30, 2019:

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Instruction	\$ 18,973,978	38%
Support	29,838,129	60%
Special School	287,367	1%
Capital Outlay	445,035	1%
<b>Total</b>	<b>\$ 49,544,510</b>	<b>100%</b>

#### **8. CASH MANAGEMENT**

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit 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 where the funds are secured in accordance with the Act.

#### **9. RISK MANAGEMENT**

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

#### **10. OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was selected by the Board to audit the financial statements for the year ended June 30, 2020. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08). The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' report related specifically to the single audit is included in the single audit section of this report.

#### **11. ACKNOWLEDGMENTS**

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

Respectfully submitted,

*Bernetta Davis*

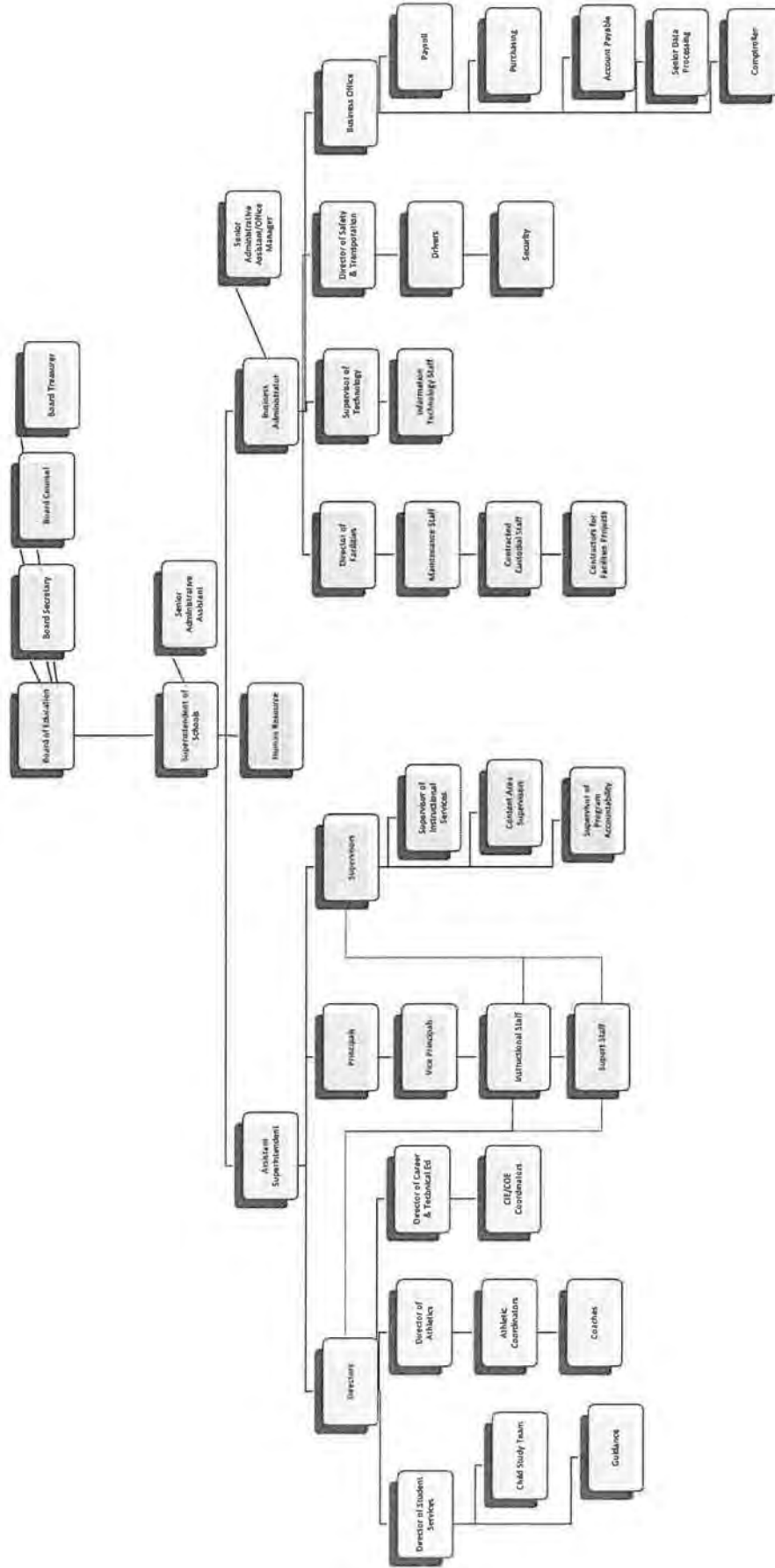
Bernetta Davis  
Business Administrator

*Lori Tanner*

Lori Tanner  
Board Secretary

# ESSEX COUNTY SCHOOLS OF TECHNOLOGY

## ORGANIZATIONAL CHART



ESSEX COUNTY VOCATIONAL SCHOOLS  
NEWARK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2020

	<b><u>Term Expires</u></b>
Reverend Edwin D. Leahy, President	10/31/14*
Adrienne Davis, Vice President	10/31/15*
<b><u>Board Members</u></b>	
Jennifer M. Cassillo Perez	10/31/19
Salvatore Carnovale	10/31/16*
Lee Sandra Medina	10/31/17
Dr. Chris T. Pernel	10/31/17
<b><u>Other Officials</u></b>	
Dr. James M. Pedersen, Superintendent	
Dicxiana A. Carbonell, Assistant Superintendent for Curriculum and Instruction	
Bernetta Davis, Business Administrator	
Lori Tanner, Board Secretary	
M. Murphy Durkin, Esq., Board Attorney	

\*Carryovers

**ESSEX COUNTY VOCATIONAL SCHOOLS  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Samuel Klein and Company LLP  
Certified Public Accountants  
550 Broad Street, 11<sup>th</sup> Floor  
Newark, New Jersey 07102-4517

**Attorney**

Durkin & Durkin, LLP  
1120 Bloomfield Avenue  
P.O. Box 1289  
West Caldwell, New Jersey 07007-9452

**Official Depository**

New Jersey Cash Management Fund (NJCMF)

Wells Fargo  
599 Bloomfield Avenue  
Verona, New Jersey 07044

MBIA Asset Management  
113 King Street  
Armonk, New York 10504

## FINANCIAL SECTION

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Essex County Vocational Schools District  
County of Essex  
Newark, New Jersey 07102

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the Essex County Vocational Schools District, County of Essex, State of New Jersey, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Essex County Vocational Schools District, as of June 30, 2020, 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 the Management's Discussion and Analysis and Budgetary Comparison Information 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Essex County Vocational Schools District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is 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* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule 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 nonmajor fund financial statements, the schedule of expenditures of federal awards and schedule of 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2021, on our consideration of the Board of Education of the Essex County Vocational Schools District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Essex County Vocational Schools 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 Essex County Vocational Schools District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 30, 2021

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Honorable President and Members  
of the Board of Education  
Essex County Vocational Schools  
Leroy F. Smith Jr. Public Safety Building  
60 Nelson Place - 1 North  
Newark, New Jersey 07102

Dear Board Members:

**Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2020 (Unaudited)**

The discussion and analysis of the Essex County Vocational Schools District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Essex County Vocational Schools as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

The fund financial statements also look at the School District's most significant funds. In the case of the Essex County Vocational Schools, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the actual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the county's property tax base, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District maintains one business-like activity, the Food Service Program.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

#### **Governmental Funds**

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

#### **The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2019 and 2020.

**Table 1**

**Net Position**

	June 30, 2020		June 30, 2019	
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities
<b><u>ASSETS</u></b>				
Current and Other Assets	\$ 38,740,257	\$ 634,815	\$ 65,111,167	\$ 755,613
Capital Assets, Net	<u>223,658,828</u>	<u>810,505</u>	<u>195,294,707</u>	<u>893,786</u>
Total Assets	<u>\$ 262,399,086</u>	<u>\$ 1,445,319</u>	<u>\$ 260,405,874</u>	<u>\$ 1,649,399</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Amount Related to Pension	<u>\$ 1,781,214</u>		<u>\$ 2,841,436</u>	
<b><u>LIABILITIES</u></b>				
Current Liabilities	\$ 2,089,133	\$ 863,032	\$ 2,635,042	\$ 1,062,657
Noncurrent Liabilities	<u>11,103,151</u>		<u>12,446,304</u>	
Total Liabilities	<u>13,192,284</u>	<u>863,032</u>	<u>15,081,346</u>	<u>1,062,657</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Amount Related to Pension	<u>4,221,158</u>		<u>3,914,371</u>	
<b><u>NET POSITION</u></b>				
Investment in Capital Assets	223,658,828	810,505	195,294,707	30,754
Restricted for:				
Capital Projects	7,963,283		6,000,000	
Other Purposes	28,650,323		47,239,953	
Unrestricted	<u>(13,505,578)</u>	<u>(228,218)</u>	<u>(4,283,067)</u>	<u>555,988</u>
Total Net Position	<u>246,766,857</u>	<u>582,287</u>	<u>244,251,593</u>	<u>586,742</u>
Total Liabilities and Net Position	<u>\$ 264,180,300</u>	<u>\$ 1,445,319</u>	<u>\$ 263,247,310</u>	<u>\$ 1,649,399</u>

Due to the requirement that the Essex County Vocational Schools prepares its financial statements following GASB Statement 34, compensated absences, along with capital assets (net of accumulated depreciation) are now shown on the Statement of Net Position. The amount recorded under noncurrent liabilities is detailed below:

Compensated Absences \$ 1,396,582.91

It must be noted that compensated absences due to retirements or other circumstances have always been paid through current budget appropriations and will continue to be paid. The School District has never failed to meet its contractual obligations.

**Table 2**  
**Change in Net Position**

Table 2 shows the Changes in Net Position for fiscal year 2020 and fiscal year 2019.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b><u>Revenues</u></b>				
Program Revenues:				
Charges for Services	\$	\$	\$ 278,709	\$
Operating Grants and Contributions	11,599,187	12,106,188	880,720	1,149,025
General Revenues:				
County Appropriation	5,450,000	5,450,000		
Grants and Entitlements	23,161,264	25,579,865		
Tuition	15,105,202	14,659,928		
Other	1,152,382	7,624,530		
Cancellation of Prior Year A/R				(94)
Adjustment to Capital Assets				(478)
Transfer		800,621		407,621
<b>Total Revenues</b>	<b><u>56,468,035</u></b>	<b><u>66,221,132</u></b>	<b><u>1,159,429</u></b>	<b><u>1,556,074</u></b>
<b><u>Expenditures</u></b>				
Program Expenses:				
Instruction	29,248,147	31,735,250		
Support Services:				
Student and Instruction Related	6,455,545	7,652,876		
Administration	9,106,820	10,878,163		
Operation and Plant Maintenance	4,862,264	5,544,322		
Pupil Transportation	521,432	804,059		
Special Schools	287,367	551,437		
Unallocated Depreciation	3,933,017	3,933,017	83,282	83,282
Cost of Sales			447,959	686,490
Salaries and Benefits			479,774	672,073
Other			152,869	101,069
<b>Total Expenses</b>	<b><u>54,414,591</u></b>	<b><u>61,099,124</u></b>	<b><u>1,163,884</u></b>	<b><u>1,542,913</u></b>
<b>Increase in Net Position</b>	<b><u>\$ 2,053,445</u></b>	<b><u>\$ 5,122,008</u></b>	<b><u>\$ (4,455)</u></b>	<b><u>\$ 13,160</u></b>

**Governmental Activities**

A portion of the revenue for the Essex County Vocational Schools is provided by Essex County. Each year the Vocational School's Board of Education prepares and delivers to the Essex County Board of School Estimate an itemized statement of the amount of money necessary for the general fund expenses. The Board of School Estimate determines and certifies by action taken at a public meeting an amount of money to be appropriated for the use by the County Vocational Schools. The Essex County Board of Chosen Freeholders appropriates the amount so certified, which is assessed, levied and collected in the same manner as moneys appropriated for other purposes in Essex County. Moneys from the County Tax Levy made up 9.65% of revenues for the general fund for the fiscal year ended June 30, 2020.

Instruction comprises 53.75% of district expense and support services of 38.49%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Net Cost of Service**

	<u>2020</u>
Governmental Activities:	
Instruction:	
Regular	\$ 9,697,737
Other Special Instruction	2,228,378
Vocational	6,560,985
School Sponsored Activities	705,602
Other Instruction	1,606,832
Support Services:	
Student and Instruction Related Services	4,226,096
General and Business Administrative Services	2,275,071
School Administration Services	1,957,599
Central Services	997,384
Administration of Information Technology	1,341,467
Plant Operations and Maintenance	4,862,264
Security	1,614,172
Pupil Transportation	521,432
Special Schools	287,367
Unallocated Depreciation	<u>3,933,017</u>
	<u>\$ 42,815,403</u>

A description of each service provided by the School District is detailed as follows:

Instruction expenditures include activities directly dealing with the teaching of pupils and the interaction between teacher and pupils.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils.

Also included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil Transportation expenditures include activities involved in the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits expenditures include health insurance benefits, social security contributions, unemployment and workers compensations and tuition reimbursement.

Special Schools' expenditures include the post-secondary program, summer school and adult education.



### **Business-Type Activities**

The School District operates business-type activities for the Food Service Program. The Food Service operations are managed by Maschio's Food Services, Inc. The management company receives a fee for each meal served. For fiscal year 2020, a total of 329,627 meals were served to students.

For the current school year, after adjustment of fixed asset valuation, the food service had a decrease in net position of \$4,454.70. Ending net position for the food service shows an excess of \$582,287.13.

### **General Fund Budgetary Highlights**

The School District budget is prepared according to New Jersey Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

### **General Fund Budgetary Highlights**

Exhibit C-1 details variations between the final budget amounts and actual results for the General Fund.

### **Capital Assets**

At the end of fiscal year 2020, the School District had \$223,213,793.12 invested in land, buildings and equipment, net of accumulated depreciation.

### **For the Future**

The Essex County Vocational and Technical School District, through the efforts of our teachers, administrators and support staff, will continue to provide the highest quality of education to all students attending our schools.

## **BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 25,907,687.60	\$ 587,707.96	\$ 26,495,395.56
Receivables, Net	12,832,569.52	1,933.68	12,834,503.20
Inventory		45,173.09	45,173.09
Capital Assets, Net (Note X)	<u>223,658,828.41</u>	<u>810,504.69</u>	<u>224,469,333.10</u>
Total Assets	<u>262,399,085.53</u>	<u>1,445,319.42</u>	<u>263,844,404.95</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>1,781,214.00</u>		<u>1,781,214.00</u>
Total Deferred Outflows of Resources	<u>1,781,214.00</u>		<u>1,781,214.00</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,210,658.16		1,210,658.16
Interfunds Payable		863,032.29	863,032.29
Payable to Federal Government	12,033.57		12,033.57
Payable to State Government	2,798.29		2,798.29
Commitments and Contingencies	844,565.50		844,565.50
Deferred Revenue	19,077.85		19,077.85
Noncurrent Liabilities:			
Due Beyond One Year (Note X)	1,396,582.91		1,396,582.91
Net Pension Liability (Note X)	<u>9,706,568.00</u>		<u>9,706,568.00</u>
Total Liabilities	<u>13,192,284.28</u>	<u>863,032.29</u>	<u>14,055,316.57</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>4,221,158.00</u>		<u>4,221,158.00</u>
Total Deferred Inflows of Resources	<u>4,221,158.00</u>		<u>4,221,158.00</u>
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Related Debt	223,658,828.41	810,504.69	224,469,333.10
Restricted for:			
Capital Projects	7,963,283.42		7,963,283.42
Other Purposes	28,650,323.37		28,650,323.37
Unrestricted	<u>(13,505,577.95)</u>	<u>(228,217.56)</u>	<u>(13,733,795.51)</u>
Total Net Assets	<u>\$246,766,857.25</u>	<u>\$ 582,287.13</u>	<u>\$247,349,144.38</u>

See accompanying notes to financial statements.

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular Instruction	\$ 15,476,781.10	\$	\$ 5,779,043.95	\$ (9,697,737.15)	\$	\$ (9,697,737.15)
Special Education Instruction	2,800,419.27		572,041.10	(2,228,378.17)		(2,228,378.17)
Vocational Education	8,160,804.74		1,599,819.93	(6,560,984.81)		(6,560,984.81)
School Sponsored Activities	886,684.65		181,082.81	(705,601.84)		(705,601.84)
Other Instruction	1,923,456.89		316,625.37	(1,606,831.52)		(1,606,831.52)
<b>Support Services:</b>						
Student and Instructional Related Services	6,455,544.71		2,229,448.29	(4,226,096.42)		(4,226,096.42)
General Administration	2,466,370.54		191,299.61	(2,275,070.93)		(2,275,070.93)
School Administrative Services	2,142,192.03		184,592.59	(1,957,599.44)		(1,957,599.44)
Central Services	1,235,982.28		238,598.16	(997,384.12)		(997,384.12)
Administration of Information Technology	1,491,729.62		150,262.80	(1,341,467.02)		(1,341,467.02)
Plant Operations and Maintenance	4,589,064.75			(4,589,064.75)		(4,589,064.75)
Care and Upkeep of Grounds	273,199.50			(273,199.50)		(273,199.50)
Security	1,770,645.13		156,372.87	(1,614,172.26)		(1,614,172.26)
Pupil Transportation	521,431.53			(521,431.53)		(521,431.53)
Special Schools	287,367.44			(287,367.44)		(287,367.44)
Unallocated Depreciation	3,933,016.56			(3,933,016.56)		(3,933,016.56)
<b>Total Governmental Activities</b>	<u>54,414,590.74</u>		<u>11,599,187.28</u>	<u>(42,815,403.46)</u>		<u>(42,815,403.46)</u>
<b>Business-Type Activities:</b>						
Food Services	1,163,883.60	278,709.37	880,719.53		(4,454.70)	(4,454.70)
<b>Total Business-Type Activities</b>	<u>1,163,883.60</u>	<u>278,709.37</u>	<u>880,719.53</u>		<u>(4,454.70)</u>	<u>(4,454.70)</u>
<b>Total Primary Government</b>	<u>\$ 55,578,474.34</u>	<u>\$ 278,709.37</u>	<u>\$ 12,479,906.81</u>	<u>\$ (42,815,403.46)</u>	<u>\$ (4,454.70)</u>	<u>\$ (42,819,858.16)</u>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, net				\$ 5,450,000.00		\$ 5,450,000.00
Federal and State Aid not Restricted				23,161,264.07		23,161,264.07
Tuition Received				15,105,201.87		15,105,201.87
Investment Earnings				66,441.86		66,441.86
Miscellaneous Income				1,085,940.30		1,085,940.30
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<u>44,868,848.10</u>		<u>44,868,848.10</u>
<b>Change in Net Assets</b>				2,053,444.64	(4,454.70)	2,048,989.94
<b>Net Assets - Beginning</b>				244,251,593.58	586,741.63	244,838,335.41
<b>Net Assets - Ending</b>				<u>\$ 246,305,038.22</u>	<u>\$ 582,287.13</u>	<u>\$ 246,887,325.35</u>

**B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

ESSEX COUNTY VOCATIONAL SCHOOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 19,817,708.41		\$ 6,547,705.61	\$ 26,365,414.02
Federal	702,848.00	943,729.55		1,646,577.55
State	62,256.65	30,544.38		92,801.03
Tuition	3,718,951.19			3,718,951.19
Other			6,513,675.00	6,513,675.00
Interfunds			863,032.29	863,032.29
Total Assets	<u>\$ 24,301,564.25</u>	<u>\$ 974,273.93</u>	<u>\$ 13,924,412.90</u>	<u>\$ 39,200,251.08</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Cash Overdraft		\$ 457,726.42		\$ 457,726.42
Accounts Payable	699,387.08	482,637.80	28,633.28	1,210,658.16
Interfund Payable	2,267.54			2,267.54
Payable to Federal Government		12,033.57		12,033.57
Payable to State Government		2,798.29		2,798.29
Commitments and Contingencies	844,565.50			844,565.50
Deferred Revenue		19,077.85		19,077.85
Total Liabilities	<u>1,546,220.12</u>	<u>974,273.93</u>	<u>28,633.28</u>	<u>2,549,127.33</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Excess Surplus - Current Year Encumbrances	11,819,401.95			11,819,401.95
Excess Surplus - Prior Year - designated for subsequent year's expenditures	10,157,861.80			10,157,861.80
Capital Projects			7,963,283.42	7,963,283.42
<b>Committed to:</b>				
Year End Encumbrances	722,469.37		5,932,496.20	6,654,965.57
<b>Assigned to:</b>				
ARRA/Semi-Designated for Subsequent Expenditures	18,094.05			18,094.05
Unassigned Fund Balance	37,516.96			37,516.96
Total Fund Balances	<u>22,755,344.13</u>		<u>13,895,779.62</u>	<u>36,651,123.75</u>
Total Liabilities and Fund Balances	<u>\$ 24,301,564.25</u>	<u>\$ 974,273.93</u>	<u>\$ 13,924,412.90</u>	<u>\$ 39,200,251.08</u>

Total Fund Balance Above \$ 36,651,123.75

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 \$191,990,127.62 and the accumulated depreciation is \$60,258,141.29. (See Note 5).	223,658,828.41
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8).	1,781,214.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 8).	(4,221,158.00)
Long-Term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).	(9,706,568.00)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6).	(1,396,582.91)

Net Position of Governmental Activities (A-1) \$ 246,766,857.25



**ESSEX COUNTY VOCATIONAL SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Local Sources:				
County Appropriation	\$ 5,450,000.00	\$		\$ 5,450,000.00
Tuition from Other LEA's	15,105,201.87			15,105,201.87
Interest Earned			66,441.85	66,441.86
Restricted Miscellaneous Revenues	1,083,470.30			1,083,470.30
Unrestricted Miscellaneous Revenues			2,470.00	2,470.00
Total Local Sources	21,638,672.17		68,911.86	21,707,584.03
State Sources	29,294,973.92	230,467.28		29,525,441.20
Federal Sources	52,433.07	3,701,139.32		3,753,572.39
Private Sources		123,194.76		123,194.76
Total Revenues	50,986,079.16	4,054,801.36	68,911.86	55,109,792.38
<b>Expenditures</b>				
Current:				
Regular Instruction	7,547,967.85	2,676,104.86		10,224,072.71
Special Education Instruction	1,724,409.80			1,724,409.80
Vocational Education	5,151,543.00			5,151,543.00
School Sponsored Activities	546,067.82			546,067.82
Other Instruction	1,327,884.48			1,327,884.48
Support Services and Undistributed Costs:				
Student and Instructional Related Services	3,719,203.78	552,155.69		4,271,359.47
General Administration	2,106,535.92			2,106,535.92
School Administrative Services	1,820,327.38			1,820,327.38
Central Services	787,179.07			787,179.07
Administration of Information Technology	1,209,085.63			1,209,085.63
Plant Operations and Maintenance	4,589,064.75			4,589,064.75
Care and Upkeep of Grounds	273,199.50			273,199.50
Security	1,476,407.72			1,476,407.72
Pupil Transportation	521,431.53			521,431.53
Employee Benefits	12,402,033.18	381,505.52		12,783,538.70
Special Schools	287,367.44			287,367.44
Capital Outlay		445,035.29	31,852,102.33	32,297,137.62
Total Expenditures	45,489,708.85	4,054,801.36	31,852,102.33	81,396,612.54
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,496,370.31		(31,783,190.47)	(26,286,820.16)
<b>Other Financing Sources (Uses):</b>				
Transfers In			6,000,000.00	6,000,000.00
Transfers Out	(6,000,000.00)			(6,000,000.00)
Cancellation of Prior Year Accounts Payable	575,183.33			575,183.33
Cancellation of Prior Year Accounts Receivable	(113,364.30)			(113,364.30)
Total Other Financing Sources (Uses)	(5,538,180.97)		6,000,000.00	461,819.03
Net Change in Fund Balances	(41,810.66)		(25,783,190.47)	(25,825,001.13)
Fund Balances, July 1	22,797,154.79		39,678,970.09	62,476,124.88
Fund Balances, June 30	\$ 22,755,344.13		\$ 13,895,779.62	\$ 36,651,123.75

ESSEX COUNTY VOCATIONAL SCHOOL  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ (25,825,001.13)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital Outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (3,933,016.56)
Capital Outlays/Adjustments		<u>32,297,137.62</u>
		28,364,121.06
<p>Repayment of Bond, Loan and Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Lease Payments		\$ <u>25,354.06</u>
		25,354.06
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>		
		121,373.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacation) 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>		
		(170,583.32)
Change in Net Position of Governmental Activities	A-2	<u>\$ 2,515,263.67</u>

**PROPRIETARY FUNDS**

ESSEX COUNTY VOCATIONAL SCHOOL  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 587,707.96	\$ 587,707.96
Accounts Receivable:		
State	18.48	18.48
Federal	1,915.20	1,915.20
Inventories:		
Supplies	17,838.77	17,838.77
Food	27,334.32	27,334.32
Total Current Assets	<u>634,814.73</u>	<u>634,814.73</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	1,369,252.58	1,369,252.58
Less Accumulated Depreciation	(558,747.89)	(558,747.89)
Total Noncurrent Assets	<u>810,504.69</u>	<u>810,504.69</u>
Total Assets	<u>\$1,445,319.42</u>	<u>\$1,445,319.42</u>
 <b><u>LIABILITIES</u></b>		
Current Liabilities:		
Interfunds Payable	\$ 863,032.29	\$ 863,032.29
Total Current Liabilities	<u>863,032.29</u>	<u>863,032.29</u>
Total Liabilities	<u>\$ 863,032.29</u>	<u>\$ 863,032.29</u>
 <b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	\$ 810,504.69	\$ 810,504.69
Unrestricted	(228,217.56)	(228,217.56)
Total Net Position	<u>\$ 582,287.13</u>	<u>\$ 582,287.13</u>

**ESSEX COUNTY VOCATIONAL SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds	
	Food Service Programs	
	School Nutrition (A)	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Nonreimbursable Programs	\$ 278,709.37	\$ 278,709.37
Total Operating Revenues	<u>278,709.37</u>	<u>278,709.37</u>
Operating Expenses:		
Cost of sales- Program (reimbursable program) Meals	442,653.56	442,653.56
Cost of sales-Non-Program (non-reimbursable program) Meals	5,305.45	5,305.45
Salaries	375,258.64	375,258.64
Employee Benefits	49,943.13	49,943.13
FICA	48,304.43	48,304.43
Purchased Services (Including Fixed Price Contract)	84,000.00	84,000.00
Other Purchased Professional Services	1,061.53	1,061.53
Insurance	6,268.10	6,268.10
Depreciation Expense	83,281.54	83,281.54
Miscellaneous	67,807.22	67,807.22
Total Operating Expenses	<u>1,163,883.60</u>	<u>1,163,883.60</u>
Operating Income/(Loss)	<u>(885,174.23)</u>	<u>(885,174.23)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	11,106.37	11,106.37
Federal Sources:		
School Breakfast Program	230,197.16	230,197.16
National School Lunch Program	623,785.01	623,785.01
USDA Commodities	87,689.58	87,689.58
Food Distribution Program	(72,058.59)	(72,058.59)
Total Nonoperating Revenues (Expenses)	<u>880,719.53</u>	<u>880,719.53</u>
Income (Loss) before Contributions and Transfers	(4,454.70)	(4,454.70)
Change in Net Position	<u>(4,454.70)</u>	<u>(4,454.70)</u>
Total Net Position - Beginning	<u>586,741.83</u>	<u>586,741.83</u>
Total Net Position - Ending	<u>\$ 582,287.13</u>	<u>\$ 582,287.13</u>

(A) For SFAs that are self-operated / FSMC Cost Reimbursable Contracts / SFA-SFA Vended Meal Contract

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers and Other Funds	\$ 278,709.37	\$ 278,709.37
Payments to Employees' Benefits	(479,774.30)	(479,774.30)
Payments to Suppliers	<u>(629,337.60)</u>	<u>(629,337.60)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(830,402.53)</u>	<u>(830,402.53)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
State Sources	12,124.30	12,124.30
Federal Sources	931,759.39	931,759.39
Other Sources	<u>(179,510.46)</u>	<u>(179,510.46)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>764,373.23</u>	<u>764,373.23</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(66,029.30)	(66,029.30)
Balances - Beginning of Year	<u>653,737.26</u>	<u>653,737.26</u>
Balances - End of Year	<u>\$ 587,707.96</u>	<u>\$ 587,707.96</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating Income/(Loss)	\$ (885,174.23)	\$ (885,174.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	83,281.54	83,281.54
USDA Commodities	(8,395.27)	(8,395.27)
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	<u>(20,114.57)</u>	<u>(20,114.57)</u>
Total Adjustments	<u>54,771.70</u>	<u>54,771.70</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (830,402.53)</u>	<u>\$ (830,402.53)</u>

## FIDUCIARY FUNDS

ESSEX COUNTY VOCATIONAL SCHOOL  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2020

	Unemployment Compensation <u>Trust</u>	Agency <u>Fund</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 29,722.59	\$ 152,644.42
Total Assets	<u>29,722.59</u>	<u>152,644.42</u>
<b><u>LIABILITIES</u></b>		
Payable to Student Groups	\$	\$ 151,358.52
Payroll Deductions and Withholdings		<u>1,285.90</u>
Total Liabilities		<u>\$ 152,644.42</u>
<b><u>NET POSITION</u></b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 29,722.59</u>	
Reserve for Scholarships		



**ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>
<b><u>ADDITIONS</u></b>	
Contributions:	
Plan member	\$ 126,328.90
Total Contributions	<u>126,328.90</u>
Total Additions	<u>126,328.90</u>
<b><u>DEDUCTIONS</u></b>	
Quarterly Contribution Reports	<u>104,912.67</u>
Total Deductions	<u>104,912.67</u>
Change in Net Position	21,416.23
Total Net Position - Beginning	<u>8,306.36</u>
Total Net Position - Ending	<u><u>\$ 29,722.59</u></u>

**NOTES TO FINANCIAL STATEMENTS**

## ESSEX COUNTY VOCATIONAL SCHOOLS

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020

#### 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Essex County Vocational Schools is a county regional vocational school system. The District provides a full range of vocational and technical training to adult and high school students residing in Essex County. A full range of educational services, academic programs, and vocational-technical training in grades 9 to 12 are provided. The District functions independently of the County Board of Chosen Freeholders through an appointed board of seven members. The District had an approximate enrollment at June 30, 2020 of 2,467 students.

As a reporting entity, the school system is considered a component unit of the primary government County of Essex, State of New Jersey. As a component unit, the Essex County Vocational Schools is responsible for general operations, food service, and student related activities of the School District.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

##### 1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program of function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Basis of Presentation (Continued)

#### 2. Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### 1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 1. Governmental Funds (Continued)

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is for the benefit of the school district. The District presently has no resources that are considered Permanent Funds.

#### 2. Proprietary Fund Type

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Internal Service Funds** - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The School does not currently utilize any internal service funds.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 3. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. Fiduciary fund categories include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

**Unemployment Insurance Trust** - The SUI Trust Fund accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

**Agency Funds** - 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. Agency Funds include payroll and student activities funds.

#### 4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments and early retirement incentive programs

### C. Measurement Focus

#### 1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Position.

#### 2. Fund Financial Statements

All government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

### E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

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

The overexpenditures related to on-behalf payments in the general fund are due to the inclusion of the nonbudgeted 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 overexpenditures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 51,091,819.16	\$ 4,423,614.41
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(368,813.05)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,214,957.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,320,697.00)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 50,986,079.16</u>	<u>\$ 4,054,801.36</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 45,489,708.85	\$ 4,423,614.41
Differences - Budget-to-GAAP:		
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(368,813.05)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 45,489,708.85</u>	<u>\$ 4,054,801.36</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### F. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end.

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

### G. Assets, Liabilities and Equity

#### 1. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited 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 provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

#### 2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Deferred Outflows in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 3. Allowance for Uncollectible Accounts

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

#### 4. Tuition Receivable

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

#### 5. Tuition Payable

Tuition charges for the fiscal years 2018-19 and 2019-20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

#### 6. Short-Term Interfund Receivables/Payables

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

#### 7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 - 100 Years
Furniture and Equipment	5 - 20 Years
Vehicles	18 Years

#### 8. Compensated Absences

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 8. Compensated Absences (Continued)

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For Governmental Fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

#### 9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from Governmental Funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

#### 10. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 10. Net Position (Continued)

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

#### 11. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned. Deferred inflows in the General Fund represents prepaid fees collected for future programs.

#### 12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the Proprietary Funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

#### 13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

#### 14. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### 15. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

#### 16. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the Food Service Enterprise Fund at market value. The use of the commodities is included in cost of sales.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 17. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers' compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

#### 18. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

#### 19. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 19. Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

#### 20. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 84. Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement 95 was issued in May 2020, which postponed the effective date of this GASB by eighteen months.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 90. Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 91. Conduit Debt Obligations.* The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

- *GASB Statement No. 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

Effective Date: The removal of London Interbank Offered Rate (IBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged.



### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB No. 3 as amended by GASB No. 40.

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

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

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

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.

*Custodial Credit Risk* - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

*Interest Rate Risk* - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2020, the Board's cash, cash equivalents and investments consisted of:

	<u>2020</u>
Cash and Cash Equivalents	<u>\$ 36,851,466.22</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2020 was \$36,851,466.22. Of the bank balance, \$750,000.00 covered by the Federal Depository Insurance and \$36,101,466.22 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB No. 40.

There were no securities held by the District as of June 30, 2020 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

#### 4. CAPITAL ASSETS

	Beginning Balance <u>July 1, 2019</u>	Additions	Retirements	Ending Balance <u>June 30, 2020</u>
<b>Governmental Activities</b>				
<b>Nondepreciable:</b>				
Land	\$ 36,983,452.40	\$	\$	\$ 36,983,452.40
Construction-in-Progress	5,398,883.42	3,769,086.16		9,167,969.58
	<u>42,382,335.82</u>	<u>3,769,086.16</u>		<u>46,151,421.98</u>
<b>Depreciable:</b>				
Buildings and Improvements	170,335,331.21	28,048,551.74		198,383,882.95
Machinery and Equipment	9,682,363.71	34,464.43		9,716,828.14
	<u>180,017,694.92</u>	<u>28,083,016.17</u>		<u>208,100,711.09</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(20,917,550.92)	(3,265,863.48)		(24,183,414.40)
Machinery and Equipment	(6,187,772.47)	(667,153.08)		(6,854,925.55)
Total Accumulated Depreciation	<u>(27,105,323.39)</u>	<u>(3,933,016.56)</u>		<u>(31,038,339.95)</u>
<b>Governmental Activities</b>				
Capital Assets - Net	<u>\$ 195,294,707.35</u>	<u>\$ 27,919,085.77</u>	<u>\$ -</u>	<u>\$ 223,213,793.12</u>
<b>Business-Type Activities</b>				
Machinery and Equipment	\$ 1,369,252.58	\$	\$	\$ 1,369,252.58
Less Accumulated Depreciation:				
Machinery and Equipment	(475,466.35)	(83,281.54)		(558,747.89)
Business-Type Activities				
Capital Assets - Net	<u>\$ 893,786.23</u>	<u>\$ (83,281.54)</u>	<u>\$ -</u>	<u>\$ 810,504.69</u>

#### 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>July 1, 2019</u>	Additions	Reductions	Balance <u>June 30, 2020</u>	Amounts Due Within One Year	Long-Term Portion
Capital Leases	\$ 25,354.06	\$	\$ 25,354.06	\$	\$	\$
Net Pension Liability	11,194,950.00		1,488,382.00	9,706,568.00		9,706,568.00
Compensated Absences	1,225,999.59	170,583.32		1,396,582.91		1,396,582.91
	<u>\$ 12,446,303.65</u>	<u>\$ 170,583.32</u>	<u>\$ 1,513,736.06</u>	<u>\$ 11,103,150.91</u>	<u>\$ -</u>	<u>\$ 11,103,150.91</u>

## 6. PENSION PLANS

### Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

### Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

### Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

### Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

## 6. PENSION PLANS (Continued)

### Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

### Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.50% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the school is a noncontributing employer of the TPAF.

### Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2020	\$523,997.00	\$523,997.00	100%
June 30, 2019	565,548.00	565,548.00	100%
June 30, 2018	531,032.00	531,032.00	100%

6. PENSION PLANS (Continued)

Contribution Requirements (Continued)

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>	<u>Post-</u> <u>Retirement</u> <u>Medical</u> <u>Benefits</u>
June 30, 2020	\$3,594,380.00	100%	\$3,080.00	\$1,333,449.00
June 30, 2019	3,370,195.00	100%	3,611.00	1,528,715.00
June 30, 2018	2,537,811.00	100%	3,833.00	1,639,118.00

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$3,594,380.00 to the TPAF for normal pension, \$1,333,449.00 for post-retirement medical benefits and \$3,080.00 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,255,234.01 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$103,007,731, as measured on June 30, 2019 and \$107,035,080 as measured on June 30, 2018.

For the year ended June 30, 2020, the district recognized pension expense of \$6,186,143 and revenue of \$6,186,143 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2020 is based upon changes in the collective net pension liability with a measurement period of June 30, 2018 through June 30, 2019. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2018 and June 30, 2019.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective Deferred Outflows of Resources	\$10,077,460,797	\$12,473,998,870
Collective Deferred Inflows of Resources	17,525,379,167	16,180,773,643
Collective Net Pension Liability (Nonemployer - State of New Jersey)	61,370,943,870	63,617,852,031
State's Portion of the Net Pension Liability that was Associated with the District	103,007,731	107,035,080
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.1678444718%	0.1682469402%

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45%
	Based on Years of Service
Thereafter	2.75% - 5.65%
	Based on Years of Service
Investment Rate of Return:	7.00%

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

## 6. PENSION PLANS (Continued)

### Teachers' Pension and Annuity Fund (TPAF) (Continued)

#### Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

#### Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 based on the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf20-val.pdf>.

**6. PENSION PLANS (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Public Employees' Retirement System (PERS)**

Summary of Significant Accounting Policies

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

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

At June 30, 2020, the District reported a liability of \$9,706,658.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2019 and 2018. At June 30, 2019, the District's proportion was .0538700598%, which was a decrease of 0.0029873971% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$(162,924). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 174,220	\$ 42,879
Changes of Assumptions	969,236	3,369,119
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		153,222
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	113,761	655,938
District Contributions Subsequent to the Measurement Date	<u>523,997</u>	
	<u>\$1,781,214</u>	<u>\$4,221,158</u>



6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

The \$523,997 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020 the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2020	\$ (280,281)
2021	(909,228)
2022	(811,887)
2023	(381,223)
2024	(39,144)
	<u>\$ (2,421,763)</u>

Additional Information:

Collective balances at June 30, 2018 and 2019 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability (Non-State - Local Group)	18,143,832,135	19,689,501,539
District's Portion of Net Pension Liability	9,706,568	11,194,950
District's Proportion %	0.0538700598%	0.0568574568%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on Years of Service
Thereafter	3.00% - 7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

6. **PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.56%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**6. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.28%) or one percentage point higher (7.28%) than the current rate:

	<u>1% Decrease</u> <u>(5.28%)</u>	<u>Discount Rate</u> <u>(6.28%)</u>	<u>1% Increase</u> <u>(7.28%)</u>
District's Proportionate Share of the Collective Net Pension Liability	\$12,346,268.00	\$9,706,568.00	\$7,606,672.00

**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 Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

**7. POST-RETIREMENT BENEFITS**

***General Information about the OPEB Plan***

***Plan Description and Benefits Provided***

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

## 7. POST-RETIREMENT BENEFITS (Continued)

### *General Information about the OPEB Plan (Continued)*

#### *Plan Description and Benefits Provided (Continued)*

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1,908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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.

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

#### *Total OPEB Liability*

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 LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB's No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

#### **Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

**7. POST-RETIREMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (Continued)**

**Plan Description and Benefits Provided (Continued)**

**Total OPEB Liability (Continued)**

**Total Nonemployer OPEB Liability (Continued)**

Total Nonemployer OPEB Liability	\$41,729,081,045	
Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 3.05% Based on Service Years	2.00% - 6.00% Based on Service Years
Thereafter	1.55% - 3.05% Based on Service Years	3.00% - 7.00% Based on Service Years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectfully.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

7. **POST-RETIREMENT BENEFITS (Continued)**

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

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2018 Measurement Date	<u>\$46,110,832,982</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,734,404,850
Interest on the Total OPEB Liability	1,827,787,206
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Gross Benefit Payments <sup>1</sup>	(1,280,958,373)
Contributions from the Nonemployer	N/A
Contributions from the Member <sup>1</sup>	37,971,171
Net Investment Income <sup>1</sup>	N/A
Administrative Expense <sup>1</sup>	N/A
Net Changes	<u>(4,381,751,937)</u>
Balance as of June 30, 2019 Measurement Date	<u>\$41,729,081,045</u>

<sup>1</sup>Data for Measurement Periods Ending June 30, 2019 were provided by the State.

At June 30, 2020, the State's proportionate share of the OPEB liability attributable to the District is \$57,014,221. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the State's share of the OPEB liability attributable to the District was .13663 percent, which was an increase of .00040 percent from its proportionate share measured as of June 30, 2018 of .13623 percent.

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

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

The following presents the total nonemployer OPEB liability as of June 30, 2019 and 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2019		
	<u>At 1% Decrease (2.50%)</u>	<u>At Discount Rate (3.50%)</u>	<u>At 1% Increase (4.50%)</u>
Total OPEB Liability (School Retirees)	\$67,356,325	\$57,014,221	\$48,799,020

7. **POST-RETIREMENT BENEFITS (Continued)**

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)**

	June 30, 2018		
	At 1% Decrease <u>(2.87%)</u>	At Discount Rate <u>(3.87%)</u>	At 1% Increase <u>(4.87%)</u>
Total OPEB Liability (School Retirees)	\$74,263,020	\$62,817,456	\$53,719,414

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

The following presents the total nonemployer OPEB liability as of June 30, 2019 and 2018, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2019		
	1% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ 46,977,177	\$ 57,014,221	\$ 70,301,206

	June 30, 2018		
	1% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability (School Retirees)	\$51,922,286	\$62,817,456	\$77,226,735

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$1,358,243 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

In accordance with GASB's No. 75, the Essex County Vocational School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

7. **POST-RETIREMENT BENEFITS (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ -	\$(10,484,965,300)
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments		
(3) Assumption Changes		(8,481,529,343)
(4) Sub-Total	-	(18,966,494,643)
(5) Contributions Made in Fiscal Year Ending 2019 After June 30, 2018 Measurement Date <sup>1</sup>	TBD	N/A
(6) Total	<u>\$ -</u>	<u>\$(18,966,494,643)</u>

<sup>1</sup>Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources but are not amortized in expense.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	(6,233,858,733)
	<u>\$(18,966,494,643)</u>

8. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.



## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Description of System Continued

- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

### Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

## 9. COMPENSATED ABSENCES

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

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

It is the policy of the Board to pay teachers, secretaries, and administrators for accumulated sick days upon retirement after at least 15 years of service. The employee shall receive terminal leave allowance of one day's salary for each four days of accumulated unused sick leave. The accrued leave is capped at \$15,000.00 for teachers, maintenance workers, security guards and drivers. The accrued leave is capped at \$12,000.00 for secretaries, paraprofessionals, systems network administration and parent coordinators. This became effective July 1, 1954. The liability of the board at June 30<sup>th</sup> for the three prior years is as follows:

<u>Year</u>	<u>Amount</u>
2020	\$1,396,582.91
2019	1,225,999.59
2018	1,284,896.44

These amounts were recorded in the General Long-Term Debt Account Group, since they do not require the use of available spendable resources.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the Food Service Fund.

**10. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

- Third Party Administrator:
  - TSA Consulting Group, Inc.
- 403B Plan Providers:
  - Great American
  - Prudential
  - NEA - Travelers Companies
  - VALIC
  - Met Life Investors (Capital Equitable - EquiVest)
  - Vanguard
  - Fidelity Investments
  - Equitable

**11. RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current year and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019 - 2020	\$126,328.90	\$104,912.67	\$29,722.59
2018 - 2019	86,276.64	100,893.53	8,306.36
2017 - 2018	171,799.85	181,942.13	22,923.25

**12. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2020:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Capital Projects Fund	\$863,032.29	\$
Proprietary Fund		863,032.29
<b>Total</b>	<u>\$863,032.29</u>	<u>\$863,032.29</u>

**13. INVENTORY**

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

USDA Commodities	\$17,838.77
Food and Supplies	27,334.32

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Essex County Vocational School's Board of Education on June 17, 2008 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 transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance July 1, 2019	\$ 6,000,000.00
Decreased by:	
Transfer to Capital Projects	<u>6,000,000.00</u>
	<u>\$ -</u>

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$22,755,344.13 General Fund fund balance reported in Statement "B-1" at June 30, 2020, \$10,157,861.80 Restricted for Excess Surplus Designated for Subsequent Years Expenditures, \$11,819,401.95 Restricted for Excess Surplus, \$722,469.37 Committed for Year End Encumbrances, \$18,094.05 Assigned to ARRA/Semi Designated for Subsequent Expenditures and \$37,516.96 is Unassigned.

**16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance as of June 30, 2020 is \$21,977,263.75. The reserve balance of \$10,157,861.80 will be appropriated in the fiscal year 2020-2021 and \$11,819,401.95 will be appropriated in the fiscal year 2021-2022.

**17. RECONCILIATION OF FUND BALANCE - GENERAL FUND**

<p>The Surpluses are Presented on a GAAP Basis and a Reconciliation from the Budget Basis to the GAAP Basis is as follows:</p> <p>Balance on a Budget Basis on the General Fund Budgetary Basis Comparison</p> <p>Less: Allocation of State Aid Payment of Not Recognized on a GAAP Basis</p> <p>Balances on a GAAP Basis on the Governmental Fund Balance Sheet</p>	<p>Unreserved and <u>Designated</u></p> <p>\$25,076,041.13</p> <p><u>2,320,697.00</u></p> <p><u>\$22,755,344.13</u></p>
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**18. CONTINGENT LIABILITIES**

**A. Litigation**

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

**B. Federal and State Awards**

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectivity of any related receivable at June 30, 2020 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore no provisions have been recorded in the accompanying general-purpose financial statements for such contingencies.

**C. Commitments and Contingencies**

In October 2006 the School District was approved for funding to have a vendor install network cable runs to the District's four schools. This was completed and in accordance with e-rate rules the District paid the vendor 10% or \$143,139.50 of the cost of the project. USAC paid the balance of \$1,288,255.50 directly to the vendor.

In June 2008 the Universal Service Administrative Company (USAC), the administrator of the Universal Services Schools and Library Programs (e-rate), initialed a Cost Effectiveness Review (CER) of the School District's funding request.

If the USAC rules against the District, the USAC will issue a Commitment Adjustment (COMAD) letter reducing the funding approval to \$ - 0 - and requesting the District pay \$844,565.50 within 30 days.

Management has indicated that given the unprecedented review of a funding request after payment has been made, and in consultation with their e-rate consultant who believes the District will not prevail, it is only prudent to establish this liability on the balance sheet under Commitments and Contingencies.

## 19. SUBSEQUENT EVENT

The Essex County Vocational School District has evaluated subsequent events that occurred after the balance sheet date, but before January 30, 2021. Based upon this evaluation, the District has determined that the following subsequent event needed to be disclosed:

Subsequent to the date of these financial statements, the COVID-19 Corona Virus continued to spread across the State of New Jersey and the Nation as a whole. The impact of this view on the District's operation in Fiscal Year 2021 cannot be reasonably estimated at this time, but may negatively affect revenues and expenditures.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

ESSEX COUNTY VOCATIONAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
<b>Local Sources:</b>					
County Tax Levy	\$ 5,450,000.00	\$	\$ 5,450,000.00	\$ 5,450,000.00	\$
Tuition From LEAs	15,073,489.00		15,073,489.00	15,045,201.87	(28,287.13)
Other Tuition	60,000.00		60,000.00	60,000.00	
Other Restricted Miscellaneous Revenues	200,000.00	70,928.50	270,928.50	1,083,470.30	812,541.80
<b>Total Local Sources</b>	<u>20,783,489.00</u>	<u>70,928.50</u>	<u>20,854,417.50</u>	<u>21,638,672.17</u>	<u>784,254.67</u>
Revenues from Intermediate Sources: Total Revenues from Intermediate Sources					
<b>Slate Sources:</b>					
Equalization Aid	20,522,221.00		20,522,221.00	20,522,221.00	
Security Categorical Aid	1,032,999.00		1,032,999.00	1,032,999.00	
Special Education Categorical Aid	1,859,351.00		1,859,351.00	1,859,351.00	
<b>Nonbudgeted:</b>					
<b>On-Behalf Contributions:</b>					
TPAF - Pension Contribution				3,594,380.00	3,594,380.00
TPAF - Long-Term Disability Contribution				3,080.00	3,080.00
TPAF - Post-Retirement Medical Contribution				1,333,449.00	1,333,449.00
Reimbursed TPAF Social Security Contributions				1,255,233.92	1,255,233.92
<b>Total State Sources</b>	<u>23,214,571.00</u>		<u>23,214,571.00</u>	<u>29,400,713.92</u>	<u>6,186,142.92</u>
<b>Federal Sources:</b>					
Medicaid Reimbursement	56,459.00		56,459.00	52,433.07	(4,025.93)
<b>Total Federal Sources</b>	<u>56,459.00</u>		<u>56,459.00</u>	<u>52,433.07</u>	<u>(4,025.93)</u>
<b>Total Revenues</b>	<u>\$ 44,054,519.00</u>	<u>\$ 70,928.50</u>	<u>\$ 44,125,447.50</u>	<u>\$ 51,091,819.16</u>	<u>\$ 6,966,371.66</u>
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
<b>Regular Programs - Instruction:</b>					
Salaries of Teachers	6,748,299.00	380,859.00	7,128,952.00	6,940,995.57	187,956.43
Purchased Professional-Educational Services	408,012.00	(1,000.00)	407,012.00	331,448.40	75,563.60
Purchased Technical Services	17,000.00	2,000.00	19,000.00	14,195.20	4,804.80
Other Purchased Services (400-500 series)	6,500.00	(500.00)	6,000.00	420.24	5,579.76
General Supplies	183,502.00	(1,357.09)	182,144.91	117,883.42	64,261.49
Textbooks	153,000.00		153,000.00	83,395.47	69,604.53
Other Objects	92,660.00	(7,360.00)	85,300.00	32,711.15	52,588.85
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	15,000.00		15,000.00	367.50	14,632.50
Other Purchased Services (400-500 series)	37,000.00		37,000.00	26,550.90	10,449.10
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>7,660,973.00</u>	<u>372,435.91</u>	<u>8,033,408.91</u>	<u>7,547,967.85</u>	<u>485,441.06</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,417,653.00	7,675.00	1,425,328.00	1,387,115.79	38,212.21
Other Salaries for Instruction	344,921.00	(2,136.00)	342,785.00	330,376.50	12,408.50
General Supplies	10,000.00	300.00	10,300.00	6,016.76	4,283.24
Other Objects	1,500.00	(300.00)	1,200.00	900.75	299.25
<b>Total Resource Room/Resource Center</b>	<u>1,774,074.00</u>	<u>5,539.00</u>	<u>1,779,613.00</u>	<u>1,724,409.80</u>	<u>55,203.20</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>1,774,074.00</u>	<u>5,539.00</u>	<u>1,779,613.00</u>	<u>1,724,409.80</u>	<u>55,203.20</u>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	353,375.00	(4,129.00)	349,246.00	307,805.40	41,440.60
Other Salaries for Instruction	274,345.00	(2,185.00)	272,160.00	235,876.40	36,283.60
General Supplies	2,500.00	775.00	3,275.00	2,388.02	888.98
<b>Total Bilingual Education - Instruction</b>	<u>630,220.00</u>	<u>(5,539.00)</u>	<u>624,681.00</u>	<u>546,067.82</u>	<u>78,613.18</u>
<b>VOCATIONAL PROGRAMS:</b>					
<b>Regular Vocational Programs - Instruction:</b>					
Salaries of Teachers	5,082,184.00	(114,340.00)	4,967,844.00	4,703,413.63	264,430.37
Other Purchased Services (400-500 series)	24,000.00		24,000.00	1,985.33	22,014.67
General Supplies	621,437.00	(10,076.00)	611,361.00	315,455.20	295,905.80
Textbooks	9,000.00	5,000.00	14,000.00		15,000.00
Other Objects	30,000.00	30,000.00	60,000.00	27,722.12	32,277.88
<b>Total Regular Vocational Programs - Instruction</b>	<u>5,766,621.00</u>	<u>(88,416.00)</u>	<u>5,678,205.00</u>	<u>5,048,576.28</u>	<u>629,628.72</u>
<b>Special Vocational Programs - Instruction:</b>					
Salaries of Teachers	101,445.00		101,445.00	98,874.70	1,570.30
Purchased Technical Services	1,500.00		1,500.00		1,500.00
General Supplies	15,000.00		15,000.00	2,924.02	12,075.98
Other Objects	36,000.00		36,000.00	168.00	35,832.00
<b>Total Special Vocational Programs - Instruction</b>	<u>153,945.00</u>		<u>153,945.00</u>	<u>102,966.72</u>	<u>50,978.28</u>
<b>TOTAL VOCATIONAL PROGRAMS</b>	<u>5,920,566.00</u>	<u>(88,416.00)</u>	<u>5,832,150.00</u>	<u>5,151,543.00</u>	<u>680,607.00</u>
<b>School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.:</b>					
Salaries	375,000.00	(48,665.00)	326,335.00	155,104.40	171,230.60



ESSEX COUNTY VOCATIONAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Supplies and Materials	20,000.00	(1,000.00)	19,000.00	5,568.85	13,431.15
Other Objects	30,000.00	2,300.00	32,300.00	25,955.28	6,344.72
<b>Total School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.</b>	<b>425,000.00</b>	<b>(47,365.00)</b>	<b>377,635.00</b>	<b>186,628.53</b>	<b>191,006.47</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	731,340.00	64,190.00	795,530.00	795,529.40	0.60
Purchased Services (300-500 series)	151,500.00	(15,525.00)	135,975.00	58,795.50	79,179.50
Supplies and Materials	300,000.00	1,043.49	301,043.49	249,894.10	51,149.39
Other Objects	75,000.00		75,000.00	39,036.95	35,963.05
<b>Total School-Sponsored Athletics - Instruction</b>	<b>1,257,840.00</b>	<b>49,708.49</b>	<b>1,307,548.49</b>	<b>1,141,255.95</b>	<b>166,292.54</b>
<b>Total Instruction</b>	<b>17,666,673.00</b>	<b>286,363.40</b>	<b>17,955,036.40</b>	<b>16,297,872.95</b>	<b>1,657,163.45</b>
<b>Undistributed Expenditures - Health Services:</b>					
Salaries	496,406.00	3,077.00	499,483.00	496,991.00	2,492.00
Other Purchased Services (400-500 Series)	52,200.00		52,200.00	38,129.28	14,070.72
Supplies and Materials	31,700.00	12,000.00	43,700.00	23,789.39	19,910.61
Other Objects	6,850.00		6,850.00	4,770.00	2,080.00
<b>Total Undistributed Expenditures - Health Services</b>	<b>587,156.00</b>	<b>15,077.00</b>	<b>602,233.00</b>	<b>563,679.67</b>	<b>38,553.33</b>
<b>Undistributed Expenditures - Guidance Service:</b>					
Salaries of Other Professional Staff	1,035,780.00	(90,401.92)	945,378.08	910,138.20	35,239.88
Salaries of Secretarial and Clerical Assistants	231,506.00	163.92	231,669.92	229,761.68	1,908.24
Other Salaries	62,220.00	(850.00)	61,370.00	50,212.88	11,157.12
Purchased Professional - Educational Services	3,300.00	10,000.00	13,300.00	5,245.00	8,055.00
Other Purchased Prof. and Tech. Services	350.00		350.00		350.00
Other Purchased Services (400-500 series)	3,000.00		3,000.00		3,000.00
Supplies and Materials	25,900.00		25,900.00	16,097.78	9,802.24
Other Objects	31,500.00	(10,000.00)	21,500.00	2,500.00	19,000.00
<b>Total Undistributed Expenditures - Guidance Service</b>	<b>1,393,556.00</b>	<b>(91,088.00)</b>	<b>1,302,468.00</b>	<b>1,213,955.52</b>	<b>88,512.48</b>
<b>Undistributed Expenditures - Child Study Team:</b>					
Salaries of Other Professional Staff	761,705.00	(77,000.00)	684,705.00	608,961.74	75,743.26
Salaries of Secretarial and Clerical Assistants	70,625.00		70,625.00	69,486.00	1,139.00
Other Salaries		6,300.00	6,300.00	4,360.30	1,939.70
Purchased Professional - Educational Services	15,000.00	21,200.00	36,200.00	16,230.06	19,969.94
Other Purchased Services (400-500 series)	23,256.00	126,500.00	149,756.00	129,706.82	20,049.18
Supplies and Materials	48,800.00	(39,000.00)	9,800.00	9,107.65	692.35
Other Objects	3,000.00		3,000.00	896.00	2,104.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>922,386.00</b>	<b>36,000.00</b>	<b>960,386.00</b>	<b>838,768.57</b>	<b>121,617.43</b>
<b>Undistributed Expenditures - Improvement of Instructional Services:</b>					
Salaries of Supervisor of Instruction	982,118.00	(46,136.00)	935,982.00	935,981.64	0.36
Salaries of Other Professional Staff		37,846.00	37,846.00	36,667.92	1,177.08
Other Salaries	75,000.00	(37,845.00)	37,155.00	8,700.00	28,455.00
Other Purch. Prof. and Tech. Services	3,000.00	(300.00)	2,700.00		2,700.00
Other Purchased Services (400-500 Series)	1,200.00		1,200.00	426.48	773.52
Supplies and Materials	500.00	300.00	800.00	419.90	380.10
Other Objects	300.00		300.00	89.00	211.00
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>1,062,118.00</b>	<b>(46,136.00)</b>	<b>1,015,982.00</b>	<b>982,284.94</b>	<b>33,697.06</b>
<b>Undistributed Expenditures - Educational Media Services/School Library:</b>					
Salaries	123,078.00	119.00	123,197.00	82,462.80	40,734.20
Supplies and Materials	19,000.00	5,416.00	24,416.00	15,545.21	8,870.79
Other Objects	65.00		65.00	65.00	
<b>Total Undistributed Expenditures - Educational Media Services/School Library</b>	<b>142,078.00</b>	<b>5,600.00</b>	<b>147,678.00</b>	<b>98,073.01</b>	<b>49,604.99</b>
<b>Undistributed Expenditures - Instructional Staff Training Services:</b>					
Other Salaries		8,000.00	8,000.00	6,575.00	1,425.00
Purchased Professional-Educational Services		8,000.00	8,000.00	2,040.00	5,960.00
Other Purchased Services (400-500 series)	27,309.00	(10,255.00)	17,054.00	2,747.07	14,306.93
Other Objects	12,000.00	2,380.00	14,380.00	11,080.00	3,300.00
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>39,309.00</b>	<b>8,125.00</b>	<b>47,434.00</b>	<b>22,442.07</b>	<b>24,991.93</b>
<b>Undistributed Expenditures - Support Services - General Administration:</b>					
Salaries	609,044.00	1,094.00	610,138.00	574,356.65	35,781.35
Salaries of Attorneys	120,579.00		120,579.00	120,578.96	0.04
Legal Services	100,000.00		100,000.00	14,879.35	85,120.65
Audit Fees	40,000.00		40,000.00	38,450.00	1,550.00
Communications / Telephone	1,500,000.00	(79,567.00)	1,420,433.00	1,145,159.37	275,273.63
Other Purch. Serv. (400-500 series other than 530 & 585)	170,220.00	5,746.45	175,966.45	122,375.42	53,591.03
General Supplies	42,158.00	336.68	42,494.68	20,130.12	22,364.56
Judgments Against The School District	36,004.00		36,004.00	22,557.30	13,446.70
Miscellaneous Expenditures	19,396.00	16,706.00	36,102.00	32,304.55	3,797.45
BOE Membership Dues and Fees	16,000.00		16,000.00	15,844.20	155.80
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>2,653,401.00</b>	<b>(55,683.87)</b>	<b>2,597,717.13</b>	<b>2,106,535.92</b>	<b>491,181.21</b>
<b>Undistributed Expenditures - Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	1,187,685.00	(136,636.00)	1,051,049.00	1,015,661.26	35,387.74
Salaries of Secretarial and Clerical Assistants	588,898.00		588,898.00	554,219.52	34,678.48
Other Salaries	74,100.00	32,470.00	106,570.00	85,445.00	21,125.00
Unused Vacation Payment to Terminated/Retired Staff	90,000.00		90,000.00	3,385.87	86,614.13
Other Purchased Services (400-500 Series)	15,000.00		15,000.00	567.00	14,433.00

ESSEX COUNTY VOCATIONAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Supplies and Materials	311,272.00	(51,433.09)	259,838.91	149,240.98	110,597.93
Other Objects	31,618.00	(1,300.00)	30,318.00	11,807.75	18,510.25
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>2,298,573.00</b>	<b>(156,899.09)</b>	<b>2,141,673.91</b>	<b>1,820,327.38</b>	<b>321,346.53</b>
<b>Undistributed Expenditures - Central Services:</b>					
Salaries	701,494.00	15,419.00	716,913.00	716,365.48	547.52
Purchased Professional Services	20,400.00	20,000.00	40,400.00	33,870.00	6,530.00
Miscellaneous Purchased Services (400-500 series other than 594)	15,000.00	1,000.00	16,000.00	13,956.13	2,043.87
Supplies and Materials	20,120.00	1,263.04	21,383.04	20,547.60	835.44
Other Objects	5,106.00	(2,300.00)	2,806.00	2,438.86	367.14
<b>Total Undistributed Expenditures - Central Services</b>	<b>762,114.00</b>	<b>35,382.04</b>	<b>797,496.04</b>	<b>787,179.07</b>	<b>10,316.97</b>
<b>Undistributed Expenditures - Administrative Information Technology:</b>					
Salaries	495,134.00	(12,452.65)	482,681.35	451,147.37	31,533.98
Purchased Technical Services	2,896.42	2,896.42	2,896.42	2,896.42	
Other Purchased Services (400-500 series)	390,201.00	(1,683.76)	388,517.24	342,250.29	46,266.95
Supplies and Materials	360,126.00	53,137.99	413,263.99	412,791.55	472.44
<b>Total Undistributed Expenditures - Administrative Information Technology</b>	<b>1,245,461.00</b>	<b>41,898.00</b>	<b>1,287,359.00</b>	<b>1,209,085.63</b>	<b>78,273.37</b>
<b>Undistributed Expenditures - Operations and Maintenance of Plant Services:</b>					
<b>Undist. Expend. - Required Maintenance for School Facilities:</b>					
Salaries	521,329.00	(167,275.00)	354,054.00	351,590.54	2,463.46
Unused Vacation Payment to Terminated/Retired Staff		6,149.00	6,149.00	6,148.32	0.68
Cleaning, Repair, and Maintenance Services	2,400,000.00	(102,501.00)	2,297,499.00	942,881.29	1,354,617.71
General Supplies	253,898.00	(40,000.00)	213,898.00	38,499.86	175,398.12
Other Objects		10,000.00	10,000.00	1,895.00	8,105.00
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>3,175,227.00</b>	<b>(293,627.00)</b>	<b>2,881,600.00</b>	<b>1,341,015.03</b>	<b>1,540,584.97</b>
<b>Undistributed Expenditures - Custodial Services:</b>					
Cleaning, Repair, and Maintenance Services	1,558,744.00	(37,210.00)	1,521,534.00	1,454,355.11	67,178.89
Other Purchased Property Services	50,000.00	26,600.00	76,600.00	53,452.30	23,147.70
Insurance	448,800.00		448,800.00	412,503.55	36,296.45
Miscellaneous Purchased Services	517,863.00	(20,000.00)	497,863.00	119,833.83	378,029.17
Energy (Natural Gas)	2,193,040.00		2,193,040.00	313,852.71	1,879,187.29
Energy (Electricity)	2,300,000.00		2,300,000.00	894,052.22	1,405,947.78
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>7,068,447.00</b>	<b>(30,610.00)</b>	<b>7,037,837.00</b>	<b>3,248,049.72</b>	<b>3,789,787.28</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds:</b>					
Cleaning, Repair, and Maintenance Services	264,672.00	10,610.00	275,282.00	273,199.50	2,082.50
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>264,672.00</b>	<b>10,610.00</b>	<b>275,282.00</b>	<b>273,199.50</b>	<b>2,082.50</b>
<b>Undistributed Expenditures - Security:</b>					
Salaries	471,759.00	3,000.00	474,759.00	469,492.80	5,266.20
Purchased Professional and Technical Services	1,935,839.00	(4,000.00)	1,931,839.00	984,881.73	946,957.27
General Supplies	31,110.00	(2,400.00)	28,710.00	18,757.19	9,952.81
Other Objects		3,400.00	3,400.00	3,200.00	200.00
<b>Total Undistributed Expenditures - Security</b>	<b>2,438,708.00</b>		<b>2,438,708.00</b>	<b>1,476,407.72</b>	<b>962,300.28</b>
<b>Total Undistributed Expenditures - Operations and Maintenance of Plant Services</b>	<b>12,947,054.00</b>	<b>(313,627.00)</b>	<b>12,633,427.00</b>	<b>6,338,671.97</b>	<b>6,294,755.03</b>
<b>Undistributed Expenditures - Student Transportation Services:</b>					
Sal. for Pupil Trans. (Bel. Home and Sch.)-Spl. Ed.		80,212.00	80,212.00	80,212.00	
Sal. for Pupil Trans. (Oth. than Bel. Home & Sch.)	165,750.00	67,098.00	232,848.00	145,122.30	87,725.70
Cleaning, Repair, and Maint. Services		62,100.00	62,100.00	61,740.99	359.01
Contract. Serv.(Oth. than Bel. Home & Sch.)-Vend.	438,539.00	48,802.11	487,341.11	229,270.00	258,071.11
Misc. Purchased Serv. - Transportation	9,000.00	(600.00)	8,400.00	2,853.71	5,546.29
General Supplies		3,000.00	3,000.00	482.53	2,517.47
Other Objects		2,000.00	2,000.00	1,750.00	250.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>613,289.00</b>	<b>262,512.11</b>	<b>875,801.11</b>	<b>521,431.53</b>	<b>354,369.58</b>
<b>UNALLOCATED BENEFITS:</b>					
Group Insurance	20,000.00		20,000.00	15,974.87	3,025.13
Social Security Contributions	500,000.00	6,007.45	506,007.45	506,007.45	
Other Retirement Contributions - PERS	600,000.00	(6,007.45)	593,992.55	526,329.00	67,663.55
Other Retirement Contributions - Regular	2,000.00		2,000.00		2,000.00
Unemployment Compensation	214,000.00		214,000.00	91,787.00	122,213.00
Workers' Compensation	200,000.00		200,000.00	152,803.00	47,197.00
Health Benefits	5,281,773.00	1,400.00	5,283,173.00	4,633,377.25	649,795.75
Tuition Reimbursement	50,000.00		50,000.00	35,123.00	14,877.00
Other Employee Benefits	298,200.00	(1,400.00)	296,800.00	184,805.35	111,994.65
Unused Sick Payment to Terminated/Retired Staff	200,000.00		200,000.00	68,883.34	131,116.66
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,365,973.00</b>		<b>7,365,973.00</b>	<b>6,215,890.26</b>	<b>1,150,082.74</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,365,973.00</b>		<b>7,365,973.00</b>	<b>6,215,890.26</b>	<b>1,150,082.74</b>
<b>ON-BEHALF CONTRIBUTIONS:</b>					
On-Behalf TPAF Pension Contributions (Nonbudgeted)				3,594,380.00	(3,594,380.00)
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)				1,333,449.00	(1,333,449.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,255,233.92	(1,255,233.92)
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)				3,080.00	(3,080.00)
<b>TOTAL TPAF PENSION/SOCIAL SECURITY</b>				<b>6,186,142.92</b>	<b>(6,186,142.92)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>32,032,468.00</b>	<b>(256,739.81)</b>	<b>31,775,728.19</b>	<b>28,904,468.46</b>	<b>2,871,259.73</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>49,701,141.00</b>	<b>29,623.59</b>	<b>49,730,764.59</b>	<b>45,202,341.41</b>	<b>4,528,423.18</b>

SPECIAL SCHOOLS

ESSEX COUNTY VOCATIONAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Summer School - Instruction:</b>					
Salaries of Teachers	110,000.00	(37,415.00)	72,585.00	57,110.40	15,474.60
<b>Total Summer School - Instruction</b>	<u>110,000.00</u>	<u>(37,415.00)</u>	<u>72,585.00</u>	<u>57,110.40</u>	<u>15,474.60</u>
<b>Summer School - Support Services</b>					
Salaries		29,000.00	29,000.00	25,817.63	3,182.37
Personal Services - Employee Benefits		8,415.00	8,415.00	8,344.00	2,071.00
<b>Total Summer School - Support Services</b>		<u>37,415.00</u>	<u>37,415.00</u>	<u>32,161.63</u>	<u>5,253.37</u>
<b>Total Summer School</b>	<u>110,000.00</u>		<u>110,000.00</u>	<u>89,272.03</u>	<u>20,727.97</u>
<b>Adult Education-Local-Instruction</b>					
General Supplies	2,500.00		2,500.00	813.00	1,687.00
<b>Total Adult Education-Local-Instruction</b>	<u>2,500.00</u>		<u>2,500.00</u>	<u>813.00</u>	<u>1,687.00</u>
<b>Adult Education-Local-Support Serv.</b>					
Salaries	65,873.00		65,873.00	64,819.00	1,054.00
Supplies and Materials	2,500.00	10,450.24	12,950.24	1,321.38	11,628.86
<b>Total Adult Education-Local-Support Serv.</b>	<u>68,373.00</u>	<u>10,450.24</u>	<u>78,823.24</u>	<u>66,140.38</u>	<u>12,682.86</u>
<b>Total Adult Education-Local</b>	<u>70,873.00</u>	<u>10,450.24</u>	<u>81,323.24</u>	<u>66,953.38</u>	<u>14,369.86</u>
<b>Vocational Evening-Local-Instruction</b>					
Salaries of Teachers	10,000.00	(10,000.00)			
<b>Total Vocational Evening-Local-Instruction</b>	<u>10,000.00</u>	<u>(10,000.00)</u>			
<b>Total Vocational Evening-Local</b>	<u>10,000.00</u>	<u>(10,000.00)</u>			
<b>Even.-Sch.-Foreign-Born-Local-Inst:</b>					
Salaries of Teachers	64,000.00	11,598.00	75,598.00	54,334.00	21,264.00
General Supplies	38,000.00	(13,476.00)	24,524.00	10,126.67	14,397.33
Textbooks	10,000.00	(4,862.00)	5,338.00	3,520.00	1,818.00
Other Objects	5,000.00		5,000.00	500.00	4,500.00
<b>Total Even.-Sch.-Foreign-Born-Local-Inst.</b>	<u>117,000.00</u>	<u>(6,540.00)</u>	<u>110,460.00</u>	<u>68,480.67</u>	<u>41,979.33</u>
<b>Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>					
Salaries	86,000.00	5,520.00	91,520.00	54,347.25	7,172.75
Personal Services - Employee Benefits	9,000.00	1,020.00	10,020.00	8,314.11	1,705.89
<b>Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>	<u>95,000.00</u>	<u>6,540.00</u>	<u>101,540.00</u>	<u>62,661.36</u>	<u>8,878.64</u>
<b>Total Even.-Sch.-Foreign-Born-Local</b>	<u>212,000.00</u>	<u>(0.00)</u>	<u>212,000.00</u>	<u>131,142.03</u>	<u>50,857.97</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>372,873.00</u>	<u>450.24</u>	<u>373,323.24</u>	<u>287,367.44</u>	<u>85,955.80</u>
<b>TOTAL EXPENDITURES</b>	<u>50,074,014.00</u>	<u>30,073.83</u>	<u>50,104,087.83</u>	<u>45,469,708.85</u>	<u>4,614,378.98</u>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>(6,019,495.00)</u>	<u>40,854.67</u>	<u>(5,978,640.33)</u>	<u>5,602,110.31</u>	<u>11,560,750.64</u>
<b>Other Financing Sources (Uses):</b>					
<b>Operating Transfer Out:</b>					
Transfer to Capital Projects Fund				(6,000,000.00)	6,000,000.00
Cancellation of Prior Year Accounts Payable				575,183.33	(575,183.33)
Cancellation of Prior Year Accounts Receivable				(113,364.30)	113,364.30
<b>Total Other Financing Sources (Uses)</b>				<u>(5,538,180.97)</u>	<u>5,538,180.97</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(6,019,495.00)</u>	<u>40,854.67</u>	<u>(5,978,640.33)</u>	<u>63,929.34</u>	<u>17,118,931.61</u>
<b>Fund Balance, July 1</b>	<u>25,012,111.79</u>		<u>25,012,111.79</u>	<u>25,012,111.79</u>	
<b>Fund Balance, June 30</b>	<u>\$ 18,992,616.79</u>	<u>\$ 40,854.67</u>	<u>\$ 19,033,471.46</u>	<u>\$ 25,076,041.13</u>	<u>\$ 17,118,931.61</u>
<b>Recapitulation:</b>					
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 18,094.05	
Excess Surplus- Designated for Subsequent Year's Expenditures				10,157,861.80	
Excess Surplus - Current Year				11,819,401.95	
<b>Committed to:</b>					
Year-End Encumbrances				722,469.37	
<b>Unassigned:</b>					
General Fund				2,358,213.96	
<b>Total Fund Balances</b>				<u>25,076,041.13</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment Not Recognized on GAAP Basis				(2,320,697.00)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 22,755,344.13</u>	

ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund
<b>REVENUES:</b>								
Local Sources:								
County Tax Levy	5,450,000.00	5,450,000.00			5,450,000.00	5,450,000.00	5,450,000.00	5,450,000.00
Tuition From LEAs	15,073,489.00	15,073,489.00			15,073,489.00	15,073,489.00	15,045,201.87	15,045,201.87
Other Tuition	60,000.00	60,000.00			60,000.00	60,000.00	60,000.00	60,000.00
Other Restricted Miscellaneous Revenues	200,000.00	200,000.00	70,928.50	70,928.50	270,928.50	270,928.50	1,083,470.30	1,083,470.30
Total Local Sources	20,783,489.00	20,783,489.00	70,928.50	70,928.50	20,854,417.50	20,854,417.50	21,638,672.17	21,638,672.17
Revenues from Intermediate Sources:								
Total Revenues from Intermediate Sources								
State Sources:								
Equalization Aid	20,522,221.00	20,522,221.00			20,522,221.00	20,522,221.00	20,522,221.00	20,522,221.00
Security Categorical Aid	1,032,999.00	1,032,999.00			1,032,999.00	1,032,999.00	1,032,999.00	1,032,999.00
Special Education Categorical Aid	1,659,351.00	1,659,351.00			1,659,351.00	1,659,351.00	1,659,351.00	1,659,351.00
Nonbudgeted:								
On-Behalf Contributions:								
TPAF - Pension Contribution							3,594,380.00	3,594,380.00
TPAF - Long-Term Disability Contribution							3,080.00	3,080.00
TPAF - Post-Retirement Medical Contribution							1,333,449.00	1,333,449.00
Reimbursed TPAF Social Security Contributions							1,255,233.92	1,255,233.92
Total State Sources	23,214,571.00	23,214,571.00			23,214,571.00	23,214,571.00	29,400,713.92	29,400,713.92
Federal Sources:								
Medicaid Reimbursement	56,459.00	56,459.00			56,459.00	56,459.00	52,433.07	52,433.07
Total Federal Sources	56,459.00	56,459.00			56,459.00	56,459.00	52,433.07	52,433.07
<b>Total Revenues</b>	<b>44,054,519.00</b>	<b>44,054,519.00</b>	<b>70,928.50</b>	<b>70,928.50</b>	<b>44,125,447.50</b>	<b>44,125,447.50</b>	<b>51,091,819.16</b>	<b>51,091,819.16</b>
<b>EXPENDITURES</b>								
<b>Current Expense</b>								
<b>Regular Programs - Instruction:</b>								
Salaries of Teachers	6,748,299.00	6,748,299.00	380,653.00	380,653.00	7,128,952.00	7,128,952.00	6,940,995.57	6,940,995.57
Purchased Professional-Educational Services	408,012.00	408,012.00	(1,000.00)	(1,000.00)	407,012.00	407,012.00	331,448.40	331,448.40
Purchased Technical Services	17,000.00	17,000.00	2,000.00	2,000.00	19,000.00	19,000.00	14,195.20	14,195.20
Other Purchased Services (400-500 series)	6,500.00	6,500.00	(500.00)	(500.00)	6,000.00	6,000.00	420.24	420.24
General Supplies	183,502.00	183,502.00	(1,357.09)	(1,357.09)	182,144.91	182,144.91	117,883.42	117,883.42
Textbooks	153,000.00	153,000.00			153,000.00	153,000.00	83,395.47	83,395.47
Other Objects	92,660.00	92,660.00	(7,360.00)	(7,360.00)	85,300.00	85,300.00	32,711.15	32,711.15
<b>Regular Programs - Home Instruction:</b>								
Salaries of Teachers	15,000.00	15,000.00			15,000.00	15,000.00	367.50	367.50
Other Purchased Services (400-500 series)	37,000.00	37,000.00			37,000.00	37,000.00	26,550.90	26,550.90
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>7,660,973.00</b>	<b>7,660,973.00</b>	<b>372,435.91</b>	<b>372,435.91</b>	<b>8,033,408.91</b>	<b>8,033,408.91</b>	<b>7,547,967.85</b>	<b>7,547,967.85</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>								
<b>Resource Room/Resource Center:</b>								
Salaries of Teachers	1,417,653.00	1,417,653.00	7,675.00	7,675.00	1,425,328.00	1,425,328.00	1,387,115.79	1,387,115.79
Other Salaries for Instruction	344,921.00	344,921.00	(2,136.00)	(2,136.00)	342,785.00	342,785.00	330,376.50	330,376.50
General Supplies	10,000.00	10,000.00	300.00	300.00	10,300.00	10,300.00	6,016.76	6,016.76

ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund
Other Objects	1,500.00	1,500.00	(300.00)	(300.00)	1,200.00	1,200.00	900.75	900.75
Total Resource Room/Resource Center	1,774,074.00	1,774,074.00	5,539.00	5,539.00	1,779,613.00	1,779,613.00	1,724,409.80	1,724,409.80
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,774,074.00</b>	<b>1,774,074.00</b>	<b>5,539.00</b>	<b>5,539.00</b>	<b>1,779,613.00</b>	<b>1,779,613.00</b>	<b>1,724,409.80</b>	<b>1,724,409.80</b>
<b>Bilingual Education - Instruction:</b>								
Salaries of Teachers	353,375.00	353,375.00	(4,129.00)	(4,129.00)	349,246.00	349,246.00	307,805.40	307,805.40
Other Salaries for Instruction	274,345.00	274,345.00	(2,185.00)	(2,185.00)	272,160.00	272,160.00	235,876.40	235,876.40
General Supplies	2,500.00	2,500.00	775.00	775.00	3,275.00	3,275.00	2,386.02	2,386.02
Total Bilingual Education - Instruction	630,220.00	630,220.00	(5,539.00)	(5,539.00)	624,681.00	624,681.00	546,067.82	546,067.82
<b>VOCATIONAL PROGRAMS:</b>								
<b>Regular Vocational Programs - Instruction:</b>								
Salaries of Teachers	5,082,184.00	5,082,184.00	(114,340.00)	(114,340.00)	4,967,844.00	4,967,844.00	4,703,413.63	4,703,413.63
Other Purchased Services (400-500 series)	24,000.00	24,000.00			24,000.00	24,000.00	1,985.33	1,985.33
General Supplies	621,437.00	621,437.00	(10,076.00)	(10,076.00)	611,361.00	611,361.00	315,455.20	315,455.20
Textbooks	9,000.00	9,000.00	6,000.00	6,000.00	15,000.00	15,000.00		
Other Objects	30,000.00	30,000.00	30,000.00	30,000.00	60,000.00	60,000.00	27,722.12	27,722.12
Total Regular Vocational Programs - Instruction	5,766,621.00	5,766,621.00	(88,416.00)	(88,416.00)	5,678,205.00	5,678,205.00	5,048,576.28	5,048,576.28
<b>Special Vocational Programs - Instruction:</b>								
Salaries of Teachers	101,445.00	101,445.00			101,445.00	101,445.00	99,874.70	99,874.70
Purchased Technical Services	1,500.00	1,500.00			1,500.00	1,500.00		
General Supplies	15,000.00	15,000.00			15,000.00	15,000.00	2,924.02	2,924.02
Other Objects	36,000.00	36,000.00			36,000.00	36,000.00	168.00	168.00
Total Special Vocational Programs - Instruction	153,945.00	153,945.00			153,945.00	153,945.00	102,966.72	102,966.72
<b>TOTAL VOCATIONAL PROGRAMS</b>	<b>5,920,566.00</b>	<b>5,920,566.00</b>	<b>(88,416.00)</b>	<b>(88,416.00)</b>	<b>5,832,150.00</b>	<b>5,832,150.00</b>	<b>5,151,543.00</b>	<b>5,151,543.00</b>
<b>School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.:</b>								
Salaries	375,000.00	375,000.00	(48,665.00)	(48,665.00)	326,335.00	326,335.00	155,104.40	155,104.40
Supplies and Materials	20,000.00	20,000.00	(1,000.00)	(1,000.00)	19,000.00	19,000.00	5,568.85	5,568.85
Other Objects	30,000.00	30,000.00	2,300.00	2,300.00	32,300.00	32,300.00	25,955.28	25,955.28
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	425,000.00	425,000.00	(47,365.00)	(47,365.00)	377,635.00	377,635.00	186,628.53	186,628.53
<b>School-Sponsored Athletics - Instruction:</b>								
Salaries	731,340.00	731,340.00	64,190.00	64,190.00	795,530.00	795,530.00	795,529.40	795,529.40
Purchased Services (300-500 series)	151,500.00	151,500.00	(15,525.00)	(15,525.00)	135,975.00	135,975.00	56,795.50	56,795.50
Supplies and Materials	300,000.00	300,000.00	1,043.49	1,043.49	301,043.49	301,043.49	249,894.10	249,894.10
Other Objects	75,000.00	75,000.00			75,000.00	75,000.00	39,036.95	39,036.95
Total School-Sponsored Athletics - Instruction	1,257,840.00	1,257,840.00	49,708.49	49,708.49	1,307,548.49	1,307,548.49	1,141,255.95	1,141,255.95
<b>Total Instruction</b>	<b>17,668,673.00</b>	<b>17,668,673.00</b>	<b>286,363.40</b>	<b>286,363.40</b>	<b>17,955,036.40</b>	<b>17,955,036.40</b>	<b>16,297,872.85</b>	<b>16,297,872.95</b>
<b>Undistributed Expenditures - Health Services:</b>								
Salaries	496,406.00	496,406.00	3,077.00	3,077.00	499,483.00	499,483.00	496,991.00	496,991.00
Other Purchased Services (400-500 Series)	52,200.00	52,200.00			52,200.00	52,200.00	38,129.28	38,129.28
Supplies and Materials	31,700.00	31,700.00	12,000.00	12,000.00	43,700.00	43,700.00	23,789.39	23,789.39
Other Objects	6,850.00	6,850.00			6,850.00	6,850.00	4,770.00	4,770.00
Total Undistributed Expenditures - Health Services	587,156.00	587,156.00	15,077.00	15,077.00	602,233.00	602,233.00	563,679.67	563,679.67
<b>Undistributed Expenditures - Guidance Service:</b>								
Salaries of Other Professional Staff	1,035,780.00	1,035,780.00	(90,401.92)	(90,401.92)	945,378.08	945,378.08	910,138.20	910,138.20
Salaries of Secretarial and Clerical Assistants	231,506.00	231,506.00	163.92	163.92	231,669.92	231,669.92	229,761.68	229,761.68

ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund
Other Salaries	62,220.00	62,220.00	(850.00)	(850.00)	61,370.00	61,370.00	50,212.88	50,212.88
Purchased Professional - Educational Services	3,300.00	3,300.00	10,000.00	10,000.00	13,300.00	13,300.00	5,245.00	5,245.00
Other Purchased Prof. and Tech. Services	350.00	350.00			350.00	350.00		
Other Purchased Services (400-500 series)	3,000.00	3,000.00			3,000.00	3,000.00		
Supplies and Materials	25,900.00	25,900.00			25,900.00	25,900.00	16,097.76	16,097.76
Other Objects	31,500.00	31,500.00	(10,000.00)	(10,000.00)	21,500.00	21,500.00	2,500.00	2,500.00
<b>Total Undistributed Expenditures - Guidance Service</b>	<b>1,393,556.00</b>	<b>1,393,556.00</b>	<b>(91,088.00)</b>	<b>(91,088.00)</b>	<b>1,302,468.00</b>	<b>1,302,468.00</b>	<b>1,213,955.52</b>	<b>1,213,955.52</b>
<b>Undistributed Expenditures - Child Study Team:</b>								
Salaries of Other Professional Staff	761,705.00	761,705.00	(77,000.00)	(77,000.00)	684,705.00	684,705.00	608,961.74	608,961.74
Salaries of Secretarial and Clerical Assistants	70,625.00	70,625.00			70,625.00	70,625.00	69,488.00	69,488.00
Other Salaries			6,300.00	6,300.00	6,300.00	6,300.00	4,380.30	4,380.30
Purchased Professional - Educational Services	15,000.00	15,000.00	21,200.00	21,200.00	36,200.00	36,200.00	16,230.06	16,230.06
Other Purchased Services (400-500 series)	23,256.00	23,256.00	126,500.00	126,500.00	149,756.00	149,756.00	129,706.82	129,706.82
Supplies and Materials	48,800.00	48,800.00	(39,000.00)	(39,000.00)	9,800.00	9,800.00	9,107.65	9,107.65
Other Objects	3,000.00	3,000.00			3,000.00	3,000.00	896.00	896.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>922,386.00</b>	<b>922,386.00</b>	<b>38,000.00</b>	<b>38,000.00</b>	<b>960,386.00</b>	<b>960,386.00</b>	<b>838,768.57</b>	<b>838,768.57</b>
<b>Undistributed Expenditures - Improvement of Instructional Services:</b>								
Salaries of Supervisor of Instruction	982,118.00	982,118.00	(46,136.00)	(46,136.00)	935,982.00	935,982.00	935,981.64	935,981.64
Salaries of Other Professional Staff			37,845.00	37,845.00	37,845.00	37,845.00	36,667.92	36,667.92
Other Salaries	75,000.00	75,000.00	(37,845.00)	(37,845.00)	37,155.00	37,155.00	8,700.00	8,700.00
Other Purch. Prof. and Tech. Services	3,000.00	3,000.00	(300.00)	(300.00)	2,700.00	2,700.00		
Other Purchased Services (400-500 Series)	1,200.00	1,200.00			1,200.00	1,200.00	426.48	426.48
Supplies and Materials	500.00	500.00	300.00	300.00	800.00	800.00	419.90	419.90
Other Objects	300.00	300.00			300.00	300.00	89.00	89.00
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>1,062,118.00</b>	<b>1,062,118.00</b>	<b>(46,136.00)</b>	<b>(46,136.00)</b>	<b>1,015,982.00</b>	<b>1,015,982.00</b>	<b>982,284.94</b>	<b>982,284.94</b>
<b>Undistributed Expenditures - Educational Media Services/School Library:</b>								
Salaries	123,078.00	123,078.00	119.00	119.00	123,197.00	123,197.00	82,462.80	82,462.80
Supplies and Materials	19,000.00	19,000.00	5,416.00	5,416.00	24,416.00	24,416.00	15,545.21	15,545.21
Other Objects			65.00	65.00	65.00	65.00	65.00	65.00
<b>Total Undist. Expenditures - Educational Media Services/School Library</b>	<b>142,078.00</b>	<b>142,078.00</b>	<b>5,600.00</b>	<b>5,600.00</b>	<b>147,678.00</b>	<b>147,678.00</b>	<b>98,073.01</b>	<b>98,073.01</b>
<b>Undistributed Expenditures - Instructional Staff Training Services:</b>								
Other Salaries			8,000.00	8,000.00	8,000.00	8,000.00	6,575.00	6,575.00
Purchased Professional-Educational Services			8,000.00	8,000.00	8,000.00	8,000.00	2,040.00	2,040.00
Other Purchased Services (400-500 series)	27,309.00	27,309.00	(10,255.00)	(10,255.00)	17,054.00	17,054.00	2,747.07	2,747.07
Other Objects	12,000.00	12,000.00	2,380.00	2,380.00	14,380.00	14,380.00	11,080.00	11,080.00
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>39,309.00</b>	<b>39,309.00</b>	<b>8,125.00</b>	<b>8,125.00</b>	<b>47,434.00</b>	<b>47,434.00</b>	<b>22,442.07</b>	<b>22,442.07</b>
<b>Undistributed Expenditures - Support Services - General Administration:</b>								
Salaries	609,044.00	609,044.00	1,094.00	1,094.00	610,138.00	610,138.00	574,356.65	574,356.65
Salaries of Attorneys	120,579.00	120,579.00			120,579.00	120,579.00	120,578.96	120,578.96
Legal Services	100,000.00	100,000.00			100,000.00	100,000.00	14,579.35	14,579.35
Audit Fees	40,000.00	40,000.00			40,000.00	40,000.00	38,450.00	38,450.00
Communications / Telephone	1,500,000.00	1,500,000.00	(79,567.00)	(79,567.00)	1,420,433.00	1,420,433.00	1,145,159.37	1,145,159.37
Other Purch. Serv. (400-500 series other than 530 & 585)	170,220.00	170,220.00	5,746.45	5,746.45	175,966.45	175,966.45	122,375.42	122,375.42
General Supplies	42,158.00	42,158.00	336.68	336.68	42,494.68	42,494.68	20,130.12	20,130.12
Judgments Against The School District	36,004.00	36,004.00			36,004.00	36,004.00	22,557.30	22,557.30
Miscellaneous Expenditures	19,396.00	19,396.00	16,706.00	16,706.00	36,102.00	36,102.00	32,504.55	32,504.55
BOE Membership Dues and Fees	16,000.00	16,000.00			16,000.00	16,000.00	15,844.20	15,844.20

ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund	Total General Fund	Operating Fund	Total General Fund	Operating Fund	Total General Fund	Operating Fund	Total General Fund
	Fund 11 - 13	Fund	Fund 11 - 13	Fund	Fund 11 - 13	Fund	Fund 11 - 13	Fund
<b>Total Undist. Expenditures - Support Services - General Administration</b>	<u>2,653,401.00</u>	<u>2,653,401.00</u>	<u>(55,683.87)</u>	<u>(55,683.87)</u>	<u>2,597,717.13</u>	<u>2,597,717.13</u>	<u>2,106,535.92</u>	<u>2,106,535.92</u>
<b>Undistributed Expenditures - Support Services - School Administration:</b>								
Salaries of Principals/Assistant Principals	1,187,685.00	1,187,685.00	(136,636.00)	(136,636.00)	1,051,049.00	1,051,049.00	1,015,661.26	1,015,661.26
Salaries of Secretarial and Clerical Assistants	588,898.00	588,898.00			588,898.00	588,898.00	554,219.52	554,219.52
Other Salaries	74,100.00	74,100.00	32,470.00	32,470.00	106,570.00	106,570.00	85,445.00	85,445.00
Unused Vacation Payment to Terminated/Retired Staff	90,000.00	90,000.00			90,000.00	90,000.00	3,385.87	3,385.87
Other Purchased Services (400-500 Series)	15,000.00	15,000.00			15,000.00	15,000.00	567.00	567.00
Supplies and Materials	311,272.00	311,272.00	(51,433.09)	(51,433.09)	259,838.91	259,838.91	149,240.98	149,240.98
Other Objects	31,618.00	31,618.00	(1,300.00)	(1,300.00)	30,318.00	30,318.00	11,807.75	11,807.75
<b>Total Undist. Expenditures - Support Services - School Administration</b>	<u>2,298,573.00</u>	<u>2,298,573.00</u>	<u>(156,899.09)</u>	<u>(156,899.09)</u>	<u>2,141,673.91</u>	<u>2,141,673.91</u>	<u>1,820,327.38</u>	<u>1,820,327.38</u>
<b>Undistributed Expenditures - Central Services:</b>								
Salaries	701,494.00	701,494.00	15,419.00	15,419.00	716,913.00	716,913.00	716,365.48	716,365.48
Purchased Professional Services	20,400.00	20,400.00	20,000.00	20,000.00	40,400.00	40,400.00	33,870.00	33,870.00
Miscellaneous Purchased Services (400-500 series other than 594)	15,000.00	15,000.00	1,000.00	1,000.00	16,000.00	16,000.00	13,956.13	13,956.13
Supplies and Materials	20,120.00	20,120.00	1,263.04	1,263.04	21,383.04	21,383.04	20,547.60	20,547.60
Other Objects	5,100.00	5,100.00	(2,300.00)	(2,300.00)	2,800.00	2,800.00	2,439.86	2,439.86
<b>Total Undistributed Expenditures - Central Services</b>	<u>762,114.00</u>	<u>762,114.00</u>	<u>35,382.04</u>	<u>35,382.04</u>	<u>797,496.04</u>	<u>797,496.04</u>	<u>787,179.07</u>	<u>787,179.07</u>
<b>Undistributed Expenditures - Administrative Information Technology:</b>								
Salaries	495,134.00	495,134.00	(12,452.65)	(12,452.65)	482,681.35	482,681.35	451,147.37	451,147.37
Purchased Technical Services			2,896.42	2,896.42	2,896.42	2,896.42	2,896.42	2,896.42
Other Purchased Services (400-500 series)	390,201.00	390,201.00	(1,683.76)	(1,683.76)	388,517.24	388,517.24	342,250.29	342,250.29
Supplies and Materials	360,126.00	360,126.00	53,137.99	53,137.99	413,263.99	413,263.99	412,791.55	412,791.55
<b>Total Undist. Expenditures - Administrative Information Technology</b>	<u>1,245,461.00</u>	<u>1,245,461.00</u>	<u>41,898.00</u>	<u>41,898.00</u>	<u>1,287,358.00</u>	<u>1,287,358.00</u>	<u>1,209,085.63</u>	<u>1,209,085.63</u>
<b>Undist. Expenditures - Operations and Maintenance of Plant Services:</b>								
<b>Undist. Expend. - Required Maintenance for School Facilities:</b>								
Salaries	521,329.00	521,329.00	(167,275.00)	(167,275.00)	354,054.00	354,054.00	351,590.54	351,590.54
Unused Vacation Payment to Terminated/Retired Staff			6,149.00	6,149.00	6,149.00	6,149.00	6,148.32	6,148.32
Cleaning, Repair, and Maintenance Services	2,400,000.00	2,400,000.00	(102,501.00)	(102,501.00)	2,297,499.00	2,297,499.00	942,881.29	942,881.29
General Supplies	253,898.00	253,898.00	(40,000.00)	(40,000.00)	213,898.00	213,898.00	38,499.88	38,499.88
Other Objects			10,000.00	10,000.00	10,000.00	10,000.00	1,895.00	1,895.00
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<u>3,175,227.00</u>	<u>3,175,227.00</u>	<u>(293,627.00)</u>	<u>(293,627.00)</u>	<u>2,881,600.00</u>	<u>2,881,600.00</u>	<u>1,341,015.03</u>	<u>1,341,015.03</u>
<b>Undistributed Expenditures - Custodial Services:</b>								
Cleaning, Repair, and Maintenance Services	1,558,744.00	1,558,744.00	(37,210.00)	(37,210.00)	1,521,534.00	1,521,534.00	1,454,355.11	1,454,355.11
Other Purchased Property Services	50,000.00	50,000.00	26,600.00	26,600.00	76,600.00	76,600.00	53,452.30	53,452.30
Insurance	448,800.00	448,800.00			448,800.00	448,800.00	412,503.55	412,503.55
Miscellaneous Purchased Services	517,863.00	517,863.00	(20,000.00)	(20,000.00)	497,863.00	497,863.00	119,833.83	119,833.83
Energy (Natural Gas)	2,193,040.00	2,193,040.00			2,193,040.00	2,193,040.00	313,852.71	313,852.71
Energy (Electricity)	2,300,000.00	2,300,000.00			2,300,000.00	2,300,000.00	894,052.22	894,052.22
<b>Total Undistributed Expenditures - Custodial Services</b>	<u>7,068,447.00</u>	<u>7,068,447.00</u>	<u>(30,610.00)</u>	<u>(30,610.00)</u>	<u>7,037,837.00</u>	<u>7,037,837.00</u>	<u>3,248,049.72</u>	<u>3,248,049.72</u>
<b>Undistributed Expenditures - Care and Upkeep of Grounds:</b>								
Cleaning, Repair, and Maintenance Services	264,672.00	264,672.00	10,610.00	10,610.00	275,282.00	275,282.00	273,199.50	273,199.50
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<u>264,672.00</u>	<u>264,672.00</u>	<u>10,610.00</u>	<u>10,610.00</u>	<u>275,282.00</u>	<u>275,282.00</u>	<u>273,199.50</u>	<u>273,199.50</u>
<b>Undistributed Expenditures - Security:</b>								
Salaries	471,759.00	471,759.00	3,000.00	3,000.00	474,759.00	474,759.00	469,492.80	469,492.80
Purchased Professional and Technical Services	1,935,839.00	1,935,839.00	(4,000.00)	(4,000.00)	1,931,839.00	1,931,839.00	984,957.73	984,957.73
General Supplies	31,110.00	31,110.00	(2,400.00)	(2,400.00)	28,710.00	28,710.00	18,757.19	18,757.19

ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund
Other Objects			3,400.00	3,400.00	3,400.00	3,400.00	3,200.00	3,200.00
<b>Total Undistributed Expenditures - Security</b>	<u>2,438,708.00</u>	<u>2,438,708.00</u>			<u>2,438,708.00</u>	<u>2,438,708.00</u>	<u>1,476,407.72</u>	<u>1,476,407.72</u>
<b>Total Undist. Exp. - Operations and Maintenance of Plant Services</b>	<u>12,947,054.00</u>	<u>12,947,054.00</u>	<u>(313,627.00)</u>	<u>(313,627.00)</u>	<u>12,633,427.00</u>	<u>12,633,427.00</u>	<u>6,338,671.97</u>	<u>6,338,671.97</u>
<b>Undistributed Expenditures - Student Transportation Services:</b>								
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.			80,212.00	80,212.00	80,212.00	80,212.00	80,212.00	80,212.00
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch.)	165,750.00	165,750.00	67,098.00	67,098.00	232,848.00	232,848.00	145,122.30	145,122.30
Cleaning, Repair, and Maint. Services			62,100.00	62,100.00	62,100.00	62,100.00	61,740.99	61,740.99
Contract. Serv. (Oth. than Bet. Home & Sch.)-Vend.	438,539.00	438,539.00	48,802.11	48,802.11	487,341.11	487,341.11	229,270.00	229,270.00
Misc. Purchased Serv. - Transportation	9,000.00	9,000.00	(600.00)	(600.00)	8,400.00	8,400.00	2,853.71	2,853.71
General Supplies			3,000.00	3,000.00	3,000.00	3,000.00	482.53	482.53
Other Objects			2,000.00	2,000.00	2,000.00	2,000.00	1,750.00	1,750.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<u>613,289.00</u>	<u>613,289.00</u>	<u>262,612.11</u>	<u>262,612.11</u>	<u>875,901.11</u>	<u>875,901.11</u>	<u>521,431.53</u>	<u>521,431.53</u>
<b>UNALLOCATED BENEFITS:</b>								
Group Insurance	\$ 20,000.00	\$ 20,000.00	\$	\$	\$ 20,000.00	\$ 20,000.00	16,974.87	16,974.87
Social Security Contributions	500,000.00	500,000.00	6,007.45	6,007.45	506,007.45	506,007.45	506,007.45	506,007.45
Other Retirement Contributions - PERS	600,000.00	600,000.00	(6,007.45)	(6,007.45)	593,992.55	593,992.55	526,329.00	526,329.00
Other Retirement Contributions - Regular	2,000.00	2,000.00			2,000.00	2,000.00		
Unemployment Compensation	214,000.00	214,000.00			214,000.00	214,000.00	91,787.00	91,787.00
Workers' Compensation	200,000.00	200,000.00			200,000.00	200,000.00	152,603.00	152,603.00
Health Benefits	5,281,773.00	5,281,773.00	1,400.00	1,400.00	5,283,173.00	5,283,173.00	4,633,377.25	4,633,377.25
Tuition Reimbursement	50,000.00	50,000.00			50,000.00	50,000.00	35,123.00	35,123.00
Other Employee Benefits	298,200.00	298,200.00	(1,400.00)	(1,400.00)	296,800.00	296,800.00	184,805.35	184,805.35
Unused Sick Payment to Terminated/Retired Staff	200,000.00	200,000.00			200,000.00	200,000.00	68,883.34	68,883.34
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>7,365,973.00</u>	<u>7,365,973.00</u>			<u>7,365,973.00</u>	<u>7,365,973.00</u>	<u>6,215,890.26</u>	<u>6,215,890.26</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>7,365,973.00</u>	<u>7,365,973.00</u>			<u>7,365,973.00</u>	<u>7,365,973.00</u>	<u>6,215,890.26</u>	<u>6,215,890.26</u>
<b>ON-BEHALF CONTRIBUTIONS:</b>								
On-Behalf TPAF Pension Contributions (Nonbudgeted)							3,594,380.00	3,594,380.00
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)							1,333,449.00	1,333,449.00
Reimbursed TPAF Social Security Contributions (Nonbudgeted)							1,255,233.92	1,255,233.92
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)							3,080.00	3,080.00
<b>TOTAL TPAF PENSION/SOCIAL SECURITY</b>							<u>6,186,142.92</u>	<u>6,186,142.92</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>32,032,468.00</u>	<u>32,032,468.00</u>	<u>(256,739.81)</u>	<u>(256,739.81)</u>	<u>31,775,728.19</u>	<u>31,775,728.19</u>	<u>28,904,468.46</u>	<u>28,904,468.46</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>49,701,141.00</u>	<u>49,701,141.00</u>	<u>29,623.59</u>	<u>29,623.59</u>	<u>49,730,764.59</u>	<u>49,730,764.59</u>	<u>45,202,341.41</u>	<u>45,202,341.41</u>
<b>SPECIAL SCHOOLS</b>								
<b>Summer School - Instruction:</b>								
Salaries of Teachers	110,000.00	110,000.00	(37,415.00)	(37,415.00)	72,585.00	72,585.00	57,110.40	57,110.40
<b>Total Summer School - Instruction</b>	<u>110,000.00</u>	<u>110,000.00</u>	<u>(37,415.00)</u>	<u>(37,415.00)</u>	<u>72,585.00</u>	<u>72,585.00</u>	<u>57,110.40</u>	<u>57,110.40</u>
<b>Summer School - Support Services</b>								
Salaries			29,000.00	29,000.00	29,000.00	29,000.00	25,817.63	25,817.63
Personal Services - Employee Benefits			8,415.00	8,415.00	8,415.00	8,415.00	6,344.00	6,344.00
<b>Total Summer School - Support Services</b>			<u>37,415.00</u>	<u>37,415.00</u>	<u>37,415.00</u>	<u>37,415.00</u>	<u>32,161.63</u>	<u>32,161.63</u>
<b>Total Summer School</b>	<u>110,000.00</u>	<u>110,000.00</u>			<u>110,000.00</u>	<u>110,000.00</u>	<u>89,272.03</u>	<u>89,272.03</u>
Adult Education-Local-Instruction								



ESSEX COUNTY VOCATIONAL SCHOOL  
COMBINING BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget		Budget Transfer		Final Budget		Actual	
	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund	Operating Fund Fund 11 - 13	Total General Fund
General Supplies	2,500.00	2,500.00			2,500.00	2,500.00	813.00	813.00
<b>Total Adult Education-Local-Instruction</b>	<b>2,500.00</b>	<b>2,500.00</b>			<b>2,500.00</b>	<b>2,500.00</b>	<b>813.00</b>	<b>813.00</b>
Adult Education-Local -Support Serv.								
Salaries	65,873.00	65,873.00			65,873.00	65,873.00	64,819.00	64,819.00
Supplies and Materials	2,500.00	2,500.00	10,450.24	10,450.24	12,950.24	12,950.24	1,321.38	1,321.38
<b>Total Adult Education-Local -Support Serv.</b>	<b>68,373.00</b>	<b>68,373.00</b>	<b>10,450.24</b>	<b>10,450.24</b>	<b>78,823.24</b>	<b>78,823.24</b>	<b>66,140.38</b>	<b>66,140.38</b>
<b>Total Adult Education-Local</b>	<b>70,873.00</b>	<b>70,873.00</b>	<b>10,450.24</b>	<b>10,450.24</b>	<b>81,323.24</b>	<b>81,323.24</b>	<b>66,953.38</b>	<b>66,953.38</b>
Vocational Evening-Local-Instruction								
Salaries of Teachers	10,000.00	10,000.00	(10,000.00)	(10,000.00)				
<b>Total Vocational Evening-Local-Instruction</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>(10,000.00)</b>	<b>(10,000.00)</b>				
<b>Total Vocational Evening-Local</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>(10,000.00)</b>	<b>(10,000.00)</b>				
Even.-Sch.-Foreign-Born-Local-Inst.:								
Salaries of Teachers	64,000.00	64,000.00	11,598.00	11,598.00	75,598.00	75,598.00	54,334.00	54,334.00
General Supplies	38,000.00	38,000.00	(13,476.00)	(13,476.00)	24,524.00	24,524.00	10,126.67	10,126.67
Textbooks	10,000.00	10,000.00	(4,662.00)	(4,662.00)	5,338.00	5,338.00	3,520.00	3,520.00
Other Objects	5,000.00	5,000.00			5,000.00	5,000.00	500.00	500.00
<b>Total Even.-Sch.-Foreign-Born-Local-Inst.</b>	<b>117,000.00</b>	<b>117,000.00</b>	<b>(6,540.00)</b>	<b>(6,540.00)</b>	<b>110,460.00</b>	<b>110,460.00</b>	<b>68,480.67</b>	<b>68,480.67</b>
Even.-Sch.-Foreign-Born-Local-Sup. Serv.								
Salaries	56,000.00	56,000.00	5,520.00	5,520.00	61,520.00	61,520.00	54,347.25	54,347.25
Personal Services - Employee Benefits	9,000.00	9,000.00	1,020.00	1,020.00	10,020.00	10,020.00	8,314.11	8,314.11
<b>Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>	<b>65,000.00</b>	<b>65,000.00</b>	<b>6,540.00</b>	<b>6,540.00</b>	<b>71,540.00</b>	<b>71,540.00</b>	<b>62,661.36</b>	<b>62,661.36</b>
<b>Total Even.-Sch.-Foreign-Born-Local</b>	<b>182,000.00</b>	<b>182,000.00</b>			<b>182,000.00</b>	<b>182,000.00</b>	<b>131,142.03</b>	<b>131,142.03</b>
<b>TOTAL SPECIAL SCHOOLS</b>	<b>372,873.00</b>	<b>372,873.00</b>	<b>450.24</b>	<b>450.24</b>	<b>373,323.24</b>	<b>373,323.24</b>	<b>287,367.44</b>	<b>287,367.44</b>
<b>TOTAL EXPENDITURES</b>	<b>50,074,014.00</b>	<b>50,074,014.00</b>	<b>30,073.83</b>	<b>30,073.83</b>	<b>50,104,087.83</b>	<b>50,104,087.83</b>	<b>45,489,708.85</b>	<b>45,489,708.85</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(6,019,495.00)	(6,019,495.00)	40,854.67	40,854.67	(5,978,640.33)	(5,978,640.33)	5,602,110.31	5,602,110.31
Other Financing Sources (Uses):								
Operating Transfer Out:								
Transfer to Capital Projects Fund							(6,000,000.00)	(6,000,000.00)
Cancellation of Prior Year Accounts Payable							575,183.33	575,183.33
Cancellation of Prior Year Accounts Receivable							(113,364.30)	(113,364.30)
<b>Total Other Financing Sources (Uses)</b>							<b>(5,538,180.97)</b>	<b>(5,538,180.97)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(6,019,495.00)	(6,019,495.00)	40,854.67	40,854.67	(5,978,640.33)	(5,978,640.33)	63,929.34	63,929.34
Fund Balance, July 1	25,012,111.79	25,012,111.79			25,012,111.79	25,012,111.79	25,012,111.79	25,012,111.79
<b>Fund Balance, June 30</b>	<b>\$ 18,992,616.79</b>	<b>\$ 18,992,616.79</b>	<b>\$ 40,854.67</b>	<b>\$ 40,854.67</b>	<b>\$ 19,033,471.46</b>	<b>\$ 19,033,471.46</b>	<b>\$ 25,076,041.13</b>	<b>\$ 25,076,041.13</b>

ESSEX COUNTY VOCATIONAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 3,047,943.00	\$ 1,187,404.51	\$ 4,235,347.51	\$ 4,069,952.37	\$ 165,395.14
State Sources	36,433.00	28,754.85	65,187.85	230,467.28	(165,279.43)
Local Sources	5,000.00	118,079.05	123,079.05	123,194.76	(115.71)
<b>Total Revenues</b>	<u>3,089,376.00</u>	<u>1,334,238.41</u>	<u>4,423,614.41</u>	<u>4,423,614.41</u>	
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	249,886.00		249,886.00	89,264.00	160,622.00
Other Salaries for Instruction				1,353,579.86	(1,353,579.86)
Purchased Professional-Educational Services	145,100.00	6,645.21	151,745.21	141,108.00	10,637.21
General Supplies	1,712,450.92	(332,724.76)	1,379,726.16	1,123,464.68	256,261.48
Other Objects	7,500.00		7,500.00	1,372.37	6,127.63
<b>Total Instruction</b>	<u>2,114,936.92</u>	<u>(326,079.55)</u>	<u>1,788,857.37</u>	<u>2,708,788.91</u>	<u>(919,931.54)</u>
<b>Support Services:</b>					
Salaries-Support	360,494.00	9,892.09	370,386.09	323,345.96	47,040.13
Other Salaries	7,022.00		7,022.00	7,017.08	4.92
Personal Services - Employee Benefits	427,291.00	(16,429.57)	410,861.43	381,505.52	29,355.91
Purchased Professional - Technical Services	114,604.00	18,492.00	133,096.00	96,692.46	46,403.54
Purchased Property-Support	7,235.00		7,235.00	7,235.00	
Other Purchased Services _Support	140,271.00	(12,929.26)	127,341.74	76,732.96	50,608.78
Travel	2,134.00	1,464.00	3,598.00	1,282.24	2,315.76
Supplies and Materials	33,356.68	20,333.51	53,690.19	34,936.42	18,753.77
Other Object	75,500.00	4,676.59	80,176.59	36,513.57	43,663.02
<b>Total Support Services</b>	<u>1,167,907.68</u>	<u>25,499.36</u>	<u>1,193,407.04</u>	<u>955,261.21</u>	<u>238,145.83</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	373,187.00		373,187.00	364,930.16	8,256.84
Noninstructional Equipment	191,528.13	314,529.00	506,057.13	394,634.13	111,423.00
<b>Total Facilities Acquisition and Construction Services</b>	<u>564,715.13</u>	<u>314,529.00</u>	<u>879,244.13</u>	<u>759,564.29</u>	<u>119,679.84</u>
<b>Total Expenditures</b>	<u>3,847,559.73</u>	<u>13,948.81</u>	<u>3,861,508.54</u>	<u>4,423,614.41</u>	<u>(562,105.87)</u>
<b>Other Financing Sources (Uses):</b>					
<b>Total Other Financing Sources (Uses)</b>					
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ (758,183.73)</u>	<u>\$ 1,320,289.60</u>	<u>\$ 562,105.87</u>	<u>\$</u>	<u>\$ 562,105.87</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

ESSEX COUNTY VOCATIONAL SCHOOL  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 51,091,819.16	[C-2]	\$ 4,423,614.41
<b>Difference - Budget-to-GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(368,813.05)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		2,214,957.00		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(2,320,697.00)</u>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 50,986,079.16</u>	[B-2]	<u>\$ 4,054,801.36</u>
<b>Uses/Outflows of Resources:</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	\$ 45,489,708.85	[C-2]	\$ 4,423,614.41
<b>Differences - Budget-to-GAAP:</b>				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .				(368,813.05)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 45,489,708.85</u>	[B-2]	<u>\$ 4,054,801.36</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Note:** GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**ESSEX COUNTY VOCATIONAL SCHOOL  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year Ending June 30,						
	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)	*	*	0.0563%	0.0576%	0.0573%	0.0569%	0.0539%
District's proportionate share of the net pension liability (asset)	*	*	\$ 12,640,102	\$ 17,057,562	\$ 13,343,768	\$ 11,194,950	\$ 9,706,568
State's proportionate share of the net pension liability (asset) associated with the District	*	*	22,447,996,119	29,617,131,759	23,278,401,588	19,689,501,539	18,143,832,135
Total	\$	\$	<u>\$ 22,460,636,221</u>	<u>\$ 29,634,189,321</u>	<u>\$ 23,291,745,356</u>	<u>\$ 19,700,696,489</u>	<u>\$ 18,153,538,703</u>
District's covered-employee payroll	*	*	\$ 3,928,601	\$ 3,935,493	\$ 3,759,518	\$ 3,974,424	\$ 3,801,238
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	**	*	31.08%	23.07%	28.17%	35.50%	39.16%
Plan fiduciary net position as a percentage of the total pension liability	-	+	52.08%	47.93%	40.14%	53.60%	48.72%

\*Data was not provided by School District.

**ESSEX COUNTY VOCATIONAL SCHOOL**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST EIGHT FISCAL YEARS**  
**(Unaudited)**

	Fiscal Year Ending June 30,							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	*	*	*	\$ 484,101	\$ 511,653	\$ 531,032	\$ 565,548	\$ 523,997
Contributions in relation to the contractually required contribution	*	*	*	(484,101)	(511,653)	(531,032)	(565,548)	(523,997)
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	*	*	*	\$ 3,935,493	\$ 4,006,848	\$ 3,759,518	\$ 3,974,424	\$ 3,801,238
Contributions as a percentage of covered-employee payroll	*	*	*	12.30%	12.77%	14.13%	14.23%	13.78%

\*Data was not provided by School District.



**ESSEX COUNTY VOCATIONAL SCHOOL  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year Ending June 30,						
	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)	*	*	0.1731%	0.1683%	0.1706%	0.1682%	0.1678%
District's proportionate share of the net pension liability (asset)	*	*	\$ 109,415,599	\$ 132,360,334	\$ 115,048,742	\$ 107,035,080	\$ 103,007,731
State's proportionate share of the net pension liability (asset) associated with the District	*	*	<u>63,204,270,305</u>	<u>79,028,907,033</u>	<u>67,670,209,171</u>	<u>63,806,350,446</u>	<u>61,519,112,443</u>
Total	<u>\$</u>	<u>\$</u>	<u>\$ 63,313,685,904</u>	<u>\$ 79,161,267,367</u>	<u>\$ 67,785,257,913</u>	<u>\$ 63,913,385,526</u>	<u>\$ 61,622,120,174</u>
District's covered-employee payroll	*	*	\$ 17,127,017	\$ 17,381,230	\$ 17,294,655	\$ 17,364,260	\$ 17,192,375
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	*	638.85%	761.51%	665.23%	616.41%	599.15%
Plan fiduciary net position as a percentage of the total pension liability	*	*	28.71%	22.33%	25.41%	26.49%	33.76%

\*Data was not provided by School District.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

ESSEX COUNTY VOCATIONAL SCHOOLS  
COUNTY OF ESSEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Changes of Benefit Terms and Changes of Assumptions**

Refer to Note 6 in the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Note:** GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**ESSEX COUNTY VOCATIONAL SCHOOL**  
**SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND**  
**LAST FOUR FISCAL YEARS**  
(Unaudited)

	Measurement Date			
	Fiscal Year Ending June 30,			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability				
Service Cost	\$ 2,347,130	\$ 3,259,938	\$ 2,543,328	\$ 2,369,708
Interest Cost	2,482,791	2,316,202	2,679,501	2,497,296
Difference Between Expected and Actual Experiences			(6,681,869)	(10,005,568)
Change in Assumptions	11,724,102	(9,658,463)	(7,208,617)	850,087
Contributions: Members**	62,999	62,352	58,054	51,880
Gross Benefit Payments**	<u>(1,665,453)</u>	<u>(1,693,308)</u>	<u>(1,679,716)</u>	<u>(1,750,167)</u>
Net Change in Total OPEB Liability	\$ 14,951,569	\$ (5,713,279)	\$ (10,289,319)	\$ (5,986,764)
Total OPEB Liability (Beginning)	\$ 63,783,224	\$ 78,820,054	\$ 73,106,775	\$ 62,817,456
Total OPEB Liability (Ending)	\$ 78,734,793	\$ 73,106,775	\$ 62,817,456	\$ 56,830,692
Plan Fiduciary Net Position:				
Net OPEB Liability (Ending)	\$ 78,734,793	\$ 73,106,775	\$ 62,817,456	\$ 57,014,221
Net Position as a Percentage of OPEB Liability				
Covered Employee Payroll	\$ 17,381,230	\$ 17,294,655	\$ 17,364,260	\$ 17,192,375
Net OPEB Liability as a Percentage of Payroll	453%	423%	362%	332%
The District's Proportionate Share of the Total OPEB Liability	*	*	*	*

\*\*Data for Measurement Periods Ending June 30, 2016, June 30, 2017, June 30, 2018 and June 30, 2019 were provided by the State.

Notes to Schedule:

ESSEX COUNTY VOCATIONAL SCHOOL  
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND  
LAST FOUR FISCAL YEARS  
(Unaudited)

Measurement Date			
Fiscal Year Ending June 30,			
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>

Benefit Changes: None

Changes in Assumptions: Assumptions used in calculating the OPEB liability are presented in Note 10.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**ESSEX COUNTY VOCATIONAL SCHOOLS  
COUNTY OF ESSEX**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2020**

**Changes of Benefit Terms and Changes of Assumptions**

Refer to Note 8 in the Notes to Financial Statements for benefits and assumptions.



## OTHER SUPPLEMENTARY INFORMATION

**D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

**ESSEX COUNTY VOCATIONAL SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Total Brought Forward E-1A2	Title I	Title I - RA	Title I - RA CY	Title III	Title III - Immig	IDEA- B	Totals 2020
<b>REVENUE</b>								
Federal Sources	\$ 1,863,498.97	\$ 1,503,604.00	\$ 4,826.41	\$ 45,188.00	\$ 38,108.56	\$ 10,079.00	\$ 604,647.43	\$ 4,068,952.37
State Sources	230,467.28							230,467.28
Local Sources	123,194.76							123,194.76
<b>Total Revenue</b>	<b>\$ 2,217,161.01</b>	<b>\$ 1,503,604.00</b>	<b>\$ 4,826.41</b>	<b>\$ 45,188.00</b>	<b>\$ 38,108.56</b>	<b>\$ 10,079.00</b>	<b>\$ 604,647.43</b>	<b>\$ 4,423,614.41</b>
<b>EXPENDITURES</b>								
Instruction:								
Salaries of Teachers	\$ 89,264.00	\$	\$	\$	\$ 18,966.00	\$ 3,874.00	\$ 276,255.45	\$ 89,264.00
Other Salaries for Instruction	77,486.63	970,823.79						1,347,405.86
Salaries - Other Salaries	5,174.00							6,174.00
Purchased Professional-Educational Services	117,708.90		288.00	45,188.00	17,221.19	5,908.80	23,395.10	141,108.00
General Supplies	886,160.33	166,009.68					2,698.68	1,123,464.68
Other Objects							1,372.37	1,372.37
<b>Total Instruction</b>	<b>1,176,783.86</b>	<b>1,136,833.46</b>	<b>288.00</b>	<b>45,188.00</b>	<b>36,187.19</b>	<b>9,782.80</b>	<b>303,725.60</b>	<b>2,708,798.91</b>
Salaries-Support	64,433.38	73,925.54	774.18		158.37		184,054.49	323,345.96
Other Salaries	7,017.08							7,017.08
Personal Services - Employee Benefits	17,175.09	287,845.00	59.23		1,458.00	296.20	74,672.00	381,505.52
Purchased Professional and Technical Services	48,979.00		2,205.00				35,508.46	66,692.46
Purchased Property-Support	7,235.00							7,235.00
Other Purchased Services _Support	72,177.86				180.00		4,375.00	76,732.86
Travel	1,282.24							1,282.24
Supplies and Materials	26,513.11	5,000.00	1,500.00		125.00		1,798.31	34,936.42
Other Object	36,000.00						513.57	36,513.57
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	364,930.16							364,930.16
Noninstructional Equipment	394,634.13							394,634.13
<b>Total Facilities Acquisition and Construction Services</b>	<b>759,564.29</b>							<b>759,564.29</b>
<b>Total Expenditures</b>	<b>\$ 2,217,161.01</b>	<b>\$ 1,503,604.00</b>	<b>\$ 4,826.41</b>	<b>\$ 45,188.00</b>	<b>\$ 38,108.56</b>	<b>\$ 10,079.00</b>	<b>\$ 604,647.43</b>	<b>\$ 4,423,614.41</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**ESSEX COUNTY VOCATIONAL SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Total Brought Forward E-1B1	Title IIA	Title IV	Cari D Perkins	ABE/ESL	CARES	Totals Carried Forward 2020
<b>REVENUE</b>							
Federal Sources	\$	\$ 103,802.68	\$ 88,924.00	\$ 875,744.57	\$ 118,928.00	\$ 876,099.72	\$ 1,863,498.97
State Sources	230,467.28						230,467.28
Local Sources	123,194.76						123,194.76
<b>Total Revenue</b>	<b>\$ 353,662.04</b>	<b>\$ 103,802.68</b>	<b>\$ 88,924.00</b>	<b>\$ 875,744.57</b>	<b>\$ 118,928.00</b>	<b>\$ 876,099.72</b>	<b>\$ 2,217,161.01</b>
<b>EXPENDITURES</b>							
Instruction:							
Salaries of Teachers	\$	\$	\$	\$	\$ 85,106.00	\$ 4,158.00	\$ 89,264.00
Other Salaries for Instruction		65,834.93	2,201.70	9,450.00			77,486.63
Salaries - Other Salaries	6,174.00						6,174.00
Purchased Professional-Educational Services	37,973.45		16,191.45	63,544.00			117,708.90
General Supplies	91,648.98		70,362.85	413,831.88	12,368.00	297,938.61	886,150.33
Total Instruction	<u>135,796.43</u>	<u>65,834.93</u>	<u>88,756.00</u>	<u>486,825.88</u>	<u>97,474.00</u>	<u>302,096.61</u>	<u>1,176,783.86</u>
Salaries-Support	26,655.75	10,262.41		13,634.22	13,881.00		64,433.38
Other Salaries	7,017.08						7,017.08
Personal Services - Employee Benefits	1,527.00	5,823.00	168.00	1,766.00	7,573.00	318.09	17,175.09
Purchased Professional and Technical Services	2,000.00	14,115.00		11,264.00		21,600.00	48,979.00
Purchased Property-Support				7,235.00			7,235.00
Other Purchased Services_Support	2,995.95	7,787.34		60,164.87		1,250.00	72,177.96
Travel	504.61			777.63			1,282.24
Supplies and Materials	26,513.11						26,513.11
Other Object	36,000.00						36,000.00
Facilities Acquisition and Construction Services:							
Instructional Equipment	70,853.00			294,077.16			364,930.16
Noninstructional Equipment	43,799.11					350,835.02	394,634.13
Total Facilities Acquisition and Construction Services	<u>114,652.11</u>			<u>294,077.16</u>		<u>350,835.02</u>	<u>759,564.29</u>
<b>Total Expenditures</b>	<b>\$ 353,662.04</b>	<b>\$ 103,802.68</b>	<b>\$ 88,924.00</b>	<b>\$ 875,744.57</b>	<b>\$ 118,928.00</b>	<b>\$ 876,099.72</b>	<b>\$ 2,217,161.01</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)</b>							
	\$	\$	\$	\$	\$	\$	\$

**ESSEX COUNTY VOCATIONAL SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Total Brought Forward E-1C1	Apprenticeship	WSCC	Carl D Perkins State	Non-Instructional	CTE- CEEP	Carl D Perkins Post Secondary	Totals Carried Forward 2020
<b>REVENUE</b>								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Local Sources	123,194.76			82,815.73	42,577.98	850.00	82,483.70	230,487.28
<b>Total Revenue</b>	<u>\$ 123,194.76</u>	<u>\$ 20,880.12</u>	<u>\$ 879.75</u>	<u>\$ 82,815.73</u>	<u>\$ 42,577.98</u>	<u>\$ 850.00</u>	<u>\$ 82,483.70</u>	<u>\$ 353,682.04</u>
<b>EXPENDITURES</b>								
Instruction:								
Salaries - Other Salaries	6,174.00							6,174.00
Purchased Professional-Educational Services	18,556.45			15,317.00			3,100.00	37,873.45
General Supplies	19,785.50			45,250.73		850.00	25,762.75	91,648.98
<b>Total Instruction</b>	<u>45,515.95</u>			<u>60,567.73</u>		<u>850.00</u>	<u>28,862.75</u>	<u>135,796.43</u>
Salaries-Support	13,776.00	12,000.00	879.75					26,655.75
Other Salaries		7,017.08						7,017.08
Personal Services - Employee Benefits	1,527.00							1,527.00
Purchased Professional and Technical Services							2,000.00	2,000.00
Other Purchased Services _Support							2,995.85	2,995.85
Travel		504.61						504.61
Supplies and Materials	25,154.68	1,358.43						26,513.11
Other Object	36,000.00							36,000.00
Facilities Acquisition and Construction Services:								
Instructional Equipment				22,248.00			48,605.00	70,853.00
Noninstructional Equipment	1,221.13				42,577.98			43,799.11
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,221.13</u>			<u>22,248.00</u>	<u>42,577.98</u>		<u>48,605.00</u>	<u>114,652.11</u>
<b>Total Expenditures</b>	<u>\$ 123,194.76</u>	<u>\$ 20,880.12</u>	<u>\$ 879.75</u>	<u>\$ 82,815.73</u>	<u>\$ 42,577.98</u>	<u>\$ 850.00</u>	<u>\$ 82,483.70</u>	<u>\$ 353,682.04</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>								
<b>Over/(Under) Expenditures and Other Financing (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

ESSEX COUNTY VOCATIONAL SCHOOL  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward E-1C2	AT&T PIONEER	VICTORIA FOUNDATION	PRES INNOC ENVI	ECC CULI	EG STAYING CONN	SAFETY GRANT	Totals Carried Forward 2020
<b>REVENUE</b>								
Local Sources	\$ 41,162.10	\$ 1,502.36	\$ 44,870.78	\$ 115.71	\$ 6,800.00	\$ 2,368.00	\$ 26,375.81	\$ 123,194.76
<b>Total Revenue</b>	<b>\$ 41,162.10</b>	<b>\$ 1,502.36</b>	<b>\$ 44,870.78</b>	<b>\$ 115.71</b>	<b>\$ 6,800.00</b>	<b>\$ 2,368.00</b>	<b>\$ 26,375.81</b>	<b>\$ 123,194.76</b>
<b>EXPENDITURES</b>								
Instruction:								
Salaries - Other Salaries	128.00				4,704.00	1,344.00		6,174.00
Purchased Professional-Educational Services			19,556.45					19,556.45
General Supplies	5,028.10	1,502.36	10,484.33	115.71	1,736.00	921.00		19,765.50
<b>Total Instruction</b>	<b>5,152.10</b>	<b>1,502.36</b>	<b>30,040.78</b>	<b>115.71</b>	<b>6,440.00</b>	<b>2,265.00</b>		<b>45,515.95</b>
Salaries-Support			13,776.00					13,776.00
Personal Services - Employee Benefits	10.00		1,054.00			103.00		1,527.00
Supplies and Materials					360.00		25,154.68	25,154.68
Other Object	36,000.00							36,000.00
Facilities Acquisition and Construction Services:								
Noninstructional Equipment							1,221.13	1,221.13
<b>Total Facilities Acquisition and Construction Services</b>							<b>1,221.13</b>	<b>1,221.13</b>
<b>Total Expenditures</b>	<b>\$ 41,162.10</b>	<b>\$ 1,502.36</b>	<b>\$ 44,870.78</b>	<b>\$ 115.71</b>	<b>\$ 6,800.00</b>	<b>\$ 2,368.00</b>	<b>\$ 26,375.81</b>	<b>\$ 123,194.76</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>								
	\$	\$	\$	\$	\$	\$	\$	\$

**ESSEX COUNTY VOCATIONAL SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>WEST SIDE HIGH SCHOOL</u>	<u>ADULT SCHOOL</u>	<u>PORT AUTHORITY</u>	<u>Totals Carried Forward 2020</u>
<b><u>REVENUE</u></b>				
Local Sources	\$ 1,440.00	\$ 220.00	\$ 39,502.10	\$ 41,162.10
<b>Total Revenue</b>	<b><u>\$ 1,440.00</u></b>	<b><u>\$ 220.00</u></b>	<b><u>\$ 39,502.10</u></b>	<b><u>\$ 41,162.10</u></b>
<b><u>EXPENDITURES</u></b>				
Instruction:				
Salaries - Other Salaries			126.00	126.00
General Supplies	1,440.00	220.00	3,366.10	5,026.10
<b>Total Instruction</b>	<b><u>1,440.00</u></b>	<b><u>220.00</u></b>	<b><u>3,492.10</u></b>	<b><u>5,152.10</u></b>
Personal Services - Employee Benefits			10.00	10.00
Other Object			36,000.00	36,000.00
<b>Total Expenditures</b>	<b><u>\$ 1,440.00</u></b>	<b><u>\$ 220.00</u></b>	<b><u>\$ 39,502.10</u></b>	<b><u>\$ 41,162.10</u></b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>



**F. CAPITAL PROJECTS FUND**

ESSEX COUNTY VOCATIONAL SCHOOL  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Project Title/Issue</u>	<u>Balance Unexpended June 30, 2019</u>	<u>Revenue</u>	<u>Expended Current Year</u>	<u>Adjustments</u>	<u>Balance June 30, 2020</u>
Project D81701: Various Renovations	\$ 3,862,852.62		\$ 1,172,408.66		\$ 2,690,443.96
Acquisition and Construction of New School	1,836,204.75		33,794.89		1,802,409.86
Site Development - Teal Center	159,652.91		123,800.00		35,852.91
Construction of New Essex County County Vocational School	569,136.03				569,136.03
Renovation West Caldwell Campus	30,418,096.06		28,048,551.74		2,369,544.32
Capital Equipment	425,000.00		34,464.43		390,535.57
Capital Reserve	2,408,027.72	6,068,911.86	2,439,082.61		6,037,856.97
	<u>\$ 39,678,970.09</u>	<u>\$ 6,068,911.86</u>	<u>\$ 31,852,102.33</u>		<u>\$ 13,895,779.62</u>

**ESSEX COUNTY VOCATIONAL SCHOOL  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Revenues and Other Financing Sources:**

Interest Income	\$ 66,441.86
Refunds	2,470.00
<b>Total Revenues</b>	<b>68,911.86</b>

**Expenditures and Other Financing Uses:**

Construction Services	31,852,102.33
<b>Total Expenditures and Other Financing Uses</b>	<b>31,852,102.33</b>

Excess (Deficiency) of Revenues Over/(Under) Expenditures (31,783,190.47)

**Other Financing Sources/(Uses):**

Transfer from Capital Reserve	6,000,000.00
<b>Net Change in Fund Balance</b>	<b>(25,783,190.47)</b>
Fund Balance, June 30 2019	39,678,970.09
Fund Balance, June 30 2020	<b>\$ 13,895,779.62</b>

**Reconciliation to Governmental Funds Statements (GAAP Basis)**

Fund Balance (Budgetary Basis)	\$ 13,895,779.62
Less: Encumbrances	(5,932,496.20)
<b>Fund Balance Per Governmental Funds (GAAP Basis)</b>	<b>\$ 19,828,275.82</b>

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 587,707.96	\$ 587,707.96
Accounts Receivable:		
State	18.48	18.48
Federal	1,915.20	1,915.20
Inventories:		
Supplies	17,838.77	17,838.77
Food	27,334.32	27,334.32
Total Current Assets	<u>634,814.73</u>	<u>634,814.73</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	1,369,252.58	1,369,252.58
Less Accumulated Depreciation	<u>(558,747.89)</u>	<u>(558,747.89)</u>
Total Noncurrent Assets	<u>810,504.69</u>	<u>810,504.69</u>
Total Assets	<u>\$1,445,319.42</u>	<u>\$1,445,319.42</u>
 <b><u>LIABILITIES</u></b>		
Current Liabilities:		
Interfunds Payable	<u>863,032.29</u>	<u>863,032.29</u>
Total Current Liabilities	<u>863,032.29</u>	<u>863,032.29</u>
Total Liabilities	<u>863,032.29</u>	<u>863,032.29</u>
 <b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	810,504.69	810,504.69
Unrestricted	<u>(228,217.56)</u>	<u>(228,217.56)</u>
Total Net Position	<u>\$ 582,287.13</u>	<u>\$ 582,287.13</u>

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Nonreimbursable Programs	\$ 278,709.37	\$ 278,709.37
Total Operating Revenues	<u>278,709.37</u>	<u>278,709.37</u>
Operating Expenses:		
Cost of sales- Program (reimbursable program) Meals	442,653.56	442,653.56
Cost of sales-Non-Program (non-reimbursable program) Meals	5,305.45	5,305.45
Salaries	375,258.64	375,258.64
Employee Benefits	49,943.13	49,943.13
FICA	48,304.43	48,304.43
Purchased Services (Including Fixed Price Contract)	84,000.00	84,000.00
Other Purchased Professional Services	1,061.53	1,061.53
Insurance	6,268.10	6,268.10
Depreciation Expense	83,281.54	83,281.54
Miscellaneous	67,807.22	67,807.22
Total Operating Expenses	<u>1,163,883.60</u>	<u>1,163,883.60</u>
Operating Income/(Loss)	<u>(885,174.23)</u>	<u>(885,174.23)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	11,106.37	11,106.37
Federal Sources:		
School Breakfast Program	230,197.16	230,197.16
National School Lunch Program	623,785.01	623,785.01
USDA Commodities	87,689.58	87,689.58
Food Distribution Program	(72,058.59)	(72,058.59)
Total Nonoperating Revenues (Expenses)	<u>880,719.53</u>	<u>880,719.53</u>
Income (Loss) before Contributions and Transfers	(4,454.70)	(4,454.70)
Change in Net Position	<u>(4,454.70)</u>	<u>(4,454.70)</u>
Total Net Position - Beginning	<u>586,741.83</u>	<u>586,741.83</u>
Total Net Position - Ending	<u>\$ 582,287.13</u>	<u>\$ 582,287.13</u>

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers and Other Funds	\$ 278,709.37	\$ 278,709.37
Payments to Employees' Benefits	(479,774.30)	(479,774.30)
Payments to Suppliers	<u>(629,337.60)</u>	<u>(629,337.60)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(830,402.53)</u>	<u>(830,402.53)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
State Sources	12,124.30	12,124.30
Federal Sources	931,759.39	931,759.39
Other Sources	<u>(179,510.46)</u>	<u>(179,510.46)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>764,373.23</u>	<u>764,373.23</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(66,029.30)	(66,029.30)
Balances - Beginning of Year	<u>653,737.26</u>	<u>653,737.26</u>
Balances - End of Year	<u>\$ 587,707.96</u>	<u>\$ 587,707.96</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>		
Operating Income/(Loss)	\$ (885,174.23)	\$ (885,174.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	83,281.54	83,281.54
USDA Commodities	(8,395.27)	(8,395.27)
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	<u>(20,114.57)</u>	<u>(20,114.57)</u>
Total Adjustments	<u>54,771.70</u>	<u>54,771.70</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (830,402.53)</u>	<u>\$ (830,402.53)</u>



**INTERNAL SERVICE FUND**

## H. FIDUCIARY FUNDS

**ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
TRUST AND AGENCY FUNDS  
JUNE 30, 2020**

	Trust		Agency		
	Unemployment Compensation	Total Trust Fund	Payroll	Student Activity	Total Agency Fund
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 29,722.59	\$ 29,722.59	\$ 1,285.90	\$ 151,358.52	\$ 152,644.42
Total Assets	<u>\$ 29,722.59</u>	<u>\$ 29,722.59</u>	<u>\$ 1,285.90</u>	<u>\$ 151,358.52</u>	<u>\$ 152,644.42</u>
<b><u>LIABILITIES</u></b>					
Payable to Student Groups		\$		\$ 151,358.52	\$ 151,358.52
Payroll Deductions and Withholdings			<u>1,285.90</u>		<u>1,285.90</u>
Total Liabilities			<u>\$ 1,285.90</u>	<u>\$ 151,358.52</u>	<u>\$ 152,644.42</u>
<b><u>NET POSITION</u></b>					
Reserved	<u>29,722.59</u>	<u>29,722.59</u>			
Total Net Position	<u><u>\$ 29,722.59</u></u>	<u><u>\$ 29,722.59</u></u>			

ESSEX COUNTY VOCATIONAL SCHOOL  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
TRUST [FIDUCIARY] FUNDS  
JUNE 30, 2020

	Unemployment Compensation <u>Trust</u>	Total <u>Trust</u>
<b><u>ADDITIONS</u></b>		
Contributions:		
Plan member	\$ 126,328.90	\$ 126,328.90
Total Contributions	<u>126,328.90</u>	<u>126,328.90</u>
Total Additions	<u>126,328.90</u>	<u>126,328.90</u>
<b><u>DEDUCTIONS</u></b>		
Quarterly Contribution Reports	<u>104,912.67</u>	<u>104,912.67</u>
Total Deductions	<u>104,912.67</u>	<u>104,912.67</u>
Change in Net Position	21,416.23	21,416.23
Total Net Position - Beginning	<u>8,306.36</u>	<u>8,306.36</u>
Total Net Position - Ending	<u>\$ 29,722.59</u>	<u>\$ 29,722.59</u>

**ESSEX COUNTY VOCATIONAL SCHOOL  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>High School(s):</b>				
Newark Center	52,898.84	43,218.48	43,167.11	52,950.21
West Caldwell Center	32,207.19	30,360.95	19,270.59	43,297.55
Payne Tech Center	65,838.88	53,608.37	43,453.50	75,993.75
Unidentified	(20,882.99)			(20,882.99)
Total High School(s)	<u>130,061.92</u>	<u>127,187.80</u>	<u>105,891.20</u>	<u>151,358.52</u>
Total All Schools	<u>\$ 130,061.92</u>	<u>\$ 127,187.80</u>	<u>\$ 105,891.20</u>	<u>\$ 151,358.52</u>

ESSEX COUNTY VOCATIONAL SCHOOL  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,735.85	\$ 24,045,092.12	\$ 24,045,542.07	\$ 1,285.90
Total Assets	<u>\$ 1,735.85</u>	<u>\$ 24,045,092.12</u>	<u>\$ 24,045,542.07</u>	<u>\$ 1,285.90</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 1,735.85	\$ 9,862,841.67	\$ 9,863,291.62	\$ 1,285.90
Accrued Salaries and Wages		14,182,250.45	14,182,250.45	
Total Liabilities	<u>\$ 1,735.85</u>	<u>\$ 24,045,092.12</u>	<u>\$ 24,045,542.07</u>	<u>\$ 1,285.90</u>

## I. LONG-TERM DEBT

ESSEX COUNTY VOCATIONAL SCHOOL  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 YEAR ENDED JUNE 30, 2020

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2019	Issued	Retired	Balance June 30, 2020
			Principal	Interest					
Multiple Copiers Copier	3/24/2015	5 years	\$ 142,699.26	\$ 13,000.74	3.49%	\$ 23,023.00		\$ 23,023.00	\$
	9/17/2014	5 years	38,748.34	5,951.66	5.77%	2,331.06		2,331.06	
						<u>\$ 25,354.06</u>		<u>\$ 25,354.06</u>	



**STATISTICAL SECTION (UNAUDITED)**

## INTRODUCTION TO THE STATISTICAL SECTION

## FINANCIAL TRENDS

**ESSEX COUNTY VOCATIONAL SCHOOL  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
Unaudited**

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	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 30,925,303	\$ 25,931,080	\$ 25,931,080	\$ 29,853,886	\$ 68,585,564	\$ 102,618,285	\$ 162,092,991	\$ 195,820,793	\$ 195,294,707	\$ 223,658,828
Restricted	5,921,419	13,718,792	13,718,792	16,358,752	36,031,438	146,661,863	88,788,540	57,106,077	53,239,953	36,613,607
Unrestricted	(1,079,996)	(856,694)	(856,694)	(11,332,263)	(11,820,854)	(12,217,787)	(12,772,021)	(13,310,586)	(4,283,067)	(13,505,578)
<b>Total Governmental Activities Net Position</b>	<b>\$ 35,766,726</b>	<b>\$ 38,793,178</b>	<b>\$ 38,793,178</b>	<b>\$ 34,880,175</b>	<b>\$ 92,796,148</b>	<b>\$ 237,062,361</b>	<b>\$ 238,109,510</b>	<b>\$ 239,616,284</b>	<b>\$ 244,251,593</b>	<b>\$ 246,766,857</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 145,680	\$ 120,256	\$ 120,256	\$ 69,560	\$ 59,355	\$ 49,948	\$ 49,948	\$	\$ 30,754	\$ 810,505
Unrestricted	(144,443)	(144,111)	(144,111)	15,717	41,089	268,104	389,934	573,582	555,988	(228,218)
<b>Total Business-Type Activities Net Position</b>	<b>\$ 1,237</b>	<b>\$ (23,855)</b>	<b>\$ (23,855)</b>	<b>\$ 85,277</b>	<b>\$ 100,444</b>	<b>\$ 318,052</b>	<b>\$ 439,882</b>	<b>\$ 573,582</b>	<b>\$ 586,742</b>	<b>\$ 582,287</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 31,070,983	\$ 26,051,336	\$ 26,051,336	\$ 29,923,246	\$ 68,644,919	\$ 102,666,233	\$ 162,142,939	\$ 195,820,793	\$ 195,325,461	\$ 224,469,333
Restricted	5,921,419	13,718,792	13,718,792	16,358,752	36,031,438	146,661,863	88,788,540	57,106,077	53,239,953	36,613,607
Unrestricted	(1,224,439)	(1,000,805)	(1,000,805)	(11,316,546)	(11,779,765)	(11,949,683)	(12,382,087)	(12,737,004)	(3,727,079)	(13,733,796)
<b>Total District-Wide Net Position</b>	<b>\$ 35,767,963</b>	<b>\$ 38,769,323</b>	<b>\$ 38,769,323</b>	<b>\$ 34,965,452</b>	<b>\$ 92,896,592</b>	<b>\$ 237,380,413</b>	<b>\$ 238,549,392</b>	<b>\$ 240,189,866</b>	<b>\$ 244,838,335</b>	<b>\$ 247,349,144</b>

Source: CAFR Exhibit A-1

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ESSEX COUNTY VOCATIONAL SCHOOL  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction:										
Regular	\$ 13,012,495	\$ 13,553,047	\$ 13,623,251	\$ 13,957,179	\$ 13,451,525	\$ 12,799,567	\$ 13,713,289	\$ 14,755,510	\$ 16,723,305	\$ 15,476,781
Special Education										2,800,419
Other Special Instruction	3,196,317	3,341,485	3,295,093	2,877,889	2,681,324	2,618,937	2,675,972	3,015,816	8,282,035	8,160,805
Vocational	6,931,557	7,216,630	7,066,814	7,060,389	7,377,114	7,499,237	7,531,171	8,764,700	6,111,587	886,685
Other Instruction	947,236	1,161,500	1,291,374	1,756,917	2,164,361	1,873,745	1,705,799	2,420,410	721,462	1,923,457
Support Services:										
Student and Instruction Related Services	4,936,190	5,137,053	5,142,427	5,224,742	5,786,739	6,084,372	6,439,208	6,926,244	7,652,876	6,455,545
General Administrative Services	1,518,744	1,790,304	2,762,267	1,976,943	2,208,810	1,982,522	1,879,219	2,232,922	2,475,141	2,466,371
School Administrative Services	1,920,765	1,865,312	2,176,351	2,139,367	2,146,850	2,292,625	2,650,670	3,105,243	3,460,202	2,142,192
Central Services	841,020	909,798	846,909	849,941	990,483	1,060,492	1,109,820	1,220,522	1,290,635	1,235,982
Administration of Information Technology	1,179,334	1,349,452	1,415,988	1,434,876	1,314,877	1,393,585	1,198,508	1,628,708	1,813,241	1,491,730
Plant Operations and Maintenance	6,417,256	6,704,331	6,334,522	4,708,871	4,732,886	4,768,993	4,699,959	4,579,853	5,544,322	4,589,065
Care and Upkeep of Grounds										273,200
Security				1,315,077	1,281,293	1,426,939	1,454,394	1,382,196	2,222,493	1,770,545
Pupil Transportation	401,056	505,051	608,768	494,323	400,650	535,429	567,433	809,933	804,059	521,432
Food Service	58,699									
Special Schools	877,846	880,342	435,055	375,229	485,322	352,811	505,171	398,737	551,437	267,367
Unallocated Depreciation						1,083,694	1,095,278	1,157,295	3,933,017	3,933,017
<b>Total Governmental Activities</b>	<b>42,238,515</b>	<b>44,414,304</b>	<b>44,998,621</b>	<b>44,171,743</b>	<b>45,022,233</b>	<b>45,772,960</b>	<b>47,225,691</b>	<b>52,397,689</b>	<b>61,585,621</b>	<b>54,414,593</b>
<b>Business-Type Activities:</b>										
Food Service	1,251,662	1,298,168	1,380,707	1,406,973	1,333,878	1,299,180	1,420,209	1,462,205	1,542,914	
<b>Total Business-Type Activities</b>	<b>1,251,662</b>	<b>1,298,168</b>	<b>1,380,707</b>	<b>1,406,973</b>	<b>1,333,878</b>	<b>1,299,180</b>	<b>1,420,209</b>	<b>1,462,205</b>	<b>1,542,914</b>	
<b>Total District Expenses</b>	<b>\$ 43,490,177</b>	<b>\$ 45,712,472</b>	<b>\$ 46,379,328</b>	<b>\$ 45,578,716</b>	<b>\$ 46,356,111</b>	<b>\$ 47,072,140</b>	<b>\$ 48,646,101</b>	<b>\$ 53,860,093</b>	<b>\$ 63,128,736</b>	<b>\$ 54,414,593</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition):										
Regular	13,056,242	13,266,017								
Support Service:										
Operating Grants and Contributions	25,759,826	27,897,869	7,611,614	6,605,741	7,040,226	7,336,886	8,941,280	12,723,418	12,106,188	11,599,187
<b>Total Governmental Activities Program Revenues</b>	<b>38,816,068</b>	<b>41,163,886</b>	<b>7,611,614</b>	<b>6,605,741</b>	<b>7,040,226</b>	<b>7,336,886</b>	<b>8,941,280</b>	<b>12,723,418</b>	<b>12,106,188</b>	<b>11,599,187</b>
Business-Type Activities:										
Charges for Services:										
Food Service	233,615	266,950	210,882	219,162	231,431	264,438	280,215	369,987	407,621	278,709
Operating Grants and Contributions	1,034,901	1,033,778	1,012,193	1,067,968	1,117,615	1,252,350	1,261,824	1,245,918	1,149,025	
<b>Total Business-Type Activities Program Revenues</b>	<b>1,268,516</b>	<b>1,300,728</b>	<b>1,223,075</b>	<b>1,287,130</b>	<b>1,349,046</b>	<b>1,516,788</b>	<b>1,542,039</b>	<b>1,615,904</b>	<b>1,556,646</b>	<b>278,709</b>
<b>TOTAL DISTRICT PROGRAM REVENUES</b>	<b>\$ 40,084,584</b>	<b>\$ 42,464,614</b>	<b>\$ 8,834,689</b>	<b>\$ 7,892,871</b>	<b>\$ 8,389,271</b>	<b>\$ 8,853,675</b>	<b>\$ 10,483,319</b>	<b>\$ 14,339,323</b>	<b>\$ 13,662,834</b>	<b>\$ 11,877,896</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (3,422,448)	\$ (3,250,418)	\$ (37,387,206)	\$ (37,586,002)	\$ (37,982,007)	\$ (36,436,074)	\$ (36,284,612)	\$ (39,674,471)	\$ (49,479,633)	\$ (42,815,406)
Business-Type Activities	16,854	2,561	(157,632)	(119,643)	15,168	217,608	121,630	133,700	13,732	278,709
<b>Total District-Wide Net Expense</b>	<b>\$ (3,405,594)</b>	<b>\$ (3,247,858)</b>	<b>\$ (37,544,838)</b>	<b>\$ (37,685,845)</b>	<b>\$ (37,966,839)</b>	<b>\$ (36,218,466)</b>	<b>\$ (36,162,782)</b>	<b>\$ (39,540,771)</b>	<b>\$ (49,465,902)</b>	<b>\$ (42,536,697)</b>

ESSEX COUNTY VOCATIONAL SCHOOL  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net Taxes Levied for Debt Service	\$ 4,450,000	\$ 6,750,000	\$ 5,250,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 5,450,000	\$ 5,450,000
Grants and Contributions			27,897,869	20,764,682	20,545,050	20,903,906	20,179,987	21,486,156	25,579,865	23,161,264
Payments in Lieu of Taxes - State Aid Restricted										
Tuition Received			13,266,017	13,625,524	13,952,003	13,870,912	13,560,954	14,255,583	14,859,928	15,105,202
Investment Earnings										66,442
Miscellaneous Income	579,180	651,224	1,076,870	140,833	56,665,650	143,477,467	1,140,820	989,504	7,824,530	1,085,940
Transfers	(260,425)		(50,000)	(100,000)					800,621	
<b>Total Governmental Activities</b>	<b>4,768,755</b>	<b>7,401,224</b>	<b>47,440,756</b>	<b>38,880,840</b>	<b>95,612,703</b>	<b>182,702,286</b>	<b>39,331,762</b>	<b>41,181,244</b>	<b>54,114,944</b>	<b>44,868,848</b>
Business-Type Activities:										
Investment Earnings									(572)	
Transfers			50,000	100,000						
<b>Total Business-Type Activities</b>			<b>50,000</b>	<b>100,000</b>					<b>(572)</b>	
<b>Total District-Wide</b>	<b>\$ 4,768,755</b>	<b>\$ 7,401,224</b>	<b>\$ 47,490,756</b>	<b>\$ 38,980,840</b>	<b>\$ 95,612,703</b>	<b>\$ 182,702,286</b>	<b>\$ 39,331,762</b>	<b>\$ 41,181,244</b>	<b>\$ 54,114,372</b>	<b>\$ 44,868,848</b>
<b>Change in Net Position:</b>										
Governmental Activities	1,346,308	4,150,805	10,053,550	1,314,838	57,830,696	144,266,212	1,047,150	1,506,773	4,635,310	2,053,442
Business-Type Activities	16,854	2,561	(107,632)	(19,843)	15,168	217,608	121,830	133,700	13,160	278,709
<b>Total District</b>	<b>\$ 1,363,162</b>	<b>\$ 4,153,366</b>	<b>\$ 9,945,918</b>	<b>\$ 1,294,995</b>	<b>\$ 57,845,864</b>	<b>\$ 144,483,820</b>	<b>\$ 1,168,980</b>	<b>\$ 1,640,473</b>	<b>\$ 4,648,470</b>	<b>\$ 2,332,151</b>

Source: CAFR Schedule A-1

**ESSEX COUNTY VOCATIONAL SCHOOL  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Reserved	\$ 2,463,728	\$ 3,465,039	\$ 3,037,666	\$ 4,035,575	\$ 7,149,835	\$ 9,549,501	\$ 11,616,376	\$ 14,332,411	\$ 22,535,128	\$ 22,717,827
Unreserved	<u>(298,605)</u>	<u>(226,397)</u>	<u>193,559</u>	<u>214,388</u>	<u>101,934</u>	<u>159,067</u>	<u>181,394</u>	<u>180,722</u>	<u>262,027</u>	<u>37,517</u>
Total General Fund	<u>\$ 2,165,123</u>	<u>\$ 3,238,642</u>	<u>\$ 3,231,225</u>	<u>\$ 4,249,964</u>	<u>\$ 7,251,769</u>	<u>\$ 9,708,568</u>	<u>\$ 11,997,770</u>	<u>\$ 14,513,133</u>	<u>\$ 22,797,155</u>	<u>\$ 22,755,344</u>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 597,076	\$ 690,137	\$ 846,215	\$ 673,815	\$ 11,342,630	\$ 82,541,228	\$ 48,878,861	\$ 41,240,119	\$ 6,974,145	\$ 13,895,780
Unreserved, Reported In: Capital Projects Fund	<u>2,860,615</u>	<u>8,563,616</u>	<u>10,436,158</u>	<u>11,649,362</u>	<u>17,538,974</u>	<u>54,571,133</u>	<u>28,093,303</u>	<u>1,533,547</u>	<u>30,704,825</u>	<u>                    </u>
Total All Other Governmental Funds	<u>\$ 3,457,691</u>	<u>\$ 10,253,753</u>	<u>\$ 11,282,373</u>	<u>\$ 12,323,177</u>	<u>\$ 28,881,604</u>	<u>\$ 137,112,361</u>	<u>\$ 76,972,164</u>	<u>\$ 42,773,666</u>	<u>\$ 39,678,970</u>	<u>\$ 13,895,780</u>

Source: CAFR Schedule B-1

**ESSEX COUNTY VOCATIONAL SCHOOL  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Tax Levy	\$ 6,750,000	\$ 5,250,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	\$ 5,450,000	\$ 5,450,000
Tuition Charges	13,056,242	13,266,017	13,625,524	13,835,915	13,952,003	13,870,912	13,560,954	14,255,583	14,659,928	15,105,202
Interest Earnings										66,442
Restricted Miscellaneous Revenues	210,126	254,326	25,022	89,687	736,392	464,915	29,341	909,452	7,546,261	1,083,470
Unrestricted Miscellaneous Revenues	441,098	822,545	115,611	3,449,982	56,102,448	143,012,553	1,112,479	80,052		2,470
Refunds		4,949,970								
State Sources	21,526,627	22,952,157	24,240,090	23,910,103	24,430,874	25,177,259	25,794,263	26,713,209	28,355,057	29,525,441
Federal Sources	4,183,940	4,900,302	4,096,301	3,438,885	3,154,602	3,052,030	3,311,602	3,103,064	3,337,812	3,753,572
Private Sources	49,259	45,409	39,906	3,930	26,810	11,504	15,402	25,660	78,270	123,195
<b>Total Revenues</b>	<b>46,217,292</b>	<b>52,440,726</b>	<b>46,592,454</b>	<b>49,178,482</b>	<b>102,852,929</b>	<b>190,039,173</b>	<b>48,273,041</b>	<b>49,537,020</b>	<b>59,427,328</b>	<b>55,109,792</b>
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	9,309,158	9,680,706	9,721,640	9,626,455	9,171,456	9,478,857	9,716,966	9,453,191	9,935,941	10,224,073
Special Education Instruction										1,724,410
Other Special Instruction	2,335,652	2,362,597	2,338,856	1,849,829	1,717,840	1,654,762	1,673,348	1,819,473	1,631,373	546,068
Vocational Education	4,983,696	5,041,880	4,906,834	4,871,366	5,179,471	5,324,307	5,307,780	5,253,925	5,329,535	5,151,543
Other Instruction	771,813	938,194	1,073,639	1,556,858	1,751,154	1,396,817	1,260,247	1,583,579	1,858,179	1,327,884
Support Services:										
Student and Instruction Related Services	4,193,642	4,327,766	4,343,023	4,375,116	4,265,358	4,395,661	4,596,818	4,351,258	4,558,721	4,271,359
General Administration	1,237,482	1,304,727	2,296,529	1,838,598	2,208,806	1,754,780	1,680,555	1,830,999	1,981,425	2,106,536
School Administrative Services	1,446,416	1,506,694	1,612,526	1,542,460	1,594,547	1,695,114	1,852,350	1,875,229	2,061,735	1,820,327
Central Services	685,268	734,883	704,114	692,453	741,958	793,367	766,981	787,093	740,239	787,179
Administration of Information Technology	980,928	1,090,011	1,177,242	1,313,644	1,128,543	1,221,069	1,198,508	1,333,617	1,414,827	1,209,086
Plant Operations and Maintenance	5,228,817	5,415,380	5,266,475	4,520,450	4,466,916	4,526,021	4,409,262	4,318,901	5,199,733	4,589,065
Care and Upkeep of Grounds										273,200
Security				1,049,738	932,204	1,050,525	975,313	1,081,303	1,840,070	1,476,408
Pupil Transportation	326,782	407,952	506,124	445,245	344,078	476,189	474,431	714,150	679,028	521,432
Other Support Services	47,828									
Employee Benefits	9,520,530	10,026,316	9,857,197	8,802,730	9,540,404	10,261,950	11,483,770	11,823,535	12,955,903	12,783,539
Special Schools	646,031	632,358	326,876	292,078	336,855	239,769	346,547	245,626	317,772	287,367
Capital Outlay	6,369,358	1,051,680	1,542,176	4,242,019	39,913,008	35,082,407	60,491,159	34,848,277	4,534,140	32,297,138
<b>Total Expenditures</b>	<b>48,063,401</b>	<b>44,521,144</b>	<b>45,471,251</b>	<b>47,019,039</b>	<b>63,292,596</b>	<b>79,351,615</b>	<b>106,124,035</b>	<b>81,220,156</b>	<b>55,038,621</b>	<b>81,396,614</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(1,846,109)</b>	<b>7,919,582</b>	<b>1,121,203</b>	<b>2,159,443</b>	<b>19,560,331</b>	<b>110,687,558</b>	<b>(57,850,994)</b>	<b>(31,683,136)</b>	<b>4,388,707</b>	<b>(26,286,822)</b>
<b>Other Financing Sources (Uses):</b>										
Transfers In									863,032	6,000,000
Transfers Out		(50,000)	(50,000)	(100,000)						(6,000,000)
Cancellation of Prior Year Accounts Payable									13,743	575,183
Cancellation of Prior Year Accounts Receivable									(78,154)	(113,364)
<b>Total Other Financing Sources (Uses)</b>		<b>(50,000)</b>	<b>(50,000)</b>	<b>(100,000)</b>					<b>800,621</b>	<b>461,819</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,846,109)</b>	<b>\$ 7,869,582</b>	<b>\$ 1,071,203</b>	<b>\$ 2,059,443</b>	<b>\$ 19,560,331</b>	<b>\$ 110,687,558</b>	<b>\$ (57,850,994)</b>	<b>\$ (31,683,136)</b>	<b>\$ 5,189,328</b>	<b>\$ (25,825,003)</b>
Debt service as a percentage of noncapital expenditures										

Source: District records, CAFR Schedule B-2.

Note: Noncapital expenditures are total expenditures less capital outlay.



**ESSEX COUNTY VOCATIONAL SCHOOL  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CNA Nurse Program	\$ 7,120	\$ 4,000	\$ 1,000	\$	\$	\$	\$	\$	\$	\$
E-Rate Reimbursement	210,126	254,326	25,022		586,921		1,018,172	552,945	1,189,448	
Game Gate Receipts						376,103				
Interest Earned on Deposits/Investments	2,342	417	638	582	658	2,519	3,271	16,066	26,045	
LPN Program	99,782	72,335								
LPN Fees	47,605	23,895								
Miscellaneous	224,108	662,366	49,036	50,880	148,813	46,680	76,365	301,841	165,074	
Sale of Capital Assets			633						6,016,747	
Tuition - Other	60,140	59,531	54,800	38,225	41,230	39,612	13,414	36,600	47,905	
Vending Machine Commission			6,801				1,257			
<b>Annual Totals</b>	<b>\$ 651,224</b>	<b>\$ 1,076,870</b>	<b>\$ 137,930</b>	<b>\$ 89,687</b>	<b>\$ 777,623</b>	<b>\$ 464,915</b>	<b>\$ 1,112,479</b>	<b>\$ 909,452</b>	<b>\$ 7,445,219</b>	

Source: District Records

## REVENUE CAPACITY

**ESSEX COUNTY VOCATIONAL SCHOOL**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

Fiscal Year Ended June 30,	<u>Land</u>	<u>Improvements</u>	Less Exemptions and <u>Abatements</u>	<u>Equipment</u> <sup>a</sup>	Net Taxable <u>Value</u>
2010	\$ 34,713,649,311	\$ 40,705,221,276	\$ 329,615,000	\$ 167,175,713	\$ 75,256,431,300
2011	37,244,924,473	43,480,131,601	275,349,060	187,636,633	80,637,343,647
2012	34,947,798,552	42,441,259,698	213,441,100	185,759,001	77,361,376,151
2013	33,393,455,610	44,332,530,617	137,482,900	180,283,784	77,768,787,111
2014	31,944,670,234	43,639,761,624	109,187,006	157,288,323	75,632,530,175
2015	31,863,596,223	43,462,768,766	88,338,900	162,417,409	75,400,443,498
2016	31,841,042,523	43,345,247,432	76,630,500	167,151,822	75,276,811,277
2017	34,136,313,773	44,094,262,292	68,037,100	172,100,677	78,334,639,642
2018	34,538,537,853	44,962,679,282	67,537,700	166,748,056	79,600,130,491
2019	35,354,581,479	48,726,275,792	69,280,500	174,502,589	84,186,079,360

**Source:** Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of tax. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

ESSEX COUNTY VOCATIONAL SCHOOL  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
*Unaudited*

(Rate per \$100 of Assessed Value)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tax</u> <u>Rate</u>	<u>Vocational</u> <u>School</u> <u>Share</u>
2010	\$ 3.940	N/A
2011	4.250	N/A
2012	4.510	N/A
2013	4.780	N/A
2014	5.080	N/A
2015	5.070	N/A
2016	5.070	N/A
2017	5.040	N/A
2018	4.890	N/A
2019	4.716	N/A

Source: County Records

**ESSEX COUNTY VOCATIONAL SCHOOL  
MUNICIPALITIES WITHIN ESSEX COUNTY  
VARIOUS ECONOMIC AND DEMOGRAPHIC DATA**  
*Unaudited*

MUNICIPALITIES	2019			
	Net Assessed Value	Tax Levy	Taxes County Portion	Estimated Population*
Belleville Township	\$ 3,162,166,188	\$ 116,212,275	\$ 13,412,652	36,497
Bloomfield Township	5,063,187,969	163,918,646	22,410,897	49,973
Caldwell Township	1,158,963,575	28,985,931	5,670,335	7,941
Cedar Grove Township	2,371,884,101	53,748,828	11,267,296	12,489
East Orange City	3,222,468,631	133,159,899	14,364,639	30,551
Essex Fells Borough	813,484,648	16,468,530	3,953,303	64,367
Fairfield Township	3,303,343,607	61,846,872	14,034,137	2,088
Glen Ridge Borough	1,860,100,398	54,274,275	8,373,032	7,474
Irvington Township	2,104,362,488	109,483,815	9,464,694	7,574
Livingston Township	8,478,900,998	195,224,559	39,592,228	54,312
Maplewood Township	4,345,414,871	128,475,798	19,553,681	30,303
Millburn Township	9,975,334,640	187,309,243	50,504,296	25,380
Montclair Township	7,923,346,758	225,090,353	35,836,156	20,080
Newark City	15,295,736,671	469,094,031	70,672,022	38,564
North Caldwell Borough	1,844,195,238	38,924,236	8,887,367	282,011
Nutley Township	3,995,080,858	119,353,829	17,673,664	6,621
City of Orange Township	1,427,745,442	72,370,311	7,625,892	28,434
Roseland Borough	1,778,382,868	38,114,257	8,323,824	5,835
South Orange Village Township	3,133,810,171	93,115,050	14,361,042	16,691
Verona Township	2,550,376,467	68,580,319	11,632,879	13,390
West Caldwell Township	2,528,368,130	59,595,314	12,183,132	10,837
West Orange Township	6,516,700,616	238,999,013	30,158,467	47,563
<b>Total</b>	<b>\$ 92,853,355,333</b>	<b>\$ 2,672,345,383</b>	<b>\$ 429,955,637</b>	<b>798,975</b>

Source: County Tax Assessor

\*Division of Local Government Services - Department of Community Affairs

**ESSEX COUNTY VOCATIONAL SCHOOL  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Fiscal Year Ended June 30,</u>	<u>Total Essex County Tax Levy</u>	<u>School Estimate Amount for the Fiscal Year</u>	<u>Percentage of Essex County Levy</u>
2011	\$ 383,327,900	\$ 4,450,000	1.1609%
2012	391,714,299	4,450,000	1.1360%
2013	398,569,300	4,450,000	1.1165%
2014	405,146,000	4,450,000	1.0984%
2015	415,244,919	4,450,000	1.0717%
2016	421,101,000	4,450,000	1.0568%
2017	420,196,912	4,450,000	1.0590%
2018	430,625,000	5,450,000	1.2656%
2019	432,775,000	5,450,000	1.2593%
2020	434,940,005	5,450,000	1.2530%

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

The County of Essex funds the Vocational School. The amount of each years' funding is set by the County Board of School Estimate. The amount set by the Board of School Estimate is then appropriated in the County of Essex yearly budget.

## DEBT CAPACITY

ESSEX COUNTY VOCATIONAL SCHOOL  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited*

Not applicable, the Vocational School does not issue any type of debt instruments.



ESSEX COUNTY VOCATIONAL SCHOOL  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*Unaudited*

Not applicable, the Vocational School does not issue any type of debt instruments.

ESSEX COUNTY VOCATIONAL SCHOOL  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2020  
*Unaudited*

Not applicable, the Vocational School does not issue any type of debt instruments.

**ESSEX COUNTY VOCATIONAL SCHOOL  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
*Unaudited***

Not applicable, the Vocational School does not issue any type of debt instruments.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

**ESSEX COUNTY VOCATIONAL SCHOOL  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2011	785,137	\$ 41,577,714,972	\$ 52,956	10.80%
2012	787,744	43,244,782,368	54,897	9.50%
2013	786,337	42,938,718,222	54,606	7.90%
2014	793,443	41,626,400,109	52,463	*
2015	795,039	46,365,879,441	58,319	6.70%
2016	796,914	47,838,747,420	60,030	6.00%
2017	808,285	49,214,048,795	60,887	5.70%
2018	799,767	53,951,482,053	67,459	5.20%
2019	798,975	N/A	N/A	4.05%
2020	*	*	*	*

**Source:**

<sup>a</sup> Population information provided by the NJ Department of Labor and Workplace Development.

<sup>b</sup> Personal Income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per Capita personal income by municipality source is U.S. Census Data.

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

\*Unavailable

**ESSEX COUNTY VOCATIONAL SCHOOL  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
Unaudited**

<u>Employer</u>	<u>2020</u>		<u>Percentage of Total Municipal Employment</u>	<u>Percentage of Total Municipal Employment</u>
	<u>Employees</u>	<u>Rank (Optional)</u>		
St Barnabas Health Care System	31,683	1	*	*
Rutgers University-Newark Campus	15,500	2	*	*
Verizon	15,000	3	*	*
New Jersey Transit	11,500	4	*	*
Public Service Electric & Gas	10,000	5	*	*
Prudential Insurance Company of America	9,500	6	*	*
Montclair State University	7,900	7	*	*
Newark Board Of Education	7,050	8	*	*
Gateway Group One	6,250	9	*	*
Automatic Data Processing	5,649	10	*	*
City of Newark	4,000	11	*	*
	<u>124,032</u>			

Source:

\*Not Available at Time of Audit.

## OPERATING INFORMATION

**ESSEX COUNTY VOCATIONAL SCHOOL  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
*Unaudited***

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Function/Program</u></b>										
Instruction:										
Regular	103	104	103	106	111	111	107	114		
Vocational	63	63	61	59	58	57	56	55		
Other Special Education	25	26	26	26	26	20	19	20		
Other Instructional	18	17	16	15	15	18	15	14		
Support Services:										
Student and Instructional Related Services	35	35	34	35	34	35	34	36		
General Administration	9	7	14	12	12	13	12	13		
School Administrative Service	17	19	18	19	20	18	18	19		
Other Administrative Services	15	15	14	15	14	17	18	19		
Plant Operations and Maintenance	23	23	24	23	22	24	24	24		
Pupil Transportation	4	4	4	4	4	4	4	4		
<b>Total</b>	<u>312</u>	<u>313</u>	<u>314</u>	<u>314</u>	<u>316</u>	<u>317</u>	<u>307</u>	<u>318</u>		

Source: District Personnel Records



**ESSEX COUNTY VOCATIONAL SCHOOL  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u> <sup>a</sup>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u> <sup>b</sup>	<u>Average Daily Enrollment (ADE)</u> <sup>c</sup>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	2,286	\$ 35,217,316	\$15,406	(10.24%)	184.0	2,022.9	7.04%	*
2012	2,306	36,169,594	15,685	1.81%	193.0	2,107.2	4.17%	*
2013	2,226	36,417,461	16,360	4.30%	190.0	2,146.9	1.88%	*
2014	2,241	36,271,279	16,185	(1.07%)	191.0	2,214.9	3.17%	*
2015	2,282	36,753,321	16,106	(0.49%)	195.0	2,218.0	0.14%	*
2016	2,338	37,001,011	15,826	(1.74%)	188.0	2,157.0	(2.75%)	*
2017	2,187	37,636,975	17,209	8.74%	182.0	2,128.4	(1.33%)	*
2018	2,323	38,137,694	16,417	(4.60%)	189.0	2,238.8	5.19%	*
2019	*	*	*	*	*	*	*	*
2020		49,099,475	*	*			*	*

Source: District Records

- Note:
- a Operating expenditures equal total expenditures less debt service and capital outlay.
  - b Teaching staff includes only full-time equivalents of certified staff.
  - c Average daily enrollment and average daily attendance are obtained from School Registry Summary (SRS).

\*Information was not provided by School District

ESSEX COUNTY VOCATIONAL SCHOOL  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
*Unaudited*

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Payne Tech Square Feet										320,000
Technical Careers Center Square Feet	163,069	163,069	163,069	166,622	166,622	166,622	166,622	166,622	163,069	
Capacity (Students)	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	
Enrollment	686	704	744	739	738	738	803	770		
West Caldwell Center Square Feet	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994	61,994
Capacity (Students)	405	405	405	405	405	405	405	405	405	405
Enrollment	248	261	318	319	344	344	355	356		

Total Enrollment - All Schools  
 Number of Schools at June 30, 2020:  
 Vocational = 3

Source: District Maintenance 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 annual October District count.

**ESSEX COUNTY VOCATIONAL SCHOOL  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*Unaudited***

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-291-XXX

<i>School Facilities*</i>	Project #	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total School Facilities
North 13th Street		\$ 282,922.00	\$ 188,369.00	\$ 356,518.24	\$ 278,171.57	\$ 337,695.58	\$ 378,094.00	\$ 259,811.00	\$ 143,225.02	\$	\$	\$ 2,220,665.31
Technical Center		595,151.00	480,873.00	591,345.58	472,509.00	422,382.28	538,840.00	433,802.00	168,880.18	266,895.71	190,759.00	3,812,226.75
Bloomfield Center		283,654.00	305,022.00	279,387.05	117,154.89	357,546.06	259,849.34	304,446.00	156,854.73			2,283,715.09
West Caldwell Center		291,354.00	208,413.00	228,928.14	293,684.11	307,097.94	200,856.35	258,391.00	138,837.65	223,043.16	200,476.00	2,352,393.65
Payson Tech									281,517.07	1,148,282.13	848,776.03	2,357,557.23
<b>Total</b>		<b>\$ 1,223,081.00</b>	<b>\$ 1,184,677.00</b>	<b>\$ 1,426,174.99</b>	<b>\$ 1,361,729.97</b>	<b>\$ 1,424,712.79</b>	<b>\$ 1,380,520.69</b>	<b>\$ 1,255,250.00</b>	<b>\$ 806,185.78</b>	<b>\$ 1,636,201.00</b>	<b>\$ 1,341,015.03</b>	<b>\$ 13,112,557.93</b>

\* School facilities as defined under EPCFA,  
(N.J.A.C. 8A:26-1.2 and N.J.A.C. 8A:26A-1.3)

Source: District Records

ESSEX COUNTY VOCATIONAL SCHOOL  
INSURANCE SCHEDULE  
JUNE 30, 2020  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -New Jersey School Board Insurance Group:		
Property -Blanket Building and Contents	500,000,000	5,000
Comprehensive General Liability	16,000,000	
Comprehensive Automobile Liability	16,000,000	
Extra Expense	50,000,000	5,000
Valuable Papers	5,000,000	5,000
Business Income/Tuition		5,000
Auto Physical Damage	Actual Cash Value	1,000
Errors and Omissions Coverage A	15,000,000	10,000
QBE Special Ins. Co - Coverage A	1 000 000 each policy period /3 000 000 annual agg.	
Errors and Omissions Coverage B	100,000	5,000
Environmental		
Computers and Scheduled Equipment:		
Data Processing Equipment	1,000,000	5,000
Boiler and Machinery:		
Property Damage	100,000,000	5,000
Crime and Bonds:		
Faithful Performance	250,000	1,000
Forgery and Alteration	50,000	500
Money and Securities	75,000	500
Money Orders/Counterfeit	100,000	1,000
Computer Fraud	100,000	1,000
Board Secretary	300,000	1,000
Treasurer	300,000	1,000
Monumental Life:		
Student Accident	5,000,000	
Disability for all Students	1,000,000	
NJ UEP :		
Excess Limit:		
Each Occurrence	24,000,000	
Aggregate	24,000,000	
Food:		
Flood Zones (SFHA)	25,000,000	500,000 500,000
All Other Flood Zones	75,000,000	10,000

ESSEX COUNTY VOCATIONAL SCHOOL  
INSURANCE SCHEDULE  
JUNE 30, 2020  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
Earthquake -Aggregates	50,000,000	
Terrorism	1,000,000	
Limited Builders Risk	10,000,000	

Source: District Records

**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR'S 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**

The Honorable President and Members  
of the Board of Education  
Essex County Vocational Schools District  
County of Essex  
Newark, New Jersey 07102

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Essex County Vocational Schools District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Essex County Vocational Schools District's basic financial statements, and have issued our report thereon dated January 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Essex County Vocational Schools 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 Essex County Vocational Schools 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

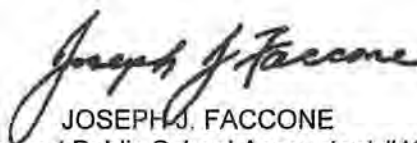
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 30, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY UNIFORM  
ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS  
FOR FEDERAL AWARDS (UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

The Honorable President and Members  
of the Board of Education  
Essex County Vocational Schools District  
County of Essex  
Newark, New Jersey 07102

**Report on Compliance for Each Major Program**

We have audited the Essex County Vocational Schools Board of Education's 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, 2020. The Essex County Vocational Schools District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Essex County Vocational Schools 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; and the *New Jersey State Aid/Grant Compliance Supplement*, and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (NJOMB 15-08). Those standards and the Uniform Guidance 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 Essex County Vocational Schools 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 Essex County Vocational Schools District's compliance.

### Opinion on Each Major Federal and State Program

In our opinion, the Essex County Vocational School 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, 2020.

### Report on Internal Control Over Compliance

Management of the Essex County Vocational Schools 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 Essex County Vocational Schools 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 Uniform Guidance and NJOMB's 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 Essex County Vocational Schools 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 their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and 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.

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

**Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements of the Board of Education of the Essex County Vocational Schools District as of and for the year ended June 30, 2020, and have issued our report thereon dated January 30, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

  
JOSEPH J. FACCONO  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 30, 2021

ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		
					From	To							Accounts Receivable	Deferred Inflows	Due to Grantor
U.S. Department of Education:															
General Fund:															
ARRA/SEMI	83.778	1605NJ5MAP	N/A	\$ 15,054.22	7/01/2014	6/30/2015	\$ 15,054.22	\$	\$	\$	\$	\$	\$	\$ 15,054.22	\$
Total General Fund							15,054.22							15,054.22	
U.S. Department of Education Pass-Through															
State Department of Education:															
Special Revenue Fund:															
Gencyber Program	12.903		H98230-15-1-0249	100,000.00	4/26/2016	4/25/2017	4,039.98								4,039.98
Title I	84.010		NCLB-1390-19	15,454,931.00	7/01/2018	6/30/2019	(40,755.60)		40,756.00		(0.40)				
Title I	84.011	S010A190030	NCLB-1390-20	1,503,604.00	7/1/2019	6/30/2020			1,399,694.00	1,503,604.00			(103,910.00)		
Title I	84.010		NCLB-1390-18	1,600,758.00	7/01/2017	6/30/2018									
Title I	84.010		NCLB-1390-17	1,591,966.00	7/01/2016	6/30/2017									
Title I	84.010	S010A150030	NCLB-1390-16	1,581,082.00	7/01/2015	6/30/2016									
Title I - School Rewards	84.010	S010A150030	NCLB-1390-15	100,000.00	7/01/2014	6/30/2015									
Title I	84.010	S010A150030	NCLB-1390-14	1,621,096.00	7/01/2013	6/30/2014	(383.56)						(363.56)		
Title I - Reallocated	84.010		NCLB-1390-19	72,288.00	7/01/2018	6/30/2019	(1,305.00)		1,305.00						
Title I - RA	84.011		NCLB-1390-20	12,820.00	7/1/2019	6/30/2020			12,820.00	4,826.41				7,993.59	
Title I - RA CY	84.012		NCLB-1390-21	45,188.00	7/1/2019	6/30/2020			45,188.00	45,188.00					
Title II-A	84.367A	S367A180029	NCLB-1390-19	100,889.00	7/01/2018	6/30/2019	(1,316.59)				(0.41)				
Title II A	84.367A	S367A180030	NCLB-1390-20	134,576.00	7/1/2019	6/30/2020							(735.68)		
Title II - A	84.367A	S367A170029	NCLB-1390-18	57,446.00	7/01/2017	6/30/2018	7,041.80		103,087.00	103,802.68		7,041.80			
Title II - A	84.367A	S367A160029	NCLB-1390-17	80,399.00	7/01/2016	6/30/2017									
Title II - D	84.281			4,525.00	8/01/2011	8/31/2012	22.00					22.00			
Title III	84.365	S365A180030	NCLB-1390-19	33,236.00	7/01/2018	6/30/2019	(109.00)				(2,526.00)				
Title III	84.367	S365A180032	NCLB-1390-21	38,105.56	7/1/2019	6/30/2020			38,108.56	38,108.56					
Title III	84.365	S365A160030	NCLB-1390-17	32,390.00	7/01/2016	6/30/2017									
Title III	84.365	S365A150030	NCLB-1390-16	30,848.00	7/01/2015	6/30/2016									
Title III	84.365	S365A150030	NCLB-1390-14	28,319.00	7/01/2013	6/30/2014	(218.00)						(218.00)		
Title III	84.365	S365A150030	NCLB-1390-13	34,471.00	9/01/2012	8/31/2013	(9,803.03)						(9,803.03)		
Title III - Immigrant	84.365	S365A180030	NCLB-1390-19	8,126.00	7/01/2018	6/30/2019			8,126.00		(8,126.00)				
Title III - Immigrant	84.366	S365A150031	NCLB-1390-17	10,079.00	7/1/2019	6/30/2020			10,079.00	10,079.00					
Title IV	84.184A		NCLB-1390-19	91,630.00	7/1/2018	6/30/2019	(11,297.00)								
Title IV	84.184A		NCLB-1390-21	88,924.00	7/1/2019	6/30/2020			88,924.00	88,924.00					
Adult Basic Education	84.002A		N/A	108,000.00	7/01/2018	6/30/2019	(60,664.00)								
Adult Basic Education	84.002A		N/A	122,000.00	7/1/2019	6/30/2020			62,085.00					1,421.00	
Adult Basic Education	84.002A		N/A	100,000.00	7/01/2017	6/30/2018	(10,362.41)		35,717.00	118,928.00			(83,211.00)		
Adult Basic Education	84.002A		N/A	100,000.00	7/01/2016	6/30/2017	6,344.17					8,344.17	(10,362.41)		
Adult Basic Education	84.002A		N/A	123,000.00	7/01/2015	6/30/2016									
Adult Basic Education	84.002A		N/A	196,600.00	7/01/2013	6/30/2014									
Adult Basic Education	84.002A		N/A	124,400.00	7/01/2011	6/30/2012									
I.D.E.A. Part B - Basic	84.027	H027A180100	IDEA-1390-19	762,020.00	7/01/2018	6/30/2019	(176,506.56)		176,506.56						
I.D.E.A. Part B - Basic	84.028	H027A180101	IDEA-1390-20	730,426.00	7/1/2019	6/30/2020			509,721.00	604,647.43			(94,926.43)		
I.D.E.A. Part B - Basic	84.027	H027A170100	IDEA-1390-18	714,032.00	7/01/2017	6/30/2018	2,689.52					2,689.52			
I.D.E.A. Part B - Basic	84.027	H027A160100	IDEA-1390-17	798,699.00	7/01/2016	6/30/2017									
I.D.E.A. Part B - Basic	84.027	H027A150100	IDEA-1390-16	562,941.00	7/01/2015	6/30/2016									
Carl D Perkins - Vocational Education	84.048A	V048A180030	N/A	934,531.00	7/01/2018	6/30/2019	(45,574.40)		48,641.60					1,067.20	
Carl D Perkins - Vocational Education	84.048A	V048A190030	N/A	889,468.00	7/1/2019	6/30/2020			673,418.00	875,744.57			(202,326.57)		
Carl D Perkins - Vocational Education	84.048A	V048A170030	N/A	882,478.00	7/01/2017	6/30/2018	15,797.87								
Carl D Perkins - Vocational Education	84.048A	V048A160030	N/A	788,924.00	7/01/2016	6/30/2017									
Carl D Perkins - Vocational Education	84.048A	V048A140030	N/A	661,267.00	7/01/2014	6/30/2015									
Carl D Perkins - Vocational Education	84.048A	V048A140030	N/A	560,000.00	7/01/2013	6/30/2014									
Carl D Perkins - Vocational Education	84.048A	V048A140030	N/A	539,880.00	7/01/2012	6/30/2013									
Carl D Perkins - Vocational Education	84.048A	V048A140030	N/A	378,989.00	7/01/2011	6/30/2012									
Carl D Perkins - Post Secondary	84.048A	V048A140030	N/A	86,818.00	7/01/2014	6/30/2015									
Part in the TOP Phase 3	84.415A		N/A	144,418.00	8/01/2011	11/30/2015									

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		
					From	To							Accounts Receivable	Deferred Inflows	Due to Grantor
Cares	84.413A		N/A	1,145,729.00	7/1/2019	6/30/2020			242,964.00	676,069.72			(433,135.72)		
Total Special Revenue Fund							(322,339.81)		3,510,369.72	4,069,952.37	(10,652.81)	31,895.36	(938,992.40)	2,488.20	12,033.57
U.S. Department of Agriculture Pass-Through State Department of Agriculture: Enterprise Fund:															
Food Distribution Program	10.550		N/A	60,530.64	7/1/2018	6/30/2019	2,207.78		89,092.14	73,461.15				17,838.77	
School Breakfast Program	10.553	201NJ304N1099	N/A	301,688.09	7/1/2018	6/30/2019	(21,947.09)		21,947.09						
School Breakfast Program	10.553	191NJ304N1099	N/A	230,197.16	7/1/2019	6/30/2020			229,457.86	230,197.16			(739.20)		
National Lunch PB Program	10.555	201NJ304N1099	N/A	16,650.18	7/1/2018	6/30/2019	(1,141.62)		1,141.62						
National Lunch PB Program	10.555	191NJ304N1099	N/A	14,308.35	7/1/2019	6/30/2020			14,284.83	14,308.35			(23.52)		
National Lunch Program	10.555	201NJ304N1099	N/A	815,587.39	7/1/2018	6/30/2019	(56,603.71)		56,603.71						
National Lunch Program	10.555	191NJ304N1099	N/A	606,476.66	7/1/2019	6/30/2020			608,324.18	609,476.66			(1,152.48)		
Total Enterprise Fund							(77,484.64)		931,759.39	927,443.32			(762.72)	17,838.77	
Total Federal Financial Awards							\$ (384,770.23)	\$ -	\$ 4,442,129.11	\$ 4,997,395.89	\$ (10,652.81)	\$ 31,895.36	\$ (939,755.12)	\$ 35,381.19	\$ 12,033.57

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
BUDGETARY BASIS-FOR CLIENT USE ONLY**

State/Division/Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2019				Balance June 30, 2020				Total			
			From	To	Deferred Revenue (Accounts Receivable)	Due to Recipient	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balances	Intergovernmental Accounts Receivable	Deferred Inflow/Inflow Payable	Due to Grants	Budgetary Assesses	Committed Bal. Encumbrance
<b>State Department of Education:</b>																
<b>General Fund:</b>																
Categorical Special Education Aid	20-495-034-5120-049	\$ 1,659,351.00	7/01/2019	6/30/2020	\$ -	\$ -	\$ -	\$ 1,659,351.00	\$ 1,659,351.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,935.10	\$ 1,656,251.00
Equalization Aid	20-495-034-5120-078	20,522,221.00	7/01/2019	6/30/2020	-	-	-	20,522,221.00	20,522,221.00	-	-	-	-	-	2,051,492.00	20,522,221.00
Security Aid	20-495-034-5120-054	1,032,999.00	7/01/2019	6/30/2020	-	-	-	1,032,999.00	1,032,999.00	-	-	-	-	-	103,299.90	1,032,999.00
On-Behalf TPAF Pension Contributions	20-495-034-5095-002	3,594,300.00	7/01/2019	6/30/2020	-	-	-	3,594,300.00	3,594,300.00	-	-	-	-	-	3,594,300.00	3,594,300.00
On-Behalf TPAF Post Retirement Medical Cont.	20-495-034-5095-001	1,333,448.00	7/01/2019	6/30/2020	-	-	-	1,333,448.00	1,333,448.00	-	-	-	-	-	1,333,448.00	1,333,448.00
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	3,080.00	7/01/2019	6/30/2020	-	-	-	3,080.00	3,080.00	-	-	-	-	-	3,080.00	3,080.00
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	1,255,233.82	7/01/2019	6/30/2020	-	-	-	1,182,977.27	1,255,233.82	-	-	(82,256.65)	-	82,256.65	1,255,233.82	1,255,233.82
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	1,271,827.80	7/01/2019	6/30/2019	(82,591.32)	-	-	82,591.32	-	-	-	(82,256.65)	-	-	-	-
<b>Total General Fund</b>					<b>(82,591.32)</b>			<b>29,401,048.59</b>	<b>29,400,713.82</b>			<b>(82,256.65)</b>			<b>2,382,935.65</b>	<b>29,400,713.82</b>
<b>Special Revenue Fund:</b>																
<b>New Jersey School Development Authority:</b>																
School Construction Grant	N/A	1,236,226.00	7/01/2010	6/30/2011	(314,235.26)	-	-	-	-	-	-	(314,235.26)	-	-	-	-
Green Program of Study	15-100-34-5082-032	114,000.00	11/01/2014	10/31/2015	-	-	-	-	-	-	-	-	-	-	-	-
Green Program of Study	14-100-34-5082-032	89,228.18	11/01/2013	10/31/2014	-	-	-	-	-	-	-	-	-	-	-	-
Green Program of Study	13-100-34-5082-032	-	-	10/31/2014	-	-	-	-	-	-	-	-	-	-	-	-
Green Program of Study	13-100-34-5082-032	-	-	10/31/2013	-	-	-	-	-	-	-	-	-	-	-	-
Green Program of Study	12-100-34-5082-032	114,000.00	11/01/2011	10/31/2012	-	-	-	-	-	-	-	-	-	-	-	-
Green Program of Study	11-100-34-5082-032	114,000.00	10/01/2010	9/30/2011	-	-	-	-	-	-	-	-	-	-	-	-
Apprenticeship	18-495-034-5064-033	20,000.00	7/01/2017	6/30/2018	(16,937.20)	-	-	-	-	-	-	(16,937.20)	-	-	-	-
Apprenticeship	17-495-034-5064-033	20,000.00	7/01/2016	6/30/2017	(8,894.60)	-	-	-	-	-	-	(8,894.60)	-	-	-	-
Apprenticeship	15-495-034-5064-033	49,000.00	7/01/2014	6/30/2016	(0.00)	-	-	-	-	-	-	(0.00)	-	-	-	-
Apprenticeship	20-495-034-5064-033	21,222.00	7/1/2019	6/30/2020	(0.00)	-	-	15,592.00	20,880.12	-	-	(5,288.12)	-	-	-	-
NJ LWD Pre-Apprentice Program	N/A	157,605.00	7/01/2017	6/30/2018	-	-	-	-	-	-	-	-	-	-	-	-
NJ LWD Pre-Apprentice Program	N/A	134,600.00	7/01/2016	6/30/2017	-	-	-	-	-	-	-	-	-	-	-	-
NJ LWD Pre-Apprentice Program	N/A	100,000.00	9/01/2015	6/30/2016	-	-	-	-	-	-	-	-	-	-	-	-
Vocational Aid	17-100-034-5082-032	78,863.00	7/01/2016	6/30/2017	0.33	-	-	-	-	-	-	(0.33)	-	-	-	-
Vocational Aid	16-100-034-5082-032	81,318.00	7/01/2015	6/30/2016	(0.17)	-	-	-	-	-	-	0.17	-	-	-	-
Post Secondary	N/A	82,884.23	7/01/2018	6/30/2019	(2,352.60)	-	1,738.18	514.44	87,129.00	-	-	-	-	-	-	-
Card Parks	N/A	83,267.00	7/1/2019	6/30/2020	-	-	-	80,806.00	82,483.70	-	-	-	-	(366.73)	-	-
Card Parks	N/A	82,920.00	7/1/2019	6/30/2020	-	-	-	-	-	-	-	-	-	(1,857.70)	-	-
Post Secondary	N/A	85,354.00	7/01/2017	6/30/2018	1,748.00	-	(1,748.00)	-	-	-	-	-	-	-	-	-
Post Secondary	N/A	81,318.00	7/01/2016	6/30/2017	(80.23)	-	9.84	-	-	-	-	-	-	-	-	-
Post Secondary	N/A	91,265.00	7/01/2015	6/30/2016	(0.11)	-	-	-	-	80.39	-	-	-	0.11	-	-
USDA School Breakfast	N/A	3,416.81	7/01/2014	6/30/2015	1,050.29	-	-	-	-	-	-	-	-	-	1,050.29	-
Agricultural Science Education (CASE)	N/A	107.09	7/01/2017	6/30/2018	16.37	-	-	-	-	-	-	-	18.37	-	-	-
Agricultural Science Education (CASE)	N/A	12,500.00	7/01/2014	6/30/2015	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural Science Education (CASE)	N/A	5,000.00	7/01/2012	6/30/2013	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural Science Education (CASE)	N/A	10,000.00	7/01/2011	6/30/2012	-	-	-	-	-	-	-	-	-	-	-	-
Sustainable Jersey Health & Wellness	N/A	4,000.00	7/01/2017	6/30/2018	264.63	-	-	-	-	-	-	-	-	264.63	-	-
Temporary Emergency Impact Aid for Displaced Students	N/A	28,500.00	7/01/2017	6/30/2018	-	-	-	-	-	-	-	-	-	-	-	-
CTE Code Educator	N/A	10,000.00	7/01/2017	6/30/2018	660.00	-	-	-	850.00	-	-	-	-	-	-	-
NJDOH WSCC School Health Project	N/A	6,000.00	7/01/2016	6/30/2019	-	-	-	-	-	-	-	-	-	-	-	-
WSCS	N/A	6,500.00	7/1/2019	6/30/2020	-	-	-	5,500.00	678.75	-	-	-	-	-	-	-
Adult Education	N/A	21,443.80	7/01/2016	6/30/2018	(6,416.17)	-	-	-	-	-	-	(6,416.17)	-	4,820.25	-	-
EdConnect	N/A	-	7/1/2016	6/30/2017	0.06	-	-	-	-	(0.06)	-	-	-	-	-	-
NON-INSTRUCT	N/A	154,000.00	7/1/2019	6/30/2020	-	-	-	-	45,577.68	-	-	(45,577.68)	-	-	-	-
<b>Total Special Revenue Fund</b>					<b>(345,008.74)</b>			<b>189,441.44</b>	<b>215,150.28</b>	<b>80.26</b>	<b>280.00</b>	<b>(396,676.78)</b>	<b>4,820.25</b>	<b>1,050.29</b>		
<b>U.S. Department of Agriculture Passed-Through</b>																
<b>State Department of Agriculture:</b>																
<b>Enterprise Fund:</b>																
National Lunch Program	20-100-010-3350-023	11,106.37	7/01/2019	6/30/2020	-	-	-	11,007.89	11,106.37	-	-	(18.48)	-	-	-	-
National Lunch Program	19-100-010-3350-023	15,069.59	7/1/2018	6/30/2019	(1,036.41)	-	-	1,036.41	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>					<b>(1,036.41)</b>			<b>12,124.30</b>	<b>11,106.37</b>			<b>(18.48)</b>				
<b>Total State Financial Assistance</b>					<b>\$ (408,729.47)</b>	<b>\$ -</b>	<b>\$ 0.00</b>	<b>\$ 29,582,614.33</b>	<b>\$ 29,620,870.57</b>	<b>\$ 80.26</b>	<b>\$ 280.00</b>	<b>\$ (458,653.69)</b>	<b>\$ 4,820.25</b>	<b>\$ 1,050.29</b>	<b>\$ 2,382,935.65</b>	<b>\$ 29,400,713.82</b>
<b>On Behalf TPAF contributions not subject to OMB 15-06</b>																
On-Behalf TPAF Pension Contributions	20-495-034-5095-002	-	-	-	-	-	-	-	3,594,300.00	-	-	-	-	-	-	-
On-Behalf TPAF (Post Retirement Medical) Contributions	20-495-034-5095-001	-	-	-	-	-	-	-	1,333,448.00	-	-	-	-	-	-	-
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	-	-	-	-	-	-	-	3,080.00	-	-	-	-	-	-	-
									<b>4,930,828.00</b>							
<b>Total - Major Program Determination for State Financial Assistance</b>									<b>\$ 24,660,061.57</b>							

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

JUNE 30, 2020

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 in or used in the preparation of basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

## ESSEX COUNTY VOCATIONAL SCHOOLS

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCEJUNE 30, 2020  
(Continued)**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(105,740) for the general fund. See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 52,433.07	\$ 29,294,973.92	\$ 29,347,406.99
Special Revenue Fund	3,701,139.32	230,467.28	3,931,606.60
Food Service Fund	<u>853,982.17</u>	<u>11,106.37</u>	<u>865,088.54</u>
Total Awards and Financial Assistance	<u>\$ 4,607,554.56</u>	<u>\$ 29,536,547.57</u>	<u>\$ 34,144,102.13</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no loans payable outstanding to federal or state entities at June 30, 2020.

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

The amount reported as TPAF Post-Retirement Medical Benefit Contributions and Teacher's Pension Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.



**ESSEX COUNTY VOCATIONAL SCHOOLS**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**

**JUNE 30, 2020  
(Continued)**

**7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-Behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**8. DE MINIMIS INDIRECT COST RATE**

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I - Summary of Auditor's Results**

**Financial Statements Section**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   √   No

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes   √   None Reported

Noncompliance material to general-purpose financial statements noted?

\_\_\_\_\_ Yes   √   No

**Federal Awards Section**

Internal control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   √   No

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes   √   None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?

\_\_\_\_\_ Yes   √   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A190030	Title I - Grant to Local Education Agencies Child Nutrition Cluster:
10.555	201NJ304N1099	National School Lunch Program
84.048A	V048A190030	Carl D. Perkins - Vocational Education

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

  √   Yes \_\_\_\_\_ No

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Section I - Summary of Auditor's Results  
(Continued)**

**State Awards Section**

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

Unmodified

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letters 15-08 and 04-04?

\_\_\_\_\_ Yes  No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-089	Categorical Special Education
20-495-034-5120-078	Equalization Aid
20-495-034-5094-003	TPAF Social Security
20-495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Section III:**

**a) Federal Award Findings and Questioned Costs:**

NONE

**b) State Award Findings and Questioned Costs:**

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2020**

**THERE WERE NO PRIOR YEAR AUDIT FINDINGS**

