

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL

Toms River, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
TOMS RIVER, NEW JERSEY**



YEAR ENDED JUNE 30, 2020

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
FRANK J. FRAZEE**

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INTRODUCTORY SECTION

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Board of Education

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Frank J. Frazee, CPA
Business Administrator/Board Secretary
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Board of Education

Nina Anuario.....President
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Charles Muller.....Member
Ronald L. Rosetto.....Member
Maureen C. Stankowitz.....Member

January 12, 2021

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean, New Jersey

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Ocean County Vocational-Technical School 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 Board of Education of the Ocean County Vocational-Technical School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district’s financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School 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 New Jersey OMB’s Circular 15-08 OMB,



“Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Ocean County Vocational-Technical School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels 9 through 12. There are also opportunities in these classes for adult learners. These include instruction for vocational education. The School District’s secondary/post-secondary student enrollment for the past ten fiscal years are detailed below. These figures do not include our adult evening division enrollment which averages approximately 2,500 students within three semesters.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	3,085	14.01%
2018-2019	2,706	0.56%
2017-2018	2,691	-3.10%
2016-2017	2,777	-1.03%
2015-2016	2,806	-3.34%
2014-2015	2,903	1.26%
2013-2014	2,867	10.40%
2012-2013	2,597	0.54%
2011-2012	2,583	3.73%
2010-2011	2,490	-1.97%

ECONOMIC CONDITION AND OUTLOOK

The Ocean County Vocational-Technical Schools are located in Ocean County, New Jersey, which is situated in the center of the state.

The population in Ocean County has been increasing over the past few years with people relocating from New York and Philadelphia. Senior citizens are also attracted to the area’s adult communities. Thus, in addition to the growing job market through business and industry, there is an even greater need for skilled individuals to work with health care service, construction related trades, service occupations and telecommunications.

It is the mission of the Ocean County Vocational Technical School to prepare students for job placement or further education leading to successful employment. Partnerships have been formed with business and colleges to improve education by keeping up with industry standards and advances in technology.



MAJOR INITIATIVES

The Ocean County Vocational Technical School developed a new program for high school and adult learners, Heavy Equipment Operator Program (HEOP). The concern for a present aging-out staff leading to future employee shortages led us to explore and develop this new learning opportunity for students in Ocean County. OCVTS is the second high school in the state of New Jersey to offer this learning opportunity to many high school and adult learners to advance along career pathways and achieve career aspirations. We are excited to announce that the program began with 31 students.

The Earle Companies committed \$100,000 for the start-up of the Heavy Equipment Operator Program. Simulators duplicating forklifts, dump trucks, bulldozers etc. will provide our students with real life replications of the over-all functions and realistic operating procedures of these highly used equipment in this field. Earle Companies is a major employment contributor to the construction industry in New Jersey.

The Precision Machine Technology program continues to gain a lot of support from industry, philanthropists, and state affiliated organizations. During school year 2019-20 the district collaborated with New Jersey Economic Development Authority to educate guidance counselors from sending high schools and potential students about the opportunities available in the local manufacturing industry. The collaboration included a series of field trips to local manufacturing facilities where the participants learned about the career pathways available in the industry, potential earnings, and benefits associated with the career. The program continues to be the proud recipient of a Lutz Family Foundation donation. This year the district received an award of \$76,000 which allowed the district to leverage federal, state, local, and private funding sources to secure relevant industry recognized equipment that will prepare our students for a seamless transition to industry upon completion of the program.

At the present time, the Ocean County Vocational Technical School has 28 articulation agreements with post-secondary institutions through Dual Enrollment and Technical Preparation programs. These articulations permit students to earn college credits while attending OCVTS and continue their education at the post-secondary level and progress to successful careers.

Construction was completed for the Performing Arts Academy High School located on the Ocean County College campus. This project provided a 53,000 square-foot facility for students interested in the fields of acting, voice, dance or audio engineering. The \$26.7 million-dollar project was financed through partnerships between the State of New Jersey, the Ocean County Board of Chosen Freeholders, the Grunin Foundation and Ocean County College. This project is the result of the collaboration of our educational stakeholders. Performing Arts students are now attending a state-of-the-art facility where they are experiencing learning opportunities in both high school and college courses.

Since 2004, the Practical Nursing graduates have consistently surpassed the New Jersey state and national averages for pass rates of the National Council Licensure Examination for Practical Nursing. Over 3,518 nursing students have graduated from the Ocean County Vocational Technical School Practical Nursing program since 1960. Nursing homes, rehab centers, doctors' offices, hospitals etc. benefit from the learning and expertise provided by the OCVTS district.

Over \$6,500 was awarded to Outstanding high school graduate students and \$55,000 was awarded to post-secondary students through the generosity of the Ocean County Foundation for Vocational Technical Education. In addition, the Ocean County Vocational Technical School has over 300 sponsors, organizations, business and educational institutions that provide our graduates with monetary scholarships



Board of Education/Administration Office

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and grants. Funding for these foundation scholarships is supported by annual events to include Chefs Night Out, the Golf Outing, Music Festival, as well as additional fundraising efforts.

The OceanFirst Foundation awarded the Ocean County Vocational Technical School \$29,000 for a state-of-the-art dispatch simulator for the Academy of Law and Public Safety. The simulator provides the students with real-life experiences as they continue their pursuit in the field of law enforcement. Gaining experience on the dispatch equipment and completing the various levels of the dispatch program provides our students with the necessary skills and knowledge for a dispatcher. The county presently has employed 5 of our students as dispatchers.

OCVTS has the largest apprentice course offerings in the state. Pre-Apprentice and Apprentice programs available include Residential Electric, Basic Home Systems, Electricity, Plumbing, HVAC, Maintenance Mechanic, Heavy Equipment Operator and Machine Trades. Pre-Apprentice enrollment has increased by 158.9% from 2012-2020. Apprentice enrollment has increased by 128.07% from 2012-2020. Collaborative agreements with corporations such as Nestle, Joint Base McGuire-Dix-Lakehurst and the Ocean County Utility Authority further enhance networking and career opportunities for apprentice students.

There were only a few SkillsUSA state contests in the 2019-2020 school year due to COVID-19 in which OCVTS had three students place and earn medals. The National SkillsUSA Leadership Conference and Competition held in Louisville, Kentucky was cancelled with the hope that all SkillsUSA contests will be scheduled for the 2020-2021 school year.

The Marine Academy of Technology and Environmental Science (MATES) was fortunate to compete in research-oriented competitions in the spring. Students competed at the Jersey Shore Science Fair at Stockton University in March (State Level) and earned the following: 1st Place: 10 students; 2nd Place: 13 students; and 3rd Place: 12 students. Students competed at the Delaware Valley Science Fair (Super-Regional) and earned the following: 1st Place: 9 students; 2nd Place: 8 students; and 3rd Place: 5 students. Students competed at the International Science and Engineering International Fair (ISEF-formerly INTEL) and had 2 student finalists (ISEF Finalists). Two students earned 1st place in their respective categories at the New Jersey Junior Academy of Science Competition (qualify for nationals). Four students were named finalists at the INSPO Science Virtual Fair (Canada and North America). MATES had a 1st place and 3rd place in the NJ Chemistry Olympics.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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



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As part of the School 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.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. 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 included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of 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*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.



Board of Education/Administration Office

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ACKNOWLEDGEMENTS

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Karen Homiek". The signature is written in black ink and is positioned above a horizontal line.

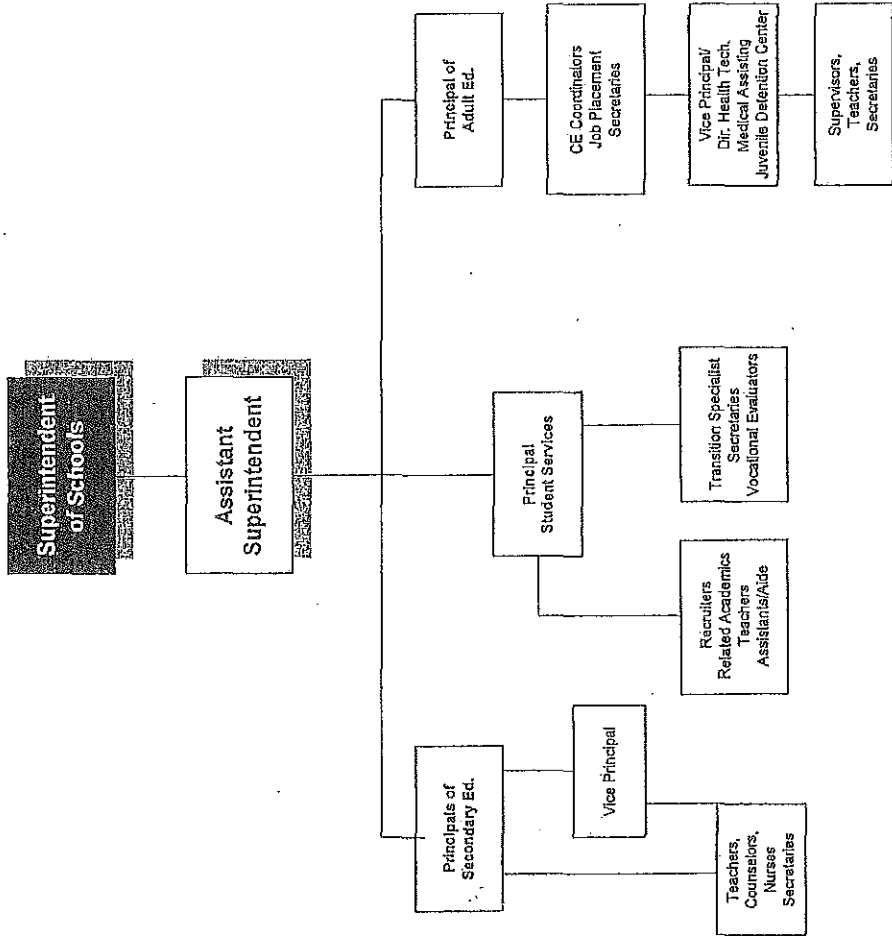
Karen Homiek
Superintendent

A handwritten signature in cursive script that reads "Frank J. Frazee". The signature is written in black ink and is positioned above a horizontal line.

Frank J. Frazee, CPA
Business Administrator/Board Secretary

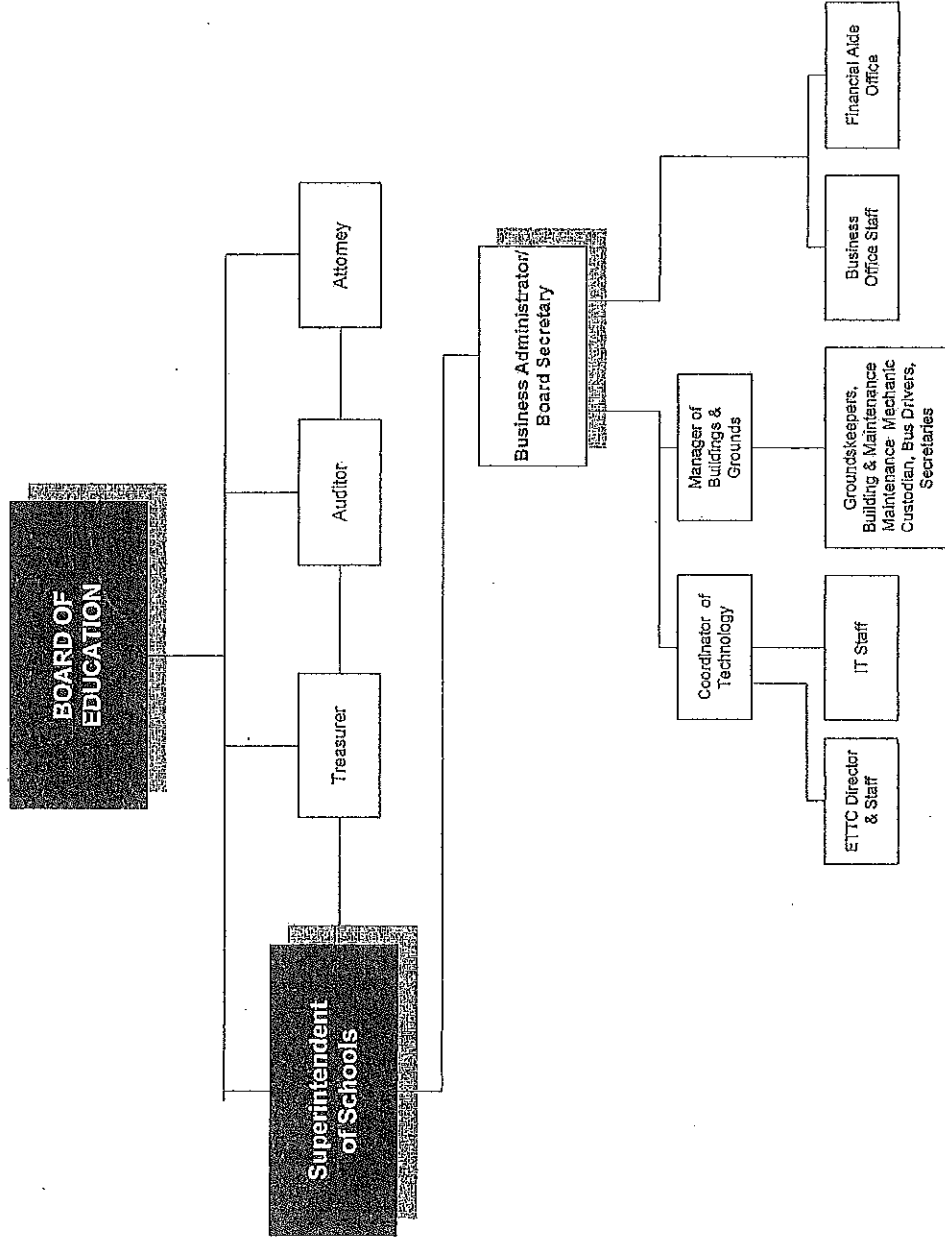
OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (A)



OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (B)



**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
TOMS RIVER, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020**

Members of the Board of Education

TERM EXPIRES

Nina Anuario, President	2020
Stephen Scaturro, Vice President	2021
Kevin W. Ahearn	2020
Ronald L. Rosetto	2023
Maureen C. Stankowitz	2022

Other Officials

Karen Homiek, Superintendent of Schools
Dr. Micheal B. Maschi, Assistant Superintendent
Frank J. Frazee, School Business Administrator/Board Secretary
Debra L. Ness, Treasurer of School Monies
Robert C. Shea, Esq., Solicitor

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
TOMS RIVER, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2020**

ARCHITECTS

Yezzi Associates
Toms River, New Jersey

AUDITOR/AUDIT FIRM

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OFFICIAL DEPOSITORY

Wells Fargo
Toms River, New Jersey 08753

FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITORS REPORT

Honorable President and Members
of the Board of Education
Ocean County Vocational Technical School
County of Ocean
Toms River, NJ 08753-2703

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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; 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational Technical School, County of Ocean, State of New Jersey, 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 12, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Toms River New Jersey

January 12, 2021

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020 UNAUDITED

This section of the Ocean County Vocational Technical Schools Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year 2019-2020 and the prior fiscal year 2018-2019 is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- In total, net position of governmental activities decreased (\$502,805), which represents a (1.27%) decrease from 2019. Total net position of business-type activities decreased (\$424), which represents a decrease of (2.17%) from 2019.
- General revenues accounted for \$30,941,905 in revenue or 79.57% of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$7,946,565 or 20.43% of total revenue of \$38,888,470.
- Total assets of governmental activities decreased by (\$2,015,461) as cash and cash equivalents decreased by (\$631,415), receivables decreased by (\$14,449,741), restricted cash and cash equivalents increased by \$75,812, and total capital assets increased by \$12,989,883.
- Total liabilities of governmental activities decreased by (\$2,273,831) as non-current liabilities due beyond one year decreased by (\$367,369).
- The District had \$39,213,046 in governmental activity expenses; only \$7,768,336 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$30,941,905 were not adequate to provide for these programs, resulting in a decrease in net position for governmental activities of (\$502,805).
- In the governmental funds, the general fund had \$33,929,847 in revenues and \$33,745,271 in expenditures. The general fund's fund balance increased by \$184,576 over 2019.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Ocean County Vocational Technical Schools Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used 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 of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The School District's enterprise funds (Food Service Fund and Cost Recovery Fund) are listed individually and are considered to be major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, student scholarship fund and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2020 and 2019, respectively:

Net Position
June 30, 2020

	Governmental Activities		Business-Type Activities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets				
Current and Other				
Assets	\$ 5,425,530	\$ 20,430,874	\$ 19,780	\$ 19,548
Capital Assets, Net	48,142,805	35,152,922	-	-
Total Assets	<u>53,568,335</u>	<u>55,583,796</u>	<u>19,780</u>	<u>19,548</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	2,382,870	3,030,391	-	-
Liabilities				
Long-Term Liabilities	12,322,061	12,689,430	-	-
Other Liabilities	901,878	2,808,340	656	-
Total Liabilities	<u>13,223,939</u>	<u>15,497,770</u>	<u>656</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	3,731,351	3,617,697	-	-
Net Position				
Net Investment in				
Capital Assets	48,142,805	35,152,922	-	-
Restricted	2,723,663	15,868,791	-	-
Unrestricted	(11,870,553)	(11,522,993)	19,124	19,548
Total Net Position	<u>\$ 38,995,915</u>	<u>\$ 39,498,720</u>	<u>\$ 19,124</u>	<u>\$ 19,548</u>

The District's largest net position component is the Restricted portion as shown above. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position decreased (\$13,145,128) from the prior year to \$2,723,663 at June 30, 2020.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$11,870,553) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2020 and 2019. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	<u>June 30, 2020</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 165,283	\$ 165,283
Operating Grants and Contributions	7,768,336	12,946	7,781,282
General Revenues:			
County Appropriations	19,011,166	-	19,011,166
County Appropriation - Restricted	889,449	-	889,449
Federal & State Aid Not Restricted	5,950,402	-	5,950,402
Tuition Charges	4,732,203	-	4,732,203
Interest Earnings	2,347	-	2,347
Miscellaneous	356,338	-	356,338
Total Revenues	38,710,241	178,229	38,888,470
Expenses:			
Instructional Services	11,513,044	-	11,513,044
Support Services	19,739,520	178,653	19,918,173
Special Schools	6,088,011	-	6,088,011
Interest and Other Charges	1,872,471	-	1,872,471
Total Expenses	39,213,046	178,653	39,391,699
Change in Net Position	(502,805)	(424)	(503,229)
Net Position, Beginning	39,498,720	19,548	39,518,268
Net Position, Ending	\$ 38,995,915	\$ 19,124	\$ 39,015,039

	<u>June 30, 2019</u>		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 214,391	\$ 214,391
Operating Grants and Contributions	8,447,435	14,772	8,462,207
General Revenues:			
County Appropriation	18,638,398	-	18,638,398
Local Funding	698,923	-	698,923
County Appropriation - Restricted	6,246,867	-	6,246,867
Federal and State Aid	4,339,014	-	4,339,014
Tuition	4,051	-	4,051
Other General Revenues	399,902	-	399,902
Total Revenues	38,774,590	229,163	39,003,753
Expenses:			
Instructional Services	11,321,667	-	11,321,667
Support Services	20,133,267	232,897	20,366,164
Special Schools	6,451,330	-	6,451,330
Interest and Other Charges	1,478,319	-	1,478,319
Total Expenses	39,384,583	232,897	39,617,480
Change in Net Position	(609,993)	(3,734)	(613,727)
Net Position, Beginning	40,108,713	23,282	40,131,995
Net Position, Ending	\$ 39,498,720	\$ 19,548	\$ 39,518,268

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, and special revenue fund revenues for the fiscal year ended June 30, 2020 and 2019 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2020</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 11,513,044	23.03%	\$ 191,377	1.69%
Special Schools	6,088,011	12.18%	(363,319)	-5.63%
Undistributed	17,525,555	35.06%	267,198	1.55%
Capital Outlay	14,812,277	29.63%	996,610	7.21%
Debt Service:				
Interest	50,077	0.10%	-	0.00%
Total	\$ 49,988,964	100.00%	\$ 1,091,866	2.23%

	<u>June 30, 2019</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2018	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 11,321,667	23.15%	\$ 207,824	1.87%
Special Schools	6,451,330	13.19%	292,622	4.75%
Undistributed	17,258,357	35.30%	1,608,059	10.27%
Capital Outlay	13,815,667	28.25%	12,352,827	844.44%
Debt Service:				
Interest	50,077	0.10%	-	0.00%
Total	\$ 48,897,098	100.00%	\$ 14,461,332	42.00%

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2019-2020 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2019-2020 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Proprietary Funds. The District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed an increase in net position of \$2,903 in 2019-2020 as compared to a decrease in net position of (\$3,171) in 2018-2019. The primary factor(s) affecting the change in net position of the Food Service fund was a result of increased activity during the 2019-2020 school year.

The Cost Recovery Enterprise Fund showed a decrease in net position of (\$3,327) in 2019-2020 as compared to a decrease in net position of (\$563) in 2018-2019. The primary factor(s) affecting the change in net position of the Cost Recovery fund was a result of increased costs during the 2019-2020 school year.

Capital Assets

At June 30, 2020 the District has capital assets of \$48,142,805, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2020</u>	
	Governmental Activities	Business-Type Activities
Buildings and Improvements	\$ 65,239,045	\$ -
Machinery and Equipment	16,971,959	-
Accumulated Depreciation	(34,068,199)	-
Total	<u>\$ 48,142,805</u>	<u>\$ -</u>
	<u>June 30, 2019</u>	
	Governmental Activities	Business-Type Activities
Buildings and Improvements	\$ 38,234,820	\$ -
Machinery and Equipment	15,380,958	-
Accumulated Depreciation	(30,852,200)	-
Total	<u>\$ 22,763,578</u>	<u>\$ -</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2020 and 2019, the District had no outstanding debt issues. Information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2020-2021 budget will be adequate to satisfy all 2020-2021 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2020-2021.
- For the 2019-2020 school year, the School Board was able to sustain its budget through the county aid levy, state education aid and local revenue sources. Approximately 35% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 65% of total revenue is from county appropriation.

Requests for Information

This financial report is designed to provide a general overview of the Ocean County Vocational Technical School finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Frank J. Frazee the Business Administrator's Office, 137 Bey Lea Road, Toms River, NJ 08753-2703, or e-mail ffrazee@mail.ocvts.org.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 1,602,668	\$ 18,967	\$ 1,621,635
Receivables, Net (Note 4)	3,314,277	813	3,315,090
Restricted Cash & Cash Equivalents	508,585	-	508,585
Capital Assets, Net (Note 5)			
Depreciable	48,142,805	-	48,142,805
Total Assets	53,568,335	19,780	53,588,115
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,382,870	-	2,382,870
Total Deferred Outflow of Resources	2,382,870	-	2,382,870
LIABILITIES:			
Accounts Payable	242,335	656	242,991
Due to Other Governments	610,933	-	610,933
Unearned Revenue	48,610	-	48,610
Noncurrent Liabilities (Note 7):			
Due in More Than One Year	12,322,061	-	12,322,061
Total Liabilities	13,223,939	656	13,224,595
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,731,351	-	3,731,351
Total Deferred Inflow of Resources	3,731,351	-	3,731,351
NET POSITION:			
Net Investment in Capital Assets	48,142,805	-	48,142,805
Restricted for:			
Capital Projects (Note 3)	2,315,851	-	2,315,851
Maintenance Reserve (Note 3)	407,812	-	407,812
Unrestricted (Deficit) (Note 18)	(11,870,553)	19,124	(11,851,429)
Total Net Position	\$ 38,995,915	\$ 19,124	\$ 39,015,039

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Basic Skills/Remedial	\$ 3,465,669	\$ -	\$ -	\$ -	\$ (3,465,669)	\$ -	\$ (3,465,669)
Regular Vocational Programs - Instruction	6,508,522	-	1,165,499	-	(5,343,023)	-	(5,343,023)
Special Vocational Programs - Instruction	1,446,229	-	-	-	(1,446,229)	-	(1,446,229)
Sponsored Co-curricular Activities	92,624	-	-	-	(92,624)	-	(92,624)
Support Services:							
Attendance & Social Work Services	80,386	-	-	-	(80,386)	-	(80,386)
Health Services	479,482	-	-	-	(479,482)	-	(479,482)
Other Support Services - Student Regular	1,421,423	-	602,497	-	(818,926)	-	(818,926)
Other Support Services - Student Special	325,039	-	-	-	(325,039)	-	(325,039)
Improvement of Instruction Services	12,807	-	-	-	(12,807)	-	(12,807)
Educational Media Services/School Library	173,810	-	-	-	(173,810)	-	(173,810)
Support Services: General Administration	1,021,066	-	-	-	(1,021,066)	-	(1,021,066)
Support Services: School Administration	2,035,570	-	-	-	(2,035,570)	-	(2,035,570)
Support Services: Central Services	754,265	-	-	-	(754,265)	-	(754,265)
Support Services: Information Technology	362,732	-	-	-	(362,732)	-	(362,732)
Required Maintenance for School Facilities	556,775	-	-	-	(556,775)	-	(556,775)
Operation & Maintenance Plant	2,052,392	-	-	-	(2,052,392)	-	(2,052,392)
Care Upkeep of Grounds	75,313	-	-	-	(75,313)	-	(75,313)
Security	88,856	-	-	-	(88,856)	-	(88,856)
Student Transportation Services	176,509	-	-	-	(176,509)	-	(176,509)
Unallocated Benefits - Employee Benefits	10,123,095	-	6,000,340	-	(4,122,755)	-	(4,122,755)
Unallocated Depreciation	1,822,394	-	-	-	(1,822,394)	-	(1,822,394)
Interest and Other Cost	50,077	-	-	-	(50,077)	-	(50,077)
Special Schools	6,088,011	-	-	-	(6,088,011)	-	(6,088,011)
Total Governmental Activities	39,213,046	-	7,768,336	-	(31,444,710)	-	(31,444,710)
Business-Type Activities:							
Food Service	153,041	142,998	12,946	-	-	2,903	2,903
Enterprise Fund	25,612	22,285	-	-	-	(3,327)	(3,327)
Total Business-Type Activities	178,653	165,283	12,946	-	-	(424)	(424)
Total Primary Government	\$ 39,391,699	\$ 165,283	\$ 7,781,282	\$ -	(31,444,710.00)	(424)	(31,445,134)
General Revenues:							
County Appropriations					19,011,166	-	19,011,166
County Appropriation - Restricted					889,449	-	889,449
Federal & State Aid Not Restricted					5,950,402	-	5,950,402
Tuition Charges					4,732,203	-	4,732,203
Interest Earnings					2,347	-	2,347
Miscellaneous					356,338	-	356,338
Total General Revenues					30,941,905	-	30,941,905
Change In Net Position					(502,805)	(424)	(503,229)
Net Position - Beginning					39,498,720	19,548	39,518,268
Net Position - Ending					\$ 38,995,915	\$ 19,124	\$ 39,015,039

The accompanying Notes to Financial Statements are an integral part of this statement.

B. Fund Financial Statements

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Governmental Funds

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
ASSETS				
Cash & Cash Equivalents	\$ 1,580,787	\$ 21,881	\$ -	\$ 1,602,668
Receivables, Net:				
Interfund Receivable	623,806	-	-	623,806
Due from Other Governments:				
Federal	-	67,005	-	67,005
State	42,426	5,307	-	47,733
Other	-	-	2,595,602	2,595,602
Other Accounts Receivable	273,810	246,599	83,528	603,937
Restricted Cash & Cash Equivalents	508,585	-	-	508,585
Total Assets	<u>\$ 3,029,414</u>	<u>\$ 340,792</u>	<u>\$ 2,679,130</u>	<u>\$ 6,049,336</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 42,248	\$ 156,039	\$ -	\$ 198,287
Interfund Payable	-	159,753	464,053	623,806
Unearned Revenue	23,610	25,000	-	48,610
Accrued Salaries and Wages	44,048	-	-	44,048
Total Liabilities	<u>109,906</u>	<u>340,792</u>	<u>464,053</u>	<u>914,751</u>
Fund Balances:				
Restricted for:				
Capital Reserve	100,773	-	-	100,773
Maintenance Reserve	407,812	-	-	407,812
Capital Projects	-	-	2,215,077	2,215,077
Committed to:				
Other Purposes	210,131	-	-	210,131
Assigned to:				
Designated for				
Subsequent Year	875,000	-	-	875,000
Other Purposes	109,139	-	-	109,139
Unassigned				
General Fund	1,216,653	-	-	1,216,653
Total Fund Balances	<u>2,919,508</u>	<u>-</u>	<u>2,215,077</u>	<u>5,134,585</u>
Total Liabilities & Fund Balances	<u>\$ 3,029,414</u>	<u>\$ 340,792</u>	<u>\$ 2,679,130</u>	
Amounts reported for <i>governmental activities</i> 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 \$82,211,004 and the accumulated depreciation is \$34,068,199.				48,142,805
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows Related to Pensions				2,382,870
Deferred Inflows Related to Pensions				(3,731,351)
Accrued pension contributions for the June 30, 2020 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(610,933)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				<u>(12,322,061)</u>
Net Position of Governmental Activities				<u>\$ 38,995,915</u>

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

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
Revenues:				
Local Sources:				
County Appropriation	\$ 19,011,166	\$ -	\$ 889,449	\$ 19,900,615
Tuition Charges	4,732,203	-	-	4,732,203
Interest Earnings	2,347	-	-	2,347
Miscellaneous	356,338	772,014	-	1,128,352
Total Local Sources	24,102,054	772,014	889,449	25,763,517
State Sources	9,827,793	164,861	-	9,992,654
Federal Sources	-	1,196,428	-	1,196,428
Total Revenues	33,929,847	2,133,303	889,449	36,952,599
Expenditures:				
Instruction:				
Basic Skills/Remedial	3,465,669	-	-	3,465,669
Regular Vocational Programs - Instruction	5,343,023	1,165,499	-	6,508,522
Special Vocational Programs - Instruction	1,446,229	-	-	1,446,229
Sponsored Cocurricular Activities	92,624	-	-	92,624
Support Services:				
Attendance & Social Work Services	80,386	-	-	80,386
Health Services	479,482	-	-	479,482
Other Support Services - Student Regular	818,926	602,497	-	1,421,423
Other Support Services - Student Special	325,039	-	-	325,039
Improvement of Instruction Services	12,807	-	-	12,807
Educational Media Services/School Library	173,810	-	-	173,810
Support Services: General Administration	1,021,066	-	-	1,021,066
Support Services: School Administration	2,035,570	-	-	2,035,570
Support Services: Central Services	754,265	-	-	754,265
Support Services: Information Technology	362,732	-	-	362,732
Required Maintenance for School Facilities	556,775	-	-	556,775
Operation & Maintenance Plant	2,052,392	-	-	2,052,392
Care Upkeep of Grounds	75,313	-	-	75,313
Security	88,856	-	-	88,856
Student Transportation Services	176,509	-	-	176,509
Unallocated Benefits - Employee Benefits	7,909,130	-	-	7,909,130
Special Schools	6,088,011	-	-	6,088,011
Capital Outlay	336,580	365,307	14,110,390	14,812,277
Interest & Other Charges	50,077	-	-	50,077
Total Expenditures	33,745,271	2,133,303	14,110,390	49,988,964
Excess/(Deficiency) of Revenues Over Expenditures	184,576	-	(13,220,941)	(13,036,365)
Net Changes in Fund Balances	184,576	-	(13,220,941)	(13,036,365)
Fund Balance, July 1	2,734,932	-	15,436,018	18,170,950
Fund Balance, June 30	\$ 2,919,508	\$ -	\$ 2,215,077	\$ 5,134,585

The accompanying Notes to Financial Statements are an integral part of this statement.

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

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	(13,036,366)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(1,822,394)
Capital Outlays		<u>14,812,277</u>
		12,989,883
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		(160,310)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(296,013)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(502,806)</u></u>

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Proprietary Funds

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES		TOTALS
	FOOD SERVICE	COST RECOVERY	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 12,699	\$ 6,268	\$ 18,967
Accounts Receivable:			
Federal	800	-	800
State	13	-	13
Total Assets	13,512	6,268	19,780
LIABILITIES			
Current Liabilities:			
Accounts Payable	656	-	656
Total Current Liabilities	656	-	656
NET POSITION			
Unrestricted	12,856	6,268	19,124
Total Net Position	\$ 12,856	\$ 6,268	\$ 19,124

The accompanying Notes to Financial Statements are an integral part of this statement.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE	COST RECOVERY	TOTALS
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 40,187	\$ -	\$ 40,187
Fees for Services	102,811	22,285	125,096
Total Operating Revenues	142,998	22,285	165,283
Operating Expenses:			
Cost of Sales - Reimbursable Programs	41,176	-	41,176
Cost of Sales - Non-Reimbursable Programs	79,682	-	79,682
Salaries	32,183	-	32,183
Supplies and Materials	-	25,612	25,612
Total Operating Expenses	153,041	25,612	178,653
Operating Income/(Loss)	(10,043)	(3,327)	(13,370)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	537	-	537
Federal Sources:			
National School Lunch Program	11,413	-	11,413
National School Performance Based Program	734	-	734
National School Breakfast Program	262	-	262
Total Nonoperating Revenues/(Expenses)	12,946	-	12,946
Change in Net Position	2,903	(3,327)	(424)
Total Net Position - Beginning	9,953	9,595	19,548
Total Net Position - Ending	\$ 12,856	\$ 6,268	\$ 19,124

The accompanying Notes to Financial Statements are an integral part of this statement.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	FOOD SERVICE	COST RECOVERY	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 144,744	\$ 22,285	\$ 167,029
Payments to Suppliers	(152,385)	(25,612)	(177,997)
Net Cash Provided by/(Used for) Operating Activities	(7,641)	(3,327)	(10,968)
Cash Flows From Noncapital Financing Activities:			
State Sources	537	-	537
Federal Sources	12,409	-	12,409
Net Cash Provided by/(Used for) Noncapital Financing Activities	12,946	-	12,946
Net Increase/(Decrease) in Cash & Cash Equivalents	5,305	(3,327)	1,978
Balances - Beginning of Year	7,394	9,595	16,989
Balances - End of Year	\$ 12,699	\$ 6,268	\$ 18,967

Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities

Operating Income/(Loss)	\$ (10,043)	\$ (3,327)	\$ (13,370)
Adjustments to Reconcile Operating Income/(Loss)			
Increase/(Decrease) in Accounts Receivable, Net	1,746	-	1,746
(Increase)/Decrease in Accounts Payable	656	-	656
Total Adjustments	2,402	-	2,402
Net Cash Provided/(Used) by Operating Activities	\$ (7,641)	\$ (3,327)	\$ (10,968)

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

	<u>PRIVATE PURPOSE</u>			<u>AGENCY FUNDS</u>	<u>TOTAL</u>
	<u>SCHOLARSHIP</u>	<u>UNEMPLOYMENT COMPENSATION</u>			
ASSETS					
Cash & Cash Equivalents	\$ 18,855	\$ 150,828	\$ 362,218	\$	531,901
Total Assets	18,855	150,828	362,218		531,901
LIABILITIES					
Payroll Deductions & Withholdings Payable	-	-	168,448		168,448
Payable - Quarterly Unemployment	-	43,982	-		43,982
Payable for Student Related Activities	-	-	193,770		193,770
Total Liabilities	-	43,982	362,218		406,200
NET POSITION					
Restricted - Held in Trust for Unemployment					
Claims & Other Purposes	-	106,846	-		106,846
Restricted - Scholarships	18,855	-	-		18,855
Total Net Position	\$ 18,855	\$ 106,846	\$ -	\$	125,701

The accompanying Notes to Financial Statements are an integral part of this statement

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2020**

	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST	
ADDITIONS			
Contributions	\$ 36,275	\$ 29,692	\$ 65,967
Total Contributions	36,275	29,692	65,967
DEDUCTIONS			
Unemployment Claims	-	81,481	81,481
Scholarships Awarded	32,400	-	32,400
Total Operating Expenses	32,400	81,481	113,881
Change in Net Position	3,875	(51,789)	(47,914)
Net Position, July 1	14,980	158,635	173,615
Net Position, June 30	\$ 18,855	\$ 106,846	\$ 125,701

The accompanying Notes to Financial Statements are an integral part of this statement.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Ocean County Vocational Technical School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Ocean County Vocational Technical School District is a Type I School District located in the County of Ocean, State of New Jersey. As a Type I School District, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational service appropriate to grade levels 9 through 12. The School District has an approximate enrollment at June 30, 2020 of 1,580 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* . and GASB 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14* . The School District had no component units as of for the year ended June 30, 2020.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the School 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Cost Recovery Fund – The Cost Recovery fund accounts for the financial transactions related to the printing and cosmetology operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports the following fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The School District currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the School District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds (payroll, pell grant and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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 considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund 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 funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions 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.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 12, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2020:

Statement No. 95, Postponement of The Effective Dates of Certain Authoritative Guidance, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown

- Statement No. 84, *Fiduciary Activities* will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 87, *Leases* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* will be effective for reporting periods beginning after December 15, 2020.
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for reporting periods beginning after December 15, 2019.
- Statement No. 91, *Conduit Debt Obligations* will be effective for reporting periods beginning after December 15, 2021.
- Statement No. 93, *Replacement of Interbank Offered Rates* will be effective for reporting periods beginning after June 15, 2021.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 96, *Subscription-Based Information Technology Arrangements* will be effective for reporting periods beginning after June 15, 2022.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective for reporting periods beginning after December 15, 2019.

Management has not yet determined the potential impact on the School District's financial statements.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020 (Continued)**

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the School District’s bank balance of \$3,782,472 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,158,560
Uninsured and Uncollateralized		623,912
Total	\$	3,782,472

Investments

The School District had no investments at June 30, 2020.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District 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 School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2* . Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Ending Balance, June 30, 2020 and 2019	\$	100,773
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The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects at June 30, 2020 is \$34,561,000.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

The School District established a maintenance reserve account in June of 2011 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	332,000
Increased by:		
Deposits Approved by Board		75,812
Ending Balance, June 30, 2020 and 2019	\$	407,812

Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2020, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards	\$ -	\$ 67,005	\$ -	\$ 67,005
State Awards	42,426	5,307	-	47,733
Tuition	273,810	-	-	273,810
Other	-	246,599	2,595,602	2,842,201
Total	\$ 316,236	\$ 318,911	\$ 2,595,602	\$ 3,230,749
			Proprietary Funds	Total
<u>Description</u>			<u>Food Service Fund</u>	Business-Type Activities
Federal Awards			\$ 800	\$ 800
State Awards			13	13
Total			\$ 813	\$ 813

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2020 are as follows:

	Governmental Activities				Balance June 30, 2020
	Balance July 1, 2019	Additions	Retirements and Transfers	Adjustments	
Governmental Activities:					
Capital Assets being depreciated:					
Buildings and Improvements	\$ 51,128,654	\$ 14,110,391	\$ -	\$ -	\$ 65,239,045
Equipment	16,289,421	701,886	(19,348)	-	16,971,959
Total Capital Assets being depreciated	<u>67,418,075</u>	<u>14,812,277</u>	<u>(19,348)</u>	<u>-</u>	<u>82,211,004</u>
Less: Accumulated Depreciation:					
Equipment	(32,265,153)	(1,822,394)	19,348	-	(34,068,199)
Total Accumulated Depreciation	<u>(32,265,153)</u>	<u>(1,822,394)</u>	<u>19,348</u>	<u>-</u>	<u>(34,068,199)</u>
Total Capital Assets being depreciated, net	<u>35,152,922</u>	<u>12,989,883</u>	<u>-</u>	<u>-</u>	<u>48,142,805</u>
Total Governmental Activities Capital Assets, net	<u>\$ 35,152,922</u>	<u>\$ 12,989,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,142,805</u>

Depreciation expense was not allocated amount the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 623,806	\$ -
Special Revenue Fund	-	159,753
Capital Projects Fund	-	464,053
	<u>\$ 623,806</u>	<u>\$ 623,806</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2020.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2020 the following changes occurred in long-term obligations for the governmental and business activities:

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>	Balance Due Within <u>One Year</u>
	Governmental Activities:				
Compensated Absences	\$ 1,867,178	\$ 296,013	\$ -	\$ 2,163,191	\$ -
Net Pension Liability	10,822,252	-	663,382	10,158,870	-
	<u>\$ 12,689,430</u>	<u>\$ 296,013</u>	<u>\$ 663,382</u>	<u>\$ 12,322,061</u>	<u>\$ -</u>

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$10,158,870 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was 0.056380%, which was an increase of .001416% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$708,725 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School 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	\$ 182,338	\$ 44,877
Changes of Assumptions	1,014,401	3,526,112
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	160,362
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	575,198	-
School District contributions subsequent to measurement date	610,933	-
	<u>\$ 2,382,870</u>	<u>\$ 3,731,351</u>

\$610,933 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

**Year Ending
June 30,**

2021	\$	(243,184)
2022		(510,863)
2023		(882,397)
2024		(294,929)
2025		(28,041)
	<u>\$</u>	<u>(1,959,414)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.73
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

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 assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Age
Thereafter	3.00% - 7.00% Based on Age
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the Pub-2010 General Below-Median Income Employee Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2010 using a generational approach based on the plan actuary’s modified MP-2019 projection scales. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate of 6.28% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(5.28%)</u>	At Current Discount Rate <u>(6.28%)</u>	At 1% Increase <u>(7.28%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 12,921,574	\$ 10,158,870	\$ 7,961,124

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 1,771,937	\$ 2,481,975
Collective Deferred Inflows of Resources	\$ 3,731,351	\$ 3,617,697
Collective Net Pension Liability	\$ 10,158,870	\$ 10,822,252
School District's portion	0.05638%	0.05496%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$67,596,367. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used 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 State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.1101439%, which was an increase of 0.0034585% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$3,987,014 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2019 measurement date.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

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	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.75% - 5.65%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term 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	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.60% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(4.60%)</u>	At Current Discount Rate <u>(5.60%)</u>	At 1% Increase <u>(6.60%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 79,711,078	\$ 67,596,367	\$ 57,544,982

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/2020</u>		<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 10,129,162,237	\$	12,675,037,111
Collective Deferred Inflows of Resources	\$ 17,736,240,054	\$	16,381,811,884
Collective Net Pension Liability	\$ 61,519,112,443	\$	63,806,350,446
School District's portion	0.1101439254%		0.1066854390%

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 8. Pension Plans (Continued)

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

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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

Inflation Rate 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future 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 the Scale MP-2019. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the 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, PFRS and PERS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2019 was \$46,291,078.00. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.11093242%, which was an increase of 0.00293346% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$1,150,605 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2019 measurement date.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 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 rates 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% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend 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.

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	6/30/2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 54,688,056	\$ 46,291,078	\$ 39,620,979
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	6/30/2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 38,141,785	\$ 46,291,078	\$ 57,079,069
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ -	\$ (10,484,965,300)
Changes in Assumption	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ -	\$ (18,966,494,643)

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information (continued):

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

Fiscal Year Ending June 30,	
2021	\$ (2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
2025	(2,546,527,182)
Thereafter	(6,233,858,733)
	\$ (18,966,494,643)

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	148,051
	364,943

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Total OPEB Liability

Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Differences Between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	(1,280,958,373)
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	46,110,832,982
Total OPEB Liability (Ending)	\$ 41,729,081,045
Total Covered Employee Payroll	13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,465,370, \$861,160, \$914,607, and \$1,561, respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 29,692	\$ -	\$ 81,481	\$ 106,846
2018-2019	27,674	-	11,624	158,635
2017-2018	27,989	-	7,591	142,585

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

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the School District, 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 combined financial statements for such contingencies.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 12. Contingencies (Continued)

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

AXA Equitable	Lincoln Investment Planning, Inc.	Met Life
Ameriprise	Fidelity Investments	

Note 14. Compensated Absences

The School 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2020, the liability for compensated absences reported was \$2,163,191.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 (Continued)

Note 15. Tax Abatements (Continued)

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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 District did not have any excess fund balance at June 30, 2020.

Note 17. Fund Balances

General Fund – Of the \$2,919,508 General Fund fund balance at June 30, 2020, \$100,773 has been restricted for the Capital Reserve Account; \$407,812 has been restricted for the Maintenance Reserve Account; \$210,131 has been committed to other purposes; \$109,139 has been assigned to other purposes; \$875,000 has been designated for subsequent year's expenditures and \$1,216,653 is unassigned.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$11,870,553 at June 30, 2020. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
County Appropriations	10-1200	\$ 19,011,166	\$ -	\$ 19,011,166	\$ 19,011,166	\$ -
Other Tuition	10-1340	4,609,000	-	4,609,000	4,732,203	123,203
Interest Earned	10-1510	-	-	-	2,347	2,347
Unrestricted Miscellaneous Revenues	10-1990	250,539	-	250,539	356,338	105,799
Total Local Sources		23,870,705	-	23,870,705	24,102,054	231,349
State Sources:						
Categorical Special Education Aid	10-3132	837,311	-	837,311	837,311	-
Vocational Expansion Stabilization Aid	10-3140	542,552	-	542,552	542,552	-
Equalization Aid	10-3176	2,014,757	-	2,014,757	2,014,757	-
Categorical Security Aid	10-3177	189,062	-	189,062	189,062	-
Adjustment Aid	10-3178	2,001,413	-	2,001,413	2,001,413	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,465,370	2,465,370
On-Behalf TPAF Post Retirement Medical		-	-	-	914,607	914,607
On-Behalf TPAF Long Term Disability Insurance		-	-	-	1,561	1,561
Reimbursed TPAF Social Security Contributions		-	-	-	861,160	861,160
Total State Sources		5,585,095	-	5,585,095	9,827,793	4,242,698
Total Revenues		29,455,800	-	29,455,800	33,929,847	4,474,047
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers	11-140-100-101	3,595,512	(152,017)	3,443,495	3,416,954	26,541
General Supplies	11-140-100-610	51,800	(512)	51,288	39,022	12,266
Textbooks	11-140-100-640	10,000	-	10,000	9,693	307
Total Regular Programs - Instruction		3,657,312	(152,529)	3,504,783	3,465,669	39,114
Regular Vocational Programs - Instruction						
Salaries of Teachers	11-310-100-101	3,687,469	(158,104)	3,529,365	3,506,988	22,377
Other Salaries of Instruction	11-310-100-106	482,025	52,813	534,838	518,654	16,184
Purchased Professional & Educational Services	11-310-100-320	45,000	(15,000)	30,000	17,838	12,162
Purchased Technical Services	11-310-100-340	75,000	29,352	104,352	89,088	15,264
Travel	11-310-100-580	9,000	-	9,000	5,407	3,593
General Supplies	11-310-100-610	711,575	500,306	1,211,881	1,052,570	159,311
Textbooks	11-310-100-641	135,000	40,699	175,699	152,478	23,221
Total Regular Vocational Programs - Instruction		5,145,069	450,066	5,595,135	5,343,023	252,112
Special Vocational Programs - Instruction						
Salaries of Teachers	11-320-100-101	1,273,754	68,638	1,342,392	1,311,366	31,026
Other Salaries of Instruction	11-320-100-106	10,000	243	10,243	10,243	-
Purchased Professional Services	11-320-100-340	4,000	-	4,000	2,524	1,476
Travel	11-320-100-580	750	-	750	-	750
General Supplies	11-320-100-610	132,550	19,154	151,704	117,375	34,329
Textbooks	11-320-100-641	7,500	-	7,500	4,721	2,779
Total Special Vocational Programs - Instruction		1,428,554	88,035	1,516,589	1,446,229	70,360
School-Sponsored Cocurricular Activities						
Other Objects	11-401-100-800	273,000	(133,259)	139,741	92,624	47,117
Total School-Sponsored Cocurricular Activities:		273,000	(133,259)	139,741	92,624	47,117
Total Instruction		10,503,935	252,313	10,756,248	10,347,545	408,703
Undistributed Expenditures Attendance and Social Work:						
Salaries	11-000-211-100	78,488	1,898	80,386	80,386	-
Total Undistributed Expenditures Attendance and Social Work		78,488	1,898	80,386	80,386	-
Undistributed Expenditures - Health Services:						
Salaries	11-000-213-100	494,086	(37,494)	456,592	456,040	552
Purchased Professional & Technical Services	11-000-213-300	9,000	8,400	17,400	17,340	60
Other Purchased Services	11-000-213-500	200	-	200	-	200
Supplies and Materials	11-000-213-600	6,500	-	6,500	6,102	398
Total Undistributed Expenditures - Health Services		509,786	(29,094)	480,692	479,482	1,210
Undistributed Expenditures - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	670,293	6,550	676,843	676,131	712
Salaries of Secretaries & Clerical Assistants	11-000-218-105	44,453	1,512	45,965	45,963	2
Purchased Professional - Educational Services	11-000-218-320	15,000	-	15,000	10,860	4,140
Other Purchased Services	11-000-218-500	1,500	-	1,500	1,149	351
Supplies and Materials	11-000-218-600	76,500	10,125	86,625	84,823	1,802
Total Undistributed Expenditures - Guidance		807,746	18,187	825,933	818,926	7,007

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undistributed Expenditures - Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	268,109	(19,990)	248,119	245,478	2,641
Salaries of Secretaries & Clerical Assistants	11-000-219-105	72,468	1,668	74,136	73,412	724
Total Undistributed Expenditures - Child Study Teams		347,077	(18,222)	328,855	325,039	3,816
Undistributed Expenditures - Improvement of Instruction Services:						
Other Purchased Services	11-000-221-500	15,000	-	15,000	12,807	2,193
Total Undistributed Expenditures - Improvement of Instruction Services		15,000	-	15,000	12,807	2,193
Undistributed Expenditures - Educational Media Services/Library:						
Supplies and Materials	11-000-222-600	134,700	77,117	211,817	173,810	38,007
Total Undistributed Expenditures - Educational Media Services/Library		134,700	77,117	211,817	173,810	38,007
Undistributed Expenditures - Support Services - General Administration:						
Salaries	11-000-230-100	336,018	(19,055)	316,963	316,963	-
Legal Services	11-000-230-331	70,000	22,440	92,440	92,440	-
Other Purchased Professional Services	11-000-230-339	50,000	(2,892)	47,108	25,137	21,971
Communications/Telephone	11-000-230-530	255,000	41,800	296,800	292,371	4,429
BOE Other Purchased Professional Services	11-000-230-585	10,000	4,464	14,464	7,376	7,088
Other Purchased Services	11-000-230-590	236,421	(7,526)	228,895	226,566	2,329
General Supplies	11-000-230-610	14,500	7,329	21,829	20,741	1,088
Miscellaneous Expenditures	11-000-230-890	38,500	3,536	42,036	39,472	2,564
Total Undistributed Expenditures - Support Services - General Administration		1,010,439	50,096	1,060,535	1,021,066	39,469
Undistributed Expenditures - Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	1,200,845	(105,747)	1,095,098	1,089,358	5,740
Salaries of Other Professional Staff	11-000-240-104	126,726	(6,276)	120,450	117,950	2,500
Salaries of Secretaries & Clerical Assistants	11-000-240-105	549,531	(17,437)	532,094	531,179	915
Other Salaries	11-000-240-110	85,000	(5,429)	79,571	77,605	1,966
Purchased Professional & Technical Services	11-000-240-300	21,000	12,294	33,294	33,294	-
Other Purchased Services	11-000-240-500	12,000	268	12,268	10,741	1,527
Supplies and Materials	11-000-240-600	64,500	45,770	110,270	104,861	5,409
Other Objects	11-000-240-800	72,700	12,164	84,864	70,582	14,282
Total Undistributed Expenditures - Support Services - School Administration		2,132,302	(64,393)	2,067,909	2,035,570	32,339
Undistributed Expenditures - Central Services:						
Salaries	11-000-251-100	573,530	15,788	589,318	589,318	-
Purchased Professional Services	11-000-251-330	98,555	45,755	144,310	94,767	49,543
Purchased Technical Services	11-000-251-340	18,000	(1,251)	16,749	16,749	-
Miscellaneous Purchased Services	11-000-251-592	5,500	3,500	9,000	5,717	3,283
Supplies and Materials	11-000-251-600	5,500	102	5,602	5,602	-
Miscellaneous Expenditures	11-000-251-890	28,500	14,000	42,500	42,112	388
Total Undistributed Expenditures - Central Services		729,585	77,894	807,479	754,265	53,214
Undistributed Expenditures - Administrative Information Technology:						
Salaries	11-000-252-100	278,663	10,888	289,551	289,551	-
Supplies and Materials	11-000-252-600	60,000	12,487	72,487	71,694	793
Total Undistributed Expenditures - Administrative Information Technology		340,663	23,375	364,038	362,732	1,306
Undistributed Expenditures - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	98,909	(5,340)	93,569	93,569	-
Cleaning, Repair & Maintenance Services	11-000-261-420	387,000	111,435	498,435	428,926	69,509
General Supplies	11-000-261-610	35,000	5,000	40,000	34,280	5,720
Total Required Maintenance for School Facilities		520,909	111,095	632,004	556,775	75,229

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

	ACCOUNT NUMBERS	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	630,066	25,895	655,961	654,464	1,497
Cleaning, Repair & Maintenance Services	11-000-262-420	509,200	149,765	658,965	596,875	62,090
Rental of Land & Bldg. Other Than Lease Purch.	11-000-262-441	25,000	20,027	45,027	44,399	628
Other Purchased Property Services	11-000-262-490	59,500	(18,975)	40,525	27,970	12,555
Miscellaneous Purchased Services	11-000-262-590	15,000	(7,000)	8,000	6,281	1,719
General Supplies	11-000-262-610	214,500	49,127	263,627	242,264	21,363
Energy (Natural Gas)	11-000-262-621	170,000	14,925	184,925	174,412	10,513
Energy (Electricity)	11-000-262-622	430,000	(111,493)	318,507	305,727	12,780
Total Undistributed Expenditures - Custodial Services		2,053,266	122,271	2,175,537	2,052,392	123,145
Undistributed Expenditures - Care and Upkeep of Grounds:						
Salaries	11-000-263-100	74,974	339	75,313	75,313	-
Total Care and Upkeep of Grounds		74,974	339	75,313	75,313	-
Security:						
Cleaning, Repair, and Maintenance Services	11-000-266-420	75,000	21,453	96,453	88,856	7,597
Total Security		75,000	21,453	96,453	88,856	7,597
Undistributed Expenditures - Student Transportation Services:						
Sal for Pupil Trans (Bet. H&S) - NonPublic Sch	11-000-270-163	87,000	(790)	86,210	80,376	5,834
Cleaning, Repair and Maintenance Services	11-000-270-420	100,000	(22,796)	77,204	72,075	5,129
Miscellaneous Purchased Services - Transportation	11-000-270-593	50,000	(25,941)	24,059	24,058	1
Total Undistributed Expenditures - Student Transportation Services		237,000	(49,527)	187,473	176,509	10,964
Unallocated Benefits:						
Social Security Contributions	11-000-291-220	295,000	-	295,000	292,477	2,523
Other Retirement Contributions - PERS	11-000-291-241	424,858	(39,565)	385,293	385,293	-
Pension Contributions	11-000-291-249	20,000	(7,603)	12,397	11,505	892
Workmen's Compensation	11-000-291-260	129,877	35,337	165,214	165,214	-
Health Benefits	11-000-291-270	3,393,728	(811,800)	2,581,928	2,571,367	10,561
Tuition Reimbursement	11-000-291-280	75,000	-	75,000	59,956	15,044
Other Employee Benefits	11-000-291-290	143,000	37,620	180,620	180,620	-
Total Unallocated Benefits		4,481,463	(786,011)	3,695,452	3,666,432	29,020
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,465,370	(2,465,370)
On-Behalf TPAF Post Retirement Medical		-	-	-	914,607	(914,607)
On-Behalf TPAF Long Term Disability Insurance		-	-	-	1,561	(1,561)
Reimbursed TPAF Social Security Contributions		-	-	-	861,160	(861,160)
Total Undistributed Expenditures		13,548,398	(443,522)	13,104,876	16,923,058	(3,818,182)
Total Expenditures - Current Expense		24,052,333	(191,209)	23,861,124	27,270,603	(3,409,479)
Capital Outlay:						
Vocational Programs: Regular Programs	12-310-100-730	107,423	144,442	251,865	251,340	525
Special Education - Instruction: Special Vocational Programs	12-XXX-100-730	-	28,128	28,128	28,118	10
Undist. Expend. - Required Maint for School Fac.	12-000-261-730	17,500	40,604	58,104	31,593	26,511
School Buses - Special	12-000-270-734	-	25,529	25,529	25,529	-
Assessment for Debt Service on SDA Funding	12-000-400-896	50,077	-	50,077	50,077	-
Total Equipment		175,000	238,703	413,703	386,657	27,046
Total Capital Outlay		175,000	238,703	413,703	386,657	27,046
Special Schools						
Post-Secondary Programs - Instruction						
Salaries of Teachers	13-330-100-101	937,455	39,323	976,778	935,105	41,673
General Supplies	13-330-100-610	184,000	29,192	213,192	186,154	27,038
Textbooks	13-330-100-640	23,500	1,651	25,151	12,001	13,150
Total Post-Secondary Programs - Instruction		1,144,955	70,166	1,215,121	1,133,260	81,861
Post-Secondary Programs - Instruction						
Salaries of Teachers	13-330-200-100	254,312	3,451	257,763	257,763	-
General Supplies	13-330-200-600	2,500	-	2,500	2,164	336
Other Objects	13-330-200-800	13,100	1,716	14,816	2,000	12,816
Total Post-Secondary Programs - Support Services		269,912	5,167	275,079	261,927	13,152
Total Post-Secondary Programs - Programs		1,414,867	75,333	1,490,200	1,395,187	95,013

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2020

ACCOUNT NUMBERS	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Adult Education - Local - Support Services						
Salaries of Teachers	13-602-200-100	8,500	-	8,500	3,780	4,720
Total Adult Education - Local - Support Services		8,500	-	8,500	3,780	4,720
Vocational Evenings - Local - Instruction						
Salaries of Teachers	13-629-100-101	305,480	3,500	308,980	299,756	9,224
General Supplies	13-629-100-610	65,000	29,874	94,874	86,675	8,199
Textbooks	13-629-100-640	5,000	2,924	7,924	7,924	-
Total Post-Secondary Programs - Instruction		375,480	36,298	411,778	394,355	17,423
Vocational Evenings - Local - Support Services:						
Salaries	13-629-200-100	1,589,125	(87,717)	1,501,408	1,460,426	40,982
Personal Services - Employee Benefits	13-629-200-200	1,852,544	122,214	1,974,758	1,974,758	-
Purchased Professional & Technical Services	13-629-200-300	125,500	45,872	171,372	126,773	44,599
Other Purchased Services	13-629-200-500	141,501	(12,380)	129,121	119,151	9,970
Cleaning, Repair & Maintenance Services	13-629-200-XXX	241,700	81,291	322,991	288,568	34,423
Energy (Heat & Electricity)	13-629-200-XXX	231,000	3,072	234,072	211,785	22,287
Supplies and Materials	13-629-200-600	108,000	5,568	113,568	103,581	9,987
Other Objects	13-629-200-800	15,250	-	15,250	9,647	5,603
Total Vocational Evenings - Local - Support Services:		4,304,620	157,920	4,462,540	4,294,689	167,851
Total Vocational Evening - Local		4,680,100	194,218	4,874,318	4,689,044	185,274
Total Special Schools		6,103,467	269,551	6,373,018	6,088,011	285,007
Total Expenditures		30,330,800	317,045	30,647,845	33,745,271	(3,097,426)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		(875,000)	(317,045)	(1,192,045)	184,576	1,376,621
Fund Balances, July 1		3,288,433	-	3,288,433	3,288,433	-
Fund Balances, June 30		\$ 2,413,433	\$ (317,045)	\$ 2,096,388	\$ 3,473,009	\$ 1,376,621

RECAPULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	\$ 317,045
	<u>\$ 317,045</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 100,773
Maintenance Reserve	407,812
Committed Fund Balance:	
Year-End Encumbrances	210,131
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	875,000
Year-End Encumbrances	109,139
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures (July 1, 2019 - August 1, 2018)	
Unassigned Fund Balance	1,770,154
Subtotal	3,473,009
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(553,501)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,919,508</u>

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
State Sources	\$ 127,270	\$ 37,591	\$ 164,861	\$ 164,861	\$ -
Federal Sources	928,718	267,710	1,196,428	1,196,428	-
Local Sources	635,898	136,116	772,014	772,014	-
Total Revenues	1,691,886	441,417	2,133,303	2,133,303	-
Expenditures:					
Instruction:					
Salaries of Teachers	705,952	109,616	815,568	815,568	-
Purchased Professional & Technical Services	-	55,057	55,057	55,057	-
Travel/Field Trips	14,680	(14,680)	-	-	-
Textbooks	700.00	-	700	700	-
General Supplies	600,614	(306,440)	294,174	294,174	-
Total Instruction	1,321,946	(156,447)	1,165,499	1,165,499	-
Support Services:					
Salaries of Other Professional Staff	148,671	(11,362)	137,309	137,309	-
Salaries of Secretarial & Clerical Assistants	44,453	1,052	45,505	45,505	-
Personal Services - Employee Benefits	152,116	161,160	313,276	313,276	-
Purchased Educational Services	-	2,340	2,340	2,340	-
Travel	400	(340)	60	60	-
Micellaneous Purchased Services	800	67,455	68,255	68,255	-
Supplies and Materials	3,500	12,252	15,752	15,752	-
Other Objects	20,000	-	20,000	20,000	-
Total Support Services	369,940	232,557	602,497	602,497	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	365,307	365,307	365,307	-
Total Facilities Acquisition & Construction Services	-	365,307	365,307	365,307	-
Total Expenditures	1,691,886	441,417	2,133,303	2,133,303	-
Total Outflows	1,691,886	441,417	2,133,303	2,133,303	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2020**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 33,929,847	\$ 2,133,303
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(553,501)	-
Prior Year	553,501	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 33,929,847	\$ 2,133,303
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 33,745,271	\$ 2,133,303
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 33,745,271	\$ 2,133,303

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.05638%	0.05496%	0.05333%	0.05325%	0.05299%	0.05166%	0.04986%
School District's proportionate share of the net pension liability	\$ 10,158,870	\$ 10,822,252	\$ 12,414,108	\$ 15,771,410	\$ 11,894,178	\$ 9,672,061	\$ 9,528,808
School District's covered payroll	\$ 4,083,115	\$ 3,908,159	\$ 3,821,499	\$ 3,834,629	\$ 3,849,411	\$ 3,772,423	\$ 3,698,454
School District's proportionate share of the net pension liability as a percentage of its covered payroll	248.80%	276.91%	324.85%	411.29%	308.99%	256.39%	257.64%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 610,933	\$ 548,416	\$ 546,720	\$ 494,035	\$ 473,074	\$ 455,533	\$ 425,837
Contributions in relation to the contractually required contribution	(610,933)	(548,416)	(546,720)	(494,035)	(473,074)	(455,533)	(425,837)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,161,086	\$ 4,083,115	\$ 3,908,159	\$ 3,821,499	\$ 3,834,629	\$ 3,849,411	\$ 3,772,423
Contributions as a percentage of covered payroll	14.68%	13.43%	13.99%	12.93%	12.34%	11.83%	11.29%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 67,596,367	\$ 67,870,985	\$ 73,427,562	\$ 86,961,725	\$ 68,638,043	\$ 57,362,420	\$ 53,396,894
School District's covered payroll	\$ 67,596,367	\$ 67,870,985	\$ 73,427,562	\$ 86,961,725	\$ 68,638,043	\$ 57,362,420	\$ 53,396,894
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	23.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST THREE FISCAL YEARS***

	2020	2019	2018
District's Total OPEB Liability			
Service Cost	\$ 1,779,996	\$ 1,982,147	\$ 2,368,378
Interest Cost	1,968,914	2,130,383	1,835,473
Differences between Expected and Actual Experience	(6,548,378)	(5,498,466)	-
Changes of Assumptions	690,204	(5,712,414)	(7,422,038)
Contributions: Member	42,122	46,004	49,606
Gross Benefit Payments	(1,420,998)	(1,331,079)	(1,347,170)
Net Change in District's Total OPEB Liability	(3,488,140)	(8,383,425)	(4,515,751)
District's Total OPEB Liability (Beginning)	49,779,218	58,162,643	62,678,394
District's Total OPEB Liability (Ending)	<u>\$ 46,291,078</u>	<u>\$ 49,779,218</u>	<u>\$ 58,162,643</u>
District's Covered Employee Payroll	\$ 16,040,638	\$ 15,815,756	\$ 15,563,713
District's Net OPEB Liability as a Percentage of Payroll	289%	315%	374%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefits Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	APPRENTICE COORDINATOR (CAC)	COUNTY FOUNDATION FOR VOCATIONAL EDUCATION	OCEAN COUNTY JUVENILE DETENTION CENTER	CARES EMERGENCY ACT
Revenues:				
State Sources	\$ 21,222	\$ -	\$ -	\$ -
Federal Sources	-	-	-	67,005
Local Sources	-	143,117	615,898	-
Total Revenues	\$ 21,222	\$ 143,117	\$ 615,898	\$ 67,005
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ 370,744	\$ -
Purchased Professional & Technical Services	-	-	-	-
Textbooks	-	-	700	-
General Supplies	-	13,746	-	-
Total Instruction	-	13,746	371,444	-
Support Services:				
Salaries of Supervision of Instruction	21,222	-	34,075	-
Salaries of Secretarial & Clerical Assistants	-	-	45,505	-
Personal Services - Employee Benefits	-	-	140,811	-
Travel	-	-	60	-
Miscellaneous Purchased Services	-	-	1,250	67,005
Supplies and Materials	-	-	2,753	-
Miscellaneous	-	-	20,000	-
Total Support Services	21,222	-	244,454	67,005
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	129,371	-	-
Total Facilities Acquisition & Construction Services	-	129,371	-	-
Total Expenditures	\$ 21,222	\$ 143,117	\$ 615,898	\$ 67,005

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	CARL D. PERKINS GRANT SECONDARY	CARL D. PERKINS GRANT SECONDARY RESERVE	CARL D. PERKINS GRANT POST SECONDARY	TITLE I	TITLE II-A
Revenues:					
State Sources	\$ -	\$ -	\$ 143,639	\$ -	\$ -
Federal Sources	530,931	67,698	-	318,879	54,476
Local Sources	-	-	-	-	-
Total Revenues	\$ 530,931	\$ 67,698	\$ 143,639	\$ 318,879	\$ 54,476
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 60,037	\$ -	55,475	\$ 231,487	39,953
Purchased Professional & Technical Services	-	21,328	30,509	3,220	-
Textbooks	-	-	-	-	-
General Supplies	216,221	44,030	20,152	25	-
Total Instruction	276,258	65,358	106,136	234,732	39,953
Support Services:					
Salaries of Supervision of Instruction	15,000	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Personal Services - Employee Benefits	21,824	-	19,416	84,147	14,523
Purchased Professional & Technical Services	-	2,340	-	-	-
Total Support Services	36,824	2,340	19,416	84,147	14,523
Facilities Acquisition & Construction Services:					
Instructional Equipment	217,849	-	18,087	-	-
Total Facilities Acquisition & Construction Services	217,849	-	18,087	-	-
Total Expenditures	\$ 530,931	\$ 67,698	\$ 143,639	\$ 318,879	\$ 54,476

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

	N.C.L.B./Improving			
	Americas Schools	I.D.E.A. PART B	SAFTEY GRANT	Totals
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ 164,861
Federal Sources	17,789	139,650	-	1,196,428
Local Sources	-	-	12,999	772,014
Total Revenues	\$ 17,789	\$ 139,650	\$ 12,999	\$ 2,133,303
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 13,047	\$ 44,825	\$ -	\$ 815,568
Purchased Professional & Technical Services	-	-	-	55,057
Textbooks	-	-	-	700
General Supplies	-	-	-	294,174
Total Instruction	13,047	44,825	-	1,165,499
Support Services:				
Salaries of Supervision of Instruction	-	67,012	-	137,309
Salaries of Secretarial & Clerical Assistants	-	-	-	45,505
Personal Services - Employee Benefits	4,742	27,813	-	313,276
Purchased Professional & Technical Services	-	-	-	2,340
Travel	-	-	-	60
Miscellaneous Purchased Services	-	-	-	68,255
Supplies and Materials	-	-	12,999	15,752
Miscellaneous	-	-	-	20,000
Total Support Services	4,742	94,825	12,999	602,497
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	365,307
Total Facilities Acquisition & Construction Services	-	-	-	365,307
Total Expenditures	\$ 17,789	\$ 139,650	\$ 12,999	\$ 2,133,303

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F. Capital Projects Fund

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2020**

<u>Project Title / Issue</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2020</u>
		<u>Prior Years</u>	<u>Current Year</u>	
PERFORMING ARTS ACADEMY BUILDING	\$ 26,894,542	\$ 11,441,101	\$ 13,603,421	\$ 1,850,020
ADMINISTRATION OFFICE HVAC SYSTEM UPGRADES	480,937	446,527	34,410	-
BRICK CENTER INTERIOR DOORS	292,968	292,760	208	-
TOMS RIVER CENTER EXTERIOR RENOVATIONS	1,457,043	1,274,885	182,158	-
TOMS RIVER CENTER GENERATOR	748,907	-	413,250	335,657
MATES GENERATOR	29,400	-	-	29,400
Total	<u>\$ 29,903,797</u>	<u>\$ 13,455,273</u>	<u>\$ 14,233,447</u>	<u>\$ 2,215,077</u>

Reconciliation of Fund Balance

Unexpended Project Balances	<u>\$ 2,215,077</u>
Total Fund Balance (Budgetary Basis) - June 30, 2020	<u>2,215,077</u>
Reserve for Encumbrances	<u>-</u>
Total Fund Balance (GAAP Basis) - June 30, 2020	<u><u>\$ 2,215,077</u></u>

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020**

Revenues and Other Financing Sources:	
Transfer from other Capital Projects	\$ 123,057
County Funding	889,449
	<hr/>
Total Revenues and Other Financing Sources	1,012,506
	<hr/>
Expenditures and Other Financing Uses:	
Project Expenditures	14,110,390
Project Balances Cancelled:	
Other Capital Projects	123,057
	<hr/>
Total Expenditures and Other Financing Uses	14,233,447
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,220,941)
	<hr/>
Fund Balance, July 1	15,436,018
	<hr/>
Fund Balance, June 30	\$ 2,215,077
	<hr/> <hr/>

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
 PROJECT STATUS--BUDGETARY BASIS
 PERFORMING ARTS ACADEMY BUILDING
 YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
County Funding	\$ 26,754,000	\$ 140,542	\$ 26,894,542	\$ 26,894,542
Total Revenues and Other Financing Sources	26,754,000	140,542	26,894,542	26,894,542
Expenditures and Other Financing Uses:				
Project Expenditures	11,441,101	13,603,421	25,044,522	26,894,542
Total Expenditures and Other Financing Uses	11,441,101	13,603,421	25,044,522	26,894,542
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 15,312,899	\$ (13,462,879)	\$ 1,850,020	\$ -

ADDITIONAL PROJECT INFORMATION

Name of Project:	
<u>PERFORMING ARTS ACADEMY BUILDING</u>	
Grant Date	7/1/2017
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ -
Additional Authorized Cost	\$ 26,894,542
Revised Authorized Cost	\$ 26,894,542
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	93.12%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
 PROJECT STATUS--BUDGETARY BASIS
 ADMINISTRATION OFFICE HVAC SYSTEM UPGRADES
 YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
County Funding	\$ 480,937	\$ -	\$ 480,937	\$ 480,937
Total Revenues and Other Financing Sources	480,937	-	480,937	480,937
Expenditures and Other Financing Uses:				
Project Expenditures	446,527	-	446,527	480,937
Project Balances Cancelled:				
Other Capital Projects	-	34,410	34,410	-
Total Expenditures and Other Financing Uses	446,527	34,410	480,937	480,937
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 34,410	\$ (34,410)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

<u>Name of Project:</u>	
<u>ADMINISTRATION OFFICE HVAC SYSTEM UPGRADES</u>	
Grant Date	7/1/2017
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 480,937
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 480,937
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
 PROJECT STATUS--BUDGETARY BASIS
 BRICK CENTER INTERIOR DOORS
 YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
County Funding	\$ 264,852.00	\$ -	\$ 264,852	\$ 264,852
Transfers from Other Capital Projects	28,116	-	28,116	28,116
Total Revenues and Other Financing Sources	292,968	-	292,968	292,968
Expenditures and Other Financing Uses:				
Project Expenditures	292,760	-	292,760	292,968
Project Balances Cancelled:				
Other Capital Projects		208	208	-
Total Expenditures and Other Financing Uses	292,760	208	292,968	292,968
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 208	\$ (208)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

<u>Name of Project:</u>	
<u>BRICK CENTER INTERIOR DOORS</u>	
Grant Date	7/1/2017
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 264,852
Additional Authorized Cost	\$ 28,116
Revised Authorized Cost	\$ 292,968
Percentage Increase over Original Authorized Cost	10.62%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
TOMS RIVER CENTER EXTERIOR RENOVATIONS
YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
County Funding	\$ 217,282	\$ -	\$ 217,282	\$ 217,282
Local Sources	1,146,104	-	1,146,104	1,146,104
Transfers from Other Capital Projects	-	93,657	93,657	93,657
	<hr/>			
Total Revenues and Other Financing Sources	1,363,386	93,657	1,457,043	1,457,043
	<hr/>			
Expenditures and Other Financing Uses:				
Project Expenditures	1,274,885	177,184	1,452,069	1,457,043
Project Balances Cancelled:				
Other Capital Projects	-	4,974	4,974	-
	<hr/>			
Total Expenditures and Other Financing Uses	1,274,885	182,158	1,457,043	1,457,043
	<hr/>			
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 88,501	\$ (88,501)	\$ -	\$ -
	<hr/> <hr/>			

ADDITIONAL PROJECT INFORMATION

<u>Name of Project:</u>	
<u>TOMS RIVER CENTER EXTERIOR RENOVATIONS</u>	
Grant Date	7/1/2017
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,146,104
Additional Authorized Cost	\$ 310,939
Revised Authorized Cost	\$ 1,457,043
Percentage Increase over Original Authorized Cost	27.13%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
TOMS RIVER CENTER GENERATOR
YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
County Funding	\$ -	\$ 748,907	\$ 748,907	\$ 748,907
Total Revenues and Other Financing Sources	-	748,907	748,907	748,907
Expenditures and Other Financing Uses:				
Project Expenditures	-	329,785	329,785	748,907
Project Balances Cancelled:				
Other Capital Projects	-	83,465	83,465	83,465
Total Expenditures and Other Financing Uses	-	413,250	413,250	832,372
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 335,657	\$ 335,657	\$ (83,465)

ADDITIONAL PROJECT INFORMATION

<u>Name of Project:</u>	
<u>TOMS RIVER CENTER GENERATOR</u>	
Grant Date	7/1/2019
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 341,250
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ -
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	49.65%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
MATES GENERATOR
YEAR ENDED JUNE 30, 2020**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfers from Other Capital Projects	\$ -	\$ 29,400	\$ 29,400	\$ 29,400
Total Revenues and Other Financing Sources	-	29,400	29,400	29,400
Expenditures and Other Financing Uses:				
Project Expenditures	-	-	-	29,400
Total Expenditures and Other Financing Uses	-	-	-	29,400
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 29,400	\$ 29,400	\$ -

ADDITIONAL PROJECT INFORMATION

<u>Name of Project:</u>	
<u>MATES GENERATOR</u>	
Grant Date	5/1/2020
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 29,400
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ -
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

H. Fiduciary Fund

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OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2020

	PRIVATE PURPOSE		AGENCY			
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL FUND	PELL GRANT	AGENCY TOTALS
ASSETS						
Cash & Cash Equivalents	\$ 18,855	\$ 150,828	\$ 193,770	\$ 168,448	\$ -	\$ 531,901
Total Assets	18,855	150,828	193,770	168,448	-	531,901
LIABILITIES						
Payroll Deductions & Withholdings Payable - Quarterly Unemployment	-	-	-	168,448	-	168,448
Payable for Student Related Activities	-	43,982	-	-	-	43,982
	-	-	193,770	-	-	193,770
Total Liabilities	-	43,982	193,770	168,448	-	406,200
NET POSITION						
Restricted - Held in Trust for Unemployment Claims & Other Purposes	-	106,846	-	-	-	106,846
Restricted - Scholarships	18,855	-	-	-	-	18,855
Total Net Position	\$ 18,855	\$ 106,846	\$ -	\$ -	\$ -	\$ 125,701

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2020**

	<u>PRIVATE PURPOSE</u>		TOTAL
	SCHOLARSHIP	UNEMPLOYMENT TRUST	
OPERATING REVENUES			
Local Sources:			
Contributions	\$ 36,275	\$ 29,692	\$ 65,967
Total Operating Revenues	<u>36,275</u>	<u>29,692</u>	<u>65,967</u>
OPERATING EXPENSES			
Unemployment Claims	-	81,481	81,481
Scholarships Awarded	32,400	-	32,400
Total Operating Expenses	<u>32,400</u>	<u>81,481</u>	<u>113,881</u>
Change in Net Position	3,875	(51,789)	(47,914)
Net Position - Beginning	<u>14,980</u>	<u>158,635</u>	<u>173,615</u>
Net Position - Ending	<u>\$ 18,855</u>	<u>\$ 106,846</u>	<u>\$ 125,701</u>

**STUDENT ACTIVITIES AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
Vocational School				
Brick	\$ 12,119	\$ 65,419	\$ 57,359	\$ 20,179
Jackson	8,077	3,427	4,348	7,156
Waretown	10,697	7,807	4,649	13,855
Toms River	27,905	4,163	2,413	29,655
MATES	28,254	33,880	31,211	30,923
Lakehurst	106,306	53,592	80,100	79,798
Adult Education	356	-	-	356
Miscellaneous	11,336	-	-	11,336
Student Services	226	386	100	512
Total All Schools	<u>\$ 205,276</u>	<u>\$ 168,674</u>	<u>\$ 180,180</u>	<u>\$ 193,770</u>

EXHIBIT H-4

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 PAYROLL AGENCY FUND & PAYROLL FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 YEAR ENDED JUNE 30, 2020

	BALANCE JUNE 30, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
ASSETS				
Cash & Cash Equivalents	\$ 264,455	\$ 20,404,440	\$ 20,500,447	\$ 168,448
Total Assets	\$ 264,455	\$ 20,404,440	\$ 20,500,447	\$ 168,448
LIABILITIES				
Payroll Deductions & Withholdings	\$ 264,455	\$ 20,500,447	\$ 20,404,440	\$ 168,448
Total Liabilities	\$ 264,455	\$ 20,500,447	\$ 20,404,440	\$ 168,448

EXHIBIT H-5

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 PELL GRANT AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 YEAR ENDED JUNE 30, 2020

	BALANCE JUNE 30, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
ASSETS				
Cash & Cash Equivalents	\$ -	\$ 1,357,479	\$ 1,357,479	\$ -
Total Assets	\$ -	\$ 1,357,479	\$ 1,357,479	\$ -
LIABILITIES				
Due to Recipients	\$ -	\$ 1,357,479	\$ 1,357,479	\$ -
Total Liabilities	\$ -	\$ 1,357,479	\$ 1,357,479	\$ -

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 48,142,805	\$ 35,152,922	\$ 22,763,578	\$ 22,661,862	\$ 20,523,837	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$ 22,274,579	\$ 22,980,492
Restricted	2,723,663	15,868,791	28,559,702	907,773	2,563,505	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526
Unrestricted (Deficit)	(11,870,553)	(11,522,933)	(11,214,567)	(11,266,834)	(9,121,155)	(10,489,417)	(746,486)	(991,667)	(143,886)	183,399
Total Governmental Activities	\$ 38,995,915	\$ 39,498,780	\$ 40,108,713	\$ 12,302,801	\$ 13,966,187	\$ 11,767,964	\$ 21,771,719	\$ 22,650,725	\$ 24,080,244	\$ 24,696,617
Business-Type Activities:										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (Deficit)	19,124	19,548	23,282	24,128	24,128	8,542	39,168	23,379	90,192	56,817
Total Business-Type Activities	\$ 19,124	\$ 19,548	\$ 23,282	\$ 24,128	\$ 24,128	\$ 8,542	\$ 39,168	\$ 23,379	\$ 90,192	\$ 56,817
District-Wide:										
Net Investment in Capital Assets	\$ 48,142,805	\$ 35,152,922	\$ 22,763,578	\$ 22,661,862	\$ 20,523,837	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$ 22,274,579	\$ 22,980,492
Restricted	2,723,663	15,868,791	28,559,702	907,773	2,563,505	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526
Unrestricted (Deficit)	(11,851,429)	(11,503,385)	(11,191,285)	(11,242,706)	(9,097,027)	(10,480,875)	(707,318)	(968,288)	(53,694)	240,416
Total District Net Position	\$ 39,015,039	\$ 39,518,328	\$ 40,131,995	\$ 12,326,929	\$ 13,990,315	\$ 11,776,506	\$ 21,810,887	\$ 22,674,104	\$ 24,170,436	\$ 24,753,434

Source: CAFR Schedule A-1

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ (3,465,669)	\$ (3,436,112)	\$ (3,406,736)	\$ (3,256,501)	\$ (2,893,971)	\$ (3,046,659)	\$ (2,946,244)	\$ (2,827,260)	\$ (2,627,618)	\$ (2,627,618)
Special Education	(1,446,229)	(1,362,191)	(1,369,113)	(1,262,946)	(1,345,393)	(1,266,602)	(1,328,327)	(1,439,906)	(1,375,274)	(1,375,274)
Other Special Education	(92,624)	(236,773)	(275,589)	(266,671)	(244,875)	(226,796)	(211,045)	(254,109)	(188,680)	(188,680)
Vocational	(6,508,522)	(6,286,591)	(6,062,405)	(6,001,138)	(6,039,426)	(5,969,783)	(5,723,492)	(5,577,705)	(5,447,967)	(5,447,967)
Support Services:										
School Administrative										
Services	(2,035,570)	(1,992,083)	(1,863,385)	(1,848,497)	(1,810,299)	(1,718,525)	(1,696,007)	(1,647,699)	(1,604,942)	(1,604,942)
General & Business Administrative										
Services	(2,138,063)	(1,979,418)	(1,934,401)	(1,935,988)	(1,900,857)	(1,729,444)	(1,726,906)	(1,670,243)	(1,516,129)	(1,516,129)
Plant Operations & Maintenance	(2,773,336)	(2,740,756)	(2,344,968)	(2,628,891)	(2,499,235)	(2,378,067)	(2,523,304)	(2,930,767)	(3,026,195)	(3,026,195)
Pupil Transportation	(176,509)	(224,061)	(230,126)	(248,790)	(233,039)	(227,015)	(203,878)	(217,048)	(217,739)	(217,739)
Business & Other Support										
Services	(12,616,042)	(13,196,949)	(15,641,742)	(9,940,658)	(12,005,707)	(8,657,498)	(7,516,250)	(7,753,528)	(7,028,409)	(7,028,409)
Special Schools	(6,088,011)	(6,451,330)	(6,158,708)	(6,027,704)	(5,624,554)	(5,532,317)	(5,545,655)	(5,152,877)	(4,827,816)	(4,827,816)
Interest & Other Charges	(50,077)	(50,077)	(50,077)	(50,077)	-	-	-	-	-	-
Unallocated Depreciation	(1,822,394)	(1,428,242)	(1,367,560)	(1,339,744)	(1,225,660)	(1,243,212)	(1,207,751)	(1,289,331)	(1,263,188)	(1,263,188)
Total Governmental Activities Expenses	(39,213,046)	(39,384,583)	(40,704,810)	(34,807,605)	(35,823,016)	(31,995,918)	(30,628,859)	(30,760,473)	(29,123,957)	(29,123,957)
Business-Type Activities:										
Food Service	(153,041)	(207,589)	(205,086)	(180,832)	(224,360)	(187,834)	(395,422)	(204,426)	(215,153)	(215,153)
Enterprise Fund	(25,612)	(25,308)	(34,326)	(23,450)	(40,762)	(20,252)	(31,204)	-	(1,042)	(1,042)
Total Business-Type Activities Expense	(178,653)	(232,897)	(239,412)	(204,282)	(265,122)	(208,086)	(426,626)	(204,426)	(216,195)	(216,195)
Total District Expenses	\$ (39,391,699)	\$ (39,617,480)	\$ (40,944,222)	\$ (35,011,887)	\$ (36,088,138)	\$ (32,204,004)	\$ (31,055,485)	\$ (30,964,899)	\$ (29,340,152)	\$ (29,340,152)
Program Revenues:										
Operating Grants & Contributions	\$ 7,768,336	\$ 8,447,435	\$ 10,879,461	\$ 1,554,377	\$ 7,607,255	\$ 4,561,218	\$ 1,252,071	\$ 1,223,049	\$ 1,026,990	\$ 1,026,990
Total Governmental Activities Program Revenues	7,768,336	8,447,435	10,879,461	1,554,377	7,607,255	4,561,218	1,252,071	1,223,049	1,026,990	1,026,990
Business-Type Activities:										
Food Service	155,944	204,418	204,024	193,881	201,490	200,086	350,941	232,801	227,405	227,405
Enterprise Fund	22,285	24,745	34,542	25,987	33,006	23,789	8,872	5,000	19,470	19,470
Total Business Type Activities Program Revenues	178,229	229,163	238,566	219,868	234,496	223,875	359,813	237,801	246,875	246,875
Total District Program Revenues	\$ 7,946,565	\$ 8,676,598	\$ 11,118,027	\$ 1,774,245	\$ 7,841,751	\$ 4,785,093	\$ 1,611,884	\$ 1,460,850	\$ 1,273,865	\$ 1,273,865
Net (Expense)/Revenue:										
Governmental Activities	\$ (31,444,710)	\$ (30,937,148)	\$ (29,825,349)	\$ (33,253,228)	\$ (28,215,761)	\$ (27,434,700)	\$ (29,376,788)	\$ (29,537,424)	\$ (28,096,967)	\$ (28,096,967)
Business-Type Activities	(424)	(3,734)	(846)	(30,626)	(30,626)	15,789	(66,813)	33,375	30,680	30,680
Total District-Wide Net Expense	\$ (31,445,134)	\$ (30,940,882)	\$ (29,826,195)	\$ (33,237,642)	\$ (28,246,387)	\$ (27,418,911)	\$ (29,443,601)	\$ (29,504,049)	\$ (28,066,287)	\$ (28,066,287)

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriation	\$ 19,011,166	\$ 18,638,398	\$ 18,272,939	\$ 17,914,646	\$ 19,855,085	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646
County Appropriation	-	-	27,452,902	386,393	-	-	-	-	-	-
Capital Project	889,449	698,923	1,146,104	-	-	-	-	-	-	-
Local Funding	-	-	-	-	-	-	-	-	-	-
Unrestricted Grants & Contributions	5,950,402	6,246,867	6,407,328	8,458,305	5,927,671	5,306,864	7,475,791	7,634,557	7,207,560	7,207,560
Tuition Received	4,732,203	4,339,014	3,994,813	3,928,234	3,885,097	2,850,196	2,735,385	2,155,175	2,263,407	2,263,407
Miscellaneous Income	358,685	403,953	357,175	902,264	746,131	1,120,198	739,010	953,527	628,737	628,737
Transfers In/Out	-	-	-	-	-	-	-	-	16,244	16,244
Total Governmental Activities	30,941,905	30,327,155	57,631,261	31,589,842	30,413,984	26,959,753	28,497,782	28,107,905	27,480,594	27,480,594
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	(16,244)	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	(16,244)	-	-	-	-
Total District-Wide	\$ 30,941,905	\$ 30,327,155	\$ 57,631,261	\$ 31,589,842	\$ 30,413,984	\$ 26,943,509	\$ 28,497,782	\$ 28,107,905	\$ 27,480,594	\$ 27,480,594
Change in Net Position:										
Governmental Activities	\$ (502,805)	\$ (609,993)	\$ 27,805,912	\$ (1,663,386)	\$ 2,198,223	\$ (474,947)	\$ (879,006)	\$ (1,429,519)	\$ (616,373)	\$ (616,373)
Business-Type Activities	(424)	(3,734)	(846)	15,586	(30,626)	(455)	(66,813)	17,131	30,680	30,680
Total District	\$ (503,229)	\$ (613,727)	\$ 27,805,066	\$ (1,647,800)	\$ 2,167,597	\$ (475,402)	\$ (945,819)	\$ (1,412,388)	\$ (585,693)	\$ (585,693)

Source: CAFR Schedule A-2

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 508,585	\$ 432,773	\$ 928,773	\$ 907,773	\$ 1,019,206	\$ 631,206	\$ 386,186	\$ 782,816	\$ 2,553,153	\$ 2,026,811
Committed	210,131	271,901	502,727	239,262	416,026	733,995	474,273	220,203	-	-
Assigned	984,139	920,144	1,165,516	825,344	1,128,273	469,867	690,872	1,022,118	-	-
Unassigned	1,216,653	1,110,114	918,770	945,869	996,692	1,022,844	1,065,235	728,906	926,567	921,087
Total General Fund	\$ 2,919,508	\$ 2,734,932	\$ 3,515,786	\$ 2,918,248	\$ 3,560,197	\$ 2,857,912	\$ 2,616,566	\$ 2,754,043	\$ 3,479,720	\$ 2,947,898
All Other Governmental Funds:										
Restricted										
Capital Projects Fund	\$ 2,215,077	\$ 15,436,018	\$ 27,630,929	\$ -	\$ 1,892,987	\$ 4,228	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 2,215,077	\$ 15,436,018	\$ 27,630,929	\$ -	\$ 1,892,987	\$ 4,228	\$ -	\$ -	\$ -	\$ -

Source: CAFR Schedule B-1

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
County Appropriation	\$ 19,900,615	\$ 19,337,321	\$ 45,725,841	\$ 18,301,039	\$ 19,855,085	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646
Local Funding	-	-	1,146,104	-	-	-	-	-	-	-
Tuition Charges	4,732,203	4,339,014	3,994,813	3,928,234	3,885,097	2,850,196	2,735,385	2,155,175	2,263,407	1,951,231
Interest Earnings	2,347	4,051	-	-	-	-	-	-	3,149	6,060
Miscellaneous	1,128,352	1,173,725	1,053,128	902,264	746,131	1,120,198	739,010	953,527	625,588	699,743
State Sources	9,992,654	9,856,796	9,675,973	8,868,768	9,111,709	8,122,551	7,728,201	7,924,367	7,252,074	6,593,729
Federal Sources	1,196,428	1,210,426	1,068,374	1,143,914	1,117,312	991,005	999,661	919,811	982,476	934,476
Total Revenues	36,952,599	35,921,333	62,664,233	33,144,219	34,715,334	30,766,445	29,749,853	29,317,526	28,491,340	27,549,885
Expenditures										
Instruction:										
Regular Instruction	3,465,669	3,436,112	3,406,736	3,256,501	2,893,971	3,046,659	2,946,244	2,827,260	2,627,618	2,590,278
Special Education Instruction	1,446,229	1,362,191	1,369,113	1,262,946	1,343,393	1,266,602	1,328,327	1,439,906	1,375,274	1,356,206
Other Special Instruction	92,624	236,773	275,589	266,671	244,875	226,796	211,045	254,109	188,680	171,451
Vocational Instruction	6,508,522	6,286,591	6,062,405	6,001,138	6,039,426	5,969,783	5,723,492	5,577,705	5,447,967	5,355,192
Support Services:										
Student & Instruction Related Services	2,492,947	2,549,914	2,322,564	2,320,631	2,183,315	2,102,344	938,864	921,717	716,255	722,290
School Administrative Services	2,035,570	1,992,083	1,863,385	1,848,497	1,810,299	1,718,525	1,696,007	1,647,699	1,604,942	1,562,722
General & Business Administration										
Services	2,138,063	1,979,418	1,934,401	1,935,988	1,900,857	1,729,444	2,006,878	2,093,207	1,872,405	1,811,286
Plant Operations & Maintenance	2,773,336	2,742,675	2,351,404	2,628,987	2,449,176	2,327,997	2,459,236	2,886,239	2,986,232	2,649,219
Pupil Transportation	176,509	224,061	230,126	248,790	233,039	227,015	203,878	217,048	217,739	247,656
Other Support Services:	7,909,130	7,770,206	6,948,418	6,353,552	6,017,914	5,628,896	6,206,266	6,362,329	5,513,596	5,224,209
Special Schools	6,088,011	6,451,330	6,158,708	6,027,704	5,624,554	5,532,317	5,545,655	5,152,877	4,827,816	4,640,294
Capital Outlay	14,812,277	13,815,667	1,462,840	3,477,673	1,377,243	748,721	621,438	676,535	597,238	348,428
Interest & Other Charges	50,077	50,077	-	50,077	-	-	-	-	-	-
Total Expenditures	49,988,964	48,897,098	34,435,766	35,679,155	32,120,062	30,525,099	29,887,330	30,056,631	27,975,762	26,679,231
Other Financing Sources/Uses):										
Transfers In	-	-	-	-	-	-	16,244	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	16,244	-	-	-
Net Change in Fund Balances	\$ (13,036,365)	\$ (12,975,765)	\$ 28,228,467	\$ (2,534,936)	\$ 2,595,272	\$ 241,346	\$ (121,233)	\$ (739,105)	\$ 515,578	\$ 870,654

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	SUMMER CAMP	MISCELLANEOUS	TOTAL
2020	\$ 2,347	\$ 16,005	\$ 340,333	\$ 358,685
2019	4,051	36,135	363,767	403,953
2018	-	30,550	330,960	361,510
2017	-	32,365	263,114	295,479
2016	-	-	205,024	205,024
2015	-	-	578,028	578,028
2014	-	-	159,618	159,618
2013	-	-	361,866	361,866
2012	3,149	-	183,624	186,773
2011	6,060	-	245,610	251,670

Source: District Records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2020	N/A		N/A	N/A
2019	607,186		N/A	N/A
2018	601,478		52,008	4.30%
2017	595,424		49,749	4.80%
2016	590,897		48,490	5.20%
2015	587,091		47,082	6.00%
2014	584,447		44,949	7.20%
2013	582,059		43,262	8.50%
2012	579,932		42,861	10.30%
2011	578,876		41,587	10.00%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

^a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.
income presented.

^b Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^c Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

EXHIBIT J-15 NOT APPLICABLE

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Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Vocational	131	128	130	128	128	130	133	134	131	131
Support Services:										
Student & Instruction Related Services	22	22	22	22	22	21	22	22	22	21
School Administrative Services	38	39	39	40	38	36	35	35	35	34
General & Business Administrative Services	4	3	4	4	4	4	4	4	4	4
Plant Operations & Maintenance	22	21	22	21	22	22	25	23	21	22
Business & Other Support Services	17	17	16	17	17	18	18	18	18	17
Total	234	230	233	232	231	231	237	236	231	229

Source: District Personnel Records

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						HIGH SCHOOL	TECHNICAL				
2020	2,332	\$ 35,176,688	\$ 15,084	-14.65%	13	13	13	1,343	1,278	3.1%	95.16%
2019	1,985	35,081,431	17,673	5.48%	13	13	13	1,302	1,241	1.6%	95.31%
2018	1,968	32,972,926	16,755	5.83%	13	13	13	1,282	1,218	-3%	95.01%
2017	2,034	32,201,482	15,832	5.41%	13	13	13	1,317	1,249	1%	94.84%
2016	2,047	30,742,819	15,018	4.51%	13	13	13	1,309	1,239	-1%	94.65%
2015	2,072	29,776,378	14,371	-0.81%	13	13	13	1,321	1,249	1%	94.55%
2014	2,020	29,265,892	14,488	-13.21%	13	13	13	1,311	1,246	-21.31%	95.04%
2013	1,760	29,380,096	16,693	6.58%	13	13	13	1,666	1,544	0.24%	92.68%
2012	1,748	27,378,524	15,663	1.24%	13	13	13	1,662	1,565	8.98%	94.16%
2011	1,702	26,330,803	15,471	-3.62%	13	13	13	1,525	1,428	1.19%	93.64%

Sources: District records

Note: Enrollment based on annual October district count from the year prior

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

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

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

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>DISTRICT BUILDINGS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
High School:										
Brick Center (1972)										
Square Feet	93,500	93,500	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870
Capacity (Students)	894	894	894	894	894	894	894	894	894	894
Enrollment	1,050	882	875	778	921	792	877	794	833	804
Jackson Center (1974)										
Square Feet	54,000	54,000	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300
Capacity (Students)	454	454	454	454	454	454	454	454	454	454
Enrollment (a)	352	360	327	322	342	345	355	366	348	358
Toms River Center (1975)										
Square Feet	58,000	58,000	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725
Capacity (Students)	544	554	554	554	554	554	554	554	554	554
Enrollment	873	724	745	941	662	888	712	579	599	574
Waretown (1974)										
Square Feet	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Capacity (Students)	260	260	260	260	260	260	260	260	260	260
Enrollment	258	189	193	144	237	258	303	276	256	229
NLC (1994)										
Square Feet	52,683	52,683	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment		262	258	297	354	319	337	316	298	293
MATES (2006)										
Square Feet - 51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	275	275	275	280	274	274	266	266	249	232
Cuisine on the Green (2013)										
Square Feet - 4,200	4,200	4,200	4,200	4,200	4,200	4,200	-	-	-	-
Capacity (Students)	18	18	18	18	18	18	-	-	-	-
Enrollment	15	14	18	15	16	27	-	-	-	-
PAA (2020)										
Square Feet - 57,000	57,000	-	-	-	-	-	-	-	-	-
Capacity (Students)	300	-	-	-	-	-	-	-	-	-
Enrollment	262	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2020:
Senior High School = 6

Source: District Facilities Office, District Records

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

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

SCHOOL FACILITIES	PROJECT # (S)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Brick Center		\$ 130,256	\$ 163,451	\$ 135,815	\$ 164,719	\$ 142,653	\$ 94,169	\$ 143,145	\$ 176,216	\$ 178,991	\$ 138,190
Jackson Center		75,228	94,400	78,439	101,078	87,537	57,786	87,839	108,132	109,836	84,798
Toms River Center		80,801	101,392	84,249	108,565	94,022	62,066	94,345	116,142	117,972	91,080
Ocean Center (Waretown)		33,435	41,955	34,862	44,924	38,906	25,683	39,039	48,059	48,816	37,688
Navy Lakehurst Center		73,394	92,097	76,526	98,613	85,402	56,376	85,696	105,495	107,157	82,730
Administration Building		8,192	10,279	8,541	11,006	9,532	6,292	9,565	11,775	11,960	9,234
Building 33 - NAES		-	-	-	-	-	-	8,576	10,557	10,723	8,278
Student Services Center		4,179	5,244	4,358	5,615	4,863	3,210	4,880	6,007	6,102	4,711
MATES		71,882	90,201	74,950	96,582	83,643	55,215	83,932	103,323	104,950	81,027
PAA		79,408	-	-	-	-	-	-	-	-	-
Grand Total		\$ 556,775	\$ 599,019	\$ 497,740	\$ 631,102	\$ 546,558	\$ 360,797	\$ 557,017	\$ 685,706	\$ 696,507	\$ 537,736

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2020
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY (1):		
Building and Contents (All Locations)	\$ 5,000,000,000	5,000
Boiler and Machinery	100,000,000	5,000
Employee Dishonesty	500,000	1,000
Comprehensive General Liability	16,000,000	-
Automobile Liability	16,000,000	-
School Board Legal Liability	16,000,000	5,000
Employee Benefits Liability	16,000,000	1,000
EDP	3,000,000	1,000
Pollution Liability	1,000,000	10,000
SCHOOL ACCIDENT INSURANCE (1):		
Workers' Compensation (1)	3,000,000	-
Compulsory Student Accident Insurance (2)	5,000,000	-
Volunteer Accident Coverage (3)	500,000	-
SURETY BONDS (40):		
Treasurer	250,000	N/A
Board Secretary	100,000	N/A
BOAT POLICY (5)		
Hull & Machinery	99,000	1,000
Protection & Indemnity	1,000,000	1,000

- (1) NJSIG
- (2) National Union Fire Insurance Company of Pittsburgh, PA
- (3) QBE Insurance Co.
- (4) Hanover Insurance Company
- (5) Atlantic Specialty Co.

Source: District Records

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SINGLE AUDIT SECTION

Fourth Section

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Certified Public Accountants + Advisors

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EXHIBIT K-1

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*

Honorable President and Members
of the Board of Education
Ocean County Vocational Technical School
County of Ocean
Toms River, NJ 08753-2703

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational Technical School as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ocean County Vocational Technical School'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ocean County Vocational Technical School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 School 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Toms River New Jersey
January 12, 2021

EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Ocean County Vocational Technical School
County of Ocean
Toms River, NJ 08753-2703

Report on Compliance for Each Major Federal and State Program

We have audited the Ocean County Vocational Technical School'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 School District's major federal and state programs for the fiscal year ended June 30, 2020. The Ocean County Vocational Technical School'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 Ocean County Vocational Technical School'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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School 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 School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Ocean County Vocational Technical School 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 Ocean County Vocational Technical School 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Toms River New Jersey
January 12, 2021

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REV (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2020 DUE TO GRANTOR
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: School Breakfast Program School Breakfast Program	10.553 10.553	19INJ04NI099 20INJ04NI099	100-010-3350-028 100-010-3350-028	\$ 734 262	7/1/18-6/30/19 7/1/19-6/30/20	\$ (25) (25)	25 262	\$ - (262)	\$ - (262)	\$ - (262)	\$ - (262)
National School Lunch Program COVID-19 National School Lunch Program National School Lunch Program Healthy Hunger-Free Kids Act COVID-19 Healthy Hunger-Free Kids Act Healthy Hunger-Free Kids Act	10.555 10.555 10.555 10.555 10.555 10.555	19INJ04NI099 20INJ04NI099 19INJ04NI099 20INJ04NI099 19INJ04NI099 20INJ04NI099	100-010-3350-028 100-010-3350-028 100-010-3350-028 100-010-3350-026 100-010-3350-026 100-010-3350-026	12,564 2,376 9,037 796 48 686	7/1/18-6/30/19 7/1/19-6/30/20 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/19-6/30/20	(2,266) - (145) - - (2,411)	2,266 1,592 9,037 145 32 13,758	- (2,376) (9,037) - - (48) (686)	- - - - - (12,147)	- - - - - (800)	- - - - - (800)
Total Child Nutrition Cluster				14,045		(2,436)	14,045	(12,409)	-	(800)	-
Total U.S. Department of Agriculture				14,045		(2,436)	14,045	(12,409)	-	(800)	-
U.S. Department of Commerce Passed Through Conserve Wildlife Foundation of New Jersey NOAA Trust NOAA	11.999	Not Available	Not Available	16,280	9/1/17-12/31/19	(4,070)	4,070	-	-	-	-
U.S. Department of Education Passed Through New Jersey Department of Education: Student Financial Assistance Cluster PELL Grant	84.063	P063P164338	Not Available	1,357,479	7/1/19-6/30/20	-	1,357,479	(1,357,479)	-	-	-
Student Financial Assistance Career and Technical Education Perkins Grant - Secondary Perkins Grant - Secondary Reserve	84.048 84.048	V048160030 V048160030	100-034-5062-084 100-034-5062-084	530,931 67,698	7/1/19-6/30/20 7/1/19-6/30/20	- -	530,931 67,698	(530,931) (67,698)	- -	- -	- -
Special Education Cluster: I.D.E.A. Part B - Basic	84.027	H027A140100	100-034-5065-016	139,650	7/1/19-6/30/20	-	139,650	(139,650)	-	-	-
Total Student Financial Assistance				738,279		-	738,279	(738,279)	-	-	-
No Child Left Behind (N.C.L.B.): Title I - Part A Title II-A, Supporting Effective Instruction Title IV	84.010 84.367 84.424	S010A160030 S367A160029 SA24A180031	100-034-5064-194 100-034-5063-290 100-034-5063-348	318,879 54,476 17,789	7/1/19-6/30/20 7/1/19-6/30/20 7/1/19-6/30/20	- - -	318,879 54,476 17,789	(318,879) (54,476) (17,789)	- - -	- - -	- - -
CARES ACT 2020	84.425D	S425D200027	Not Available	228,933	3/13/20-10/15/22	-	-	(67,005)	-	(67,005)	-
Total U.S. Department of Education				2,486,902		-	2,486,902	(2,553,907)	-	(67,005)	-
Total Expenditures of Federal Awards				2,505,017		(6,506)	2,505,017	(2,566,316)	-	(67,805)	-

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020

GRANTOR STATE PROJECT NUMBER	STATE GRANTOR/ PROGRAM TITLE	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2020 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	MEMO		
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:												
General Fund:												
495-034-5120-089	State Aid Public:	\$	7/1/19-6/30/20	\$ -	\$ 837,311	\$ (837,311)	\$ -	\$ -	\$ -	\$ 82,980	\$ 837,311	
	Special Education Categorical Aid		7/1/19-6/30/20		542,552	(542,552)	-	-	-	53,769	542,552	
	Vocational Expansion Sub. Aid		7/1/19-6/30/20		2,014,757	(2,014,757)	-	-	-	199,669	2,014,757	
495-034-5120-078	Equalization Aid		7/1/19-6/30/20		189,062	(189,062)	-	-	-	18,737	189,062	
495-034-5120-084	Security Aid		7/1/19-6/30/20		2,001,413	(2,001,413)	-	-	-	198,347	2,001,413	
495-034-5120-085	Adjustment Aid		7/1/19-6/30/20		5,585,095	(5,585,095)	-	-	-	553,501	5,585,095	
Total State Aid Public												
495-034-5094-002	TPAF - Post Retirement Medical (Noncash Assistance)	2,465,370	7/1/19-6/30/20	-	2,465,370	(2,465,370)	-	-	-	-	2,465,370	
495-034-5094-001	TPAF - Pension Contributions (Noncash Assistance)	914,607	7/1/19-6/30/20	-	914,607	(914,607)	-	-	-	-	914,607	
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	1,561	7/1/19-6/30/20	-	1,561	(1,561)	-	-	-	-	1,561	
495-034-5094-003	Reimbursed TPAF Social Security Contributions	845,673	7/1/18-6/30/19	(41,015)	41,015	-	-	-	-	-	-	
495-034-5094-003	Reimbursed TPAF Social Security Contributions	861,160	7/1/19-6/30/20	-	818,735	(861,160)	-	(42,425)	-	-	861,160	
Total General Fund												
				(41,015)	9,826,383	(9,827,793)	-	(42,425)	-	553,501	9,827,793	
Special Revenue Fund:												
780-062-4545-006	Apprentice Coordinator Grant (CAC)	21,222	7/1/18-6/30/19	(5,306)	5,306	-	-	-	-	-	-	
780-062-4545-006	Apprentice Coordinator Grant (CAC)	21,222	7/1/19-6/30/20	-	15,915	(21,222)	-	(5,307)	-	-	21,222	
100-034-0562-032	Perkins Post Secondary	143,639	7/1/19-6/30/20	-	143,639	(143,639)	-	-	-	-	143,639	
Total Special Revenue Fund												
				(5,306)	164,860	(164,861)	-	(5,307)	-	-	164,861	
New Jersey Department of Agriculture:												
Enterprise Fund:												
100-010-3350-023	National School Lunch Program	678	7/1/18-6/30/19	(123)	123	-	-	-	-	-	-	
100-010-3350-023	National School Lunch Program	537	7/1/19-6/30/20	-	524	(537)	-	(13)	-	-	537	
Total Enterprise Fund												
				(123)	647	(537)	-	(13)	-	-	537	
Total State Financial Assistance												
				(46,444)	9,991,890	(9,993,191)	\$	(47,745)	\$	553,501	\$ 9,993,191	
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
495-034-5094-002	TPAF - Post Retirement Medical (Noncash Assistance)	\$ 2,465,370	7/1/19-6/30/20			\$	2,465,370					
495-034-5094-001	TPAF - Pension Contributions (Noncash Assistance)	914,607	7/1/19-6/30/20				914,607					
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	1,561	7/1/19-6/30/20				1,561					
Total State Financial Assistance Subject to Calculation for Major Program Determination												
							\$			\$	(6,611,653)	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Ocean County Vocational Technical School. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School 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.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020 (Continued)**

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$0.00 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 9,827,793	\$ 9,827,793
Special Revenue Fund	1,196,428	164,861	1,361,289
Food Service Fund	12,409	537	12,946
Agency Fund	1,357,479	-	1,357,479
Total Awards & Financial Assistance	<u>\$ 2,566,316</u>	<u>\$ 9,993,191</u>	<u>\$ 12,559,507</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Ocean County Vocational Technical School had no loan balances outstanding at June 30, 2020.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unmodified
<hr/>		
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ X _____ no
2) Significant deficiency(ies) identified?	_____ yes	_____ X _____ none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____ no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ X _____ no
2) Significant deficiency(ies) identified?	_____ yes	_____ X _____ none reported
Type of auditor's report issued on compliance for major programs		Unmodified
<hr/>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	_____ X _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Student Financial Assistance Cluster:
84.063	P063P164338	Federal Pell Grant Program
<hr/>		

Dollar threshold used to determine Type A programs		\$ 750,000
<hr/>		
Auditee qualified as low-risk auditee?	_____ X _____ yes	_____ _____ no

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X 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 NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>State Aid Public:</u>
<u>Not Available</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-078</u>	<u>Vocational Expansion Stab. Aid</u>
<u>495-034-5120-084</u>	<u>Equalization Aid</u>
<u>495-034-5120-085</u>	<u>Security Aid</u>
	<u>Adjustment Aid</u>

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**OCEAN COUNTY VOCATIONAL TECHNICAL SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.