

**SCHOOL DISTRICT OF  
WARREN COUNTY VOCATIONAL-TECHNICAL**

**Warren County Vocational-Technical School District  
(a component unit of the County of Warren)  
Washington, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Warren County Vocational-Technical School District  
Board of Education**

**(a component unit of the County of Warren)**

**Washington, New Jersey**

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

**Prepared by**

**Warren County Vocational-Technical School District  
Business Office**

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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INTRODUCTORY SECTION  
(UNAUDITED)

# WARREN COUNTY TECHNICAL SCHOOL DISTRICT

1500 Route 57, Washington, NJ 07882-3538

December 15, 2020

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

Dear Board Members:

The comprehensive annual financial report of the Warren County Vocational-Technical School District (the "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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Warren County Vocational-Technical School District ("WCTS") is a component unit of the County of Warren within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Warren County Vocational-Technical School District and its school constitute the District's reporting entity. The District completed the 2019-2020 school year with an enrollment of 448 students in grades 9 through 12.

**2) MAJOR INITIATIVES:** The Warren County Vocational/Technical School is one of the twenty-one New Jersey Vocational/Technical School districts. The District is supported by the Warren County Freeholders and tuition fees from the local sending districts along with State and Federal aid. The prospective students submit an application to attend the school for their freshman year and if accepted will begin their high school program at Warren County Technical/Vocational school instead of their local high school. The District is continually evolving to meet the needs of the students as their future careers continue to evolve. The District's goal is to provide the students with the ability to receive technical education in programs like General Engineering and Computer Programming and Vocational training in programs like Welding, Electrical Applications and Automotive Technology. The District has continued to make progress in the dual enrollment credit process with the Warren County Community College and Centenary University which enables students to receive college credits without any cost. The Board of Education continues to review programs in order to provide the best opportunities for the students' success after graduation. The Board has

2) MAJOR INITIATIVES (Cont'd):

been increasing the students' ability to receive a well-rounded education whether they are in career programs, academic classes or after school sports and activities. The building envelope is continually being improved to provide a healthy energy efficient pleasant environment for the students and staff. Currently the district enrollment is essentially maximized.

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

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws and regulations.

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Warren County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School Board members. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and /or assignments at June 30, 2020.

5) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

6) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.



7) RISK MANAGEMENT: The District carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation and fidelity bonds. Willis Group of New Jersey, Inc oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The District is a member of the New Jersey Schools Insurance Group (the "Group"). The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

8) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,



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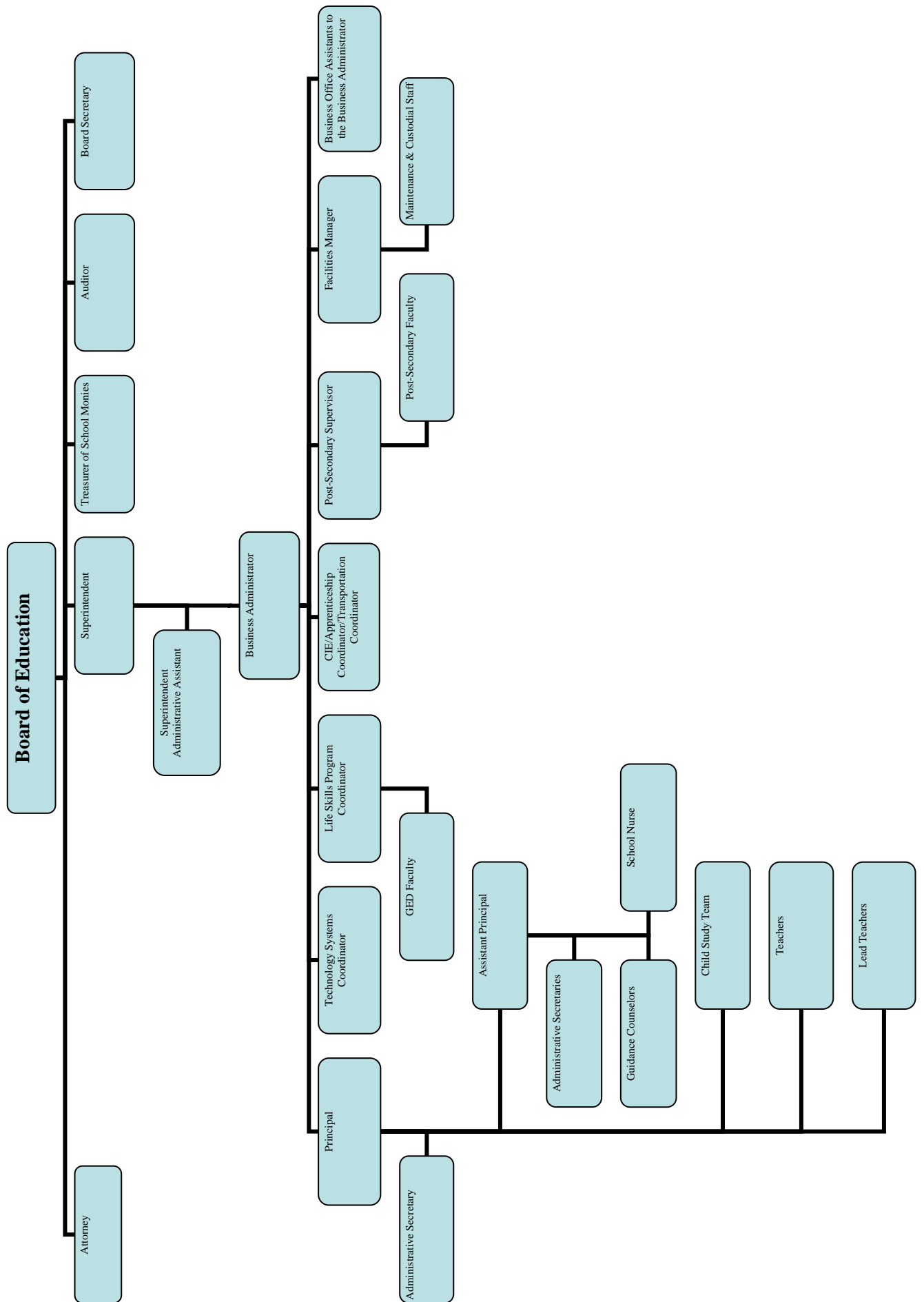
Edmund Zalewski  
Superintendent



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Amy Barkman  
Business Administrator/Board Secretary

# Warren County Technical School



**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Gus Rutledge, President	2020
Dr. Lori Austin, Vice President	2021
Dr. Rosalie Lamonte, County Superintendent of Schools	N/A
Timothy McDonough	2022

<u>Other Officers</u>	<u>Title</u>
Edmund Zalewski	Superintendent
Maureen Joyce	Business Administrator (Through 12/31/19)
Beth Hachlica	Board Secretary (Through 1/21/20)
Amy Barkman	Business Administrator/Board Secretary (Starting 1/21/20)
Nancy DeRiso	Treasurer of School Monies

**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**Consultants and Advisors**

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856

**Attorneys**

Florio, Perrucci, Steinhardt & Fader  
235 Broubalow Way  
Phillipsburg, NJ 08865

Adams, Gutierrez & Lattiboudere, LLC  
1037 Raymond Boulevard, Suite 900  
Newark, NJ 07102

**Official Depository**

PNC  
Route 57  
413 State Route 57 West  
Washington, NJ 07882

FINANCIAL SECTION

## Independent Auditors' Report

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School District (the "District"), a component unit of the County of Warren, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 Board of Education of the Warren County Vocational-Technical School District, in the County of Warren, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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 District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members  
of the Board of Education  
Warren County Vocational-Technical School District  
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The accompanying other information such as the introductory and statistical sections has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

December 15, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*  
\_\_\_\_\_  
Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management’s Discussion and Analysis

This section of Warren County Vocational-Technical School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending 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.

### Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

### Organization of the School District’s Financial Report

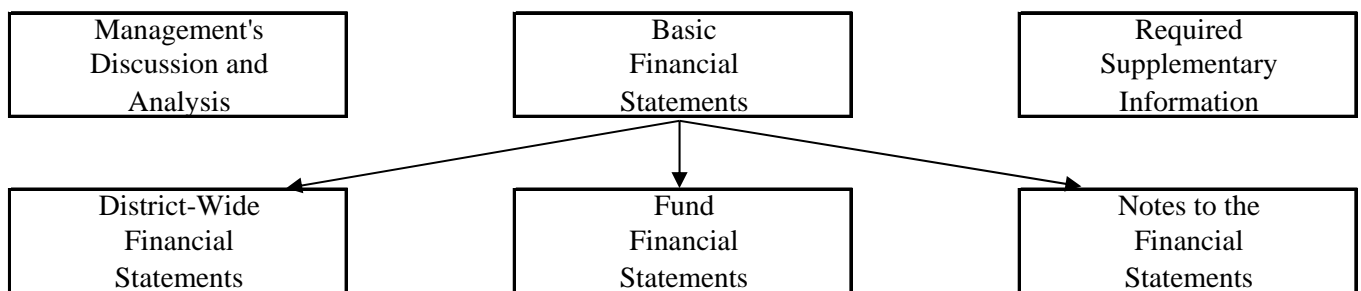


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. County taxes and state formula aid and grants finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service fund is included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to the Basic Financial Statements:* Provide additional information essential to a full understanding of the District-wide and fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position was \$12,723,413 on June 30, 2020, which was an increase of \$831,939, or 7.00% from the previous year.

**Figure A-3**

#### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018/19	2019/20	2018/19*	2019/20	2018/19*	2019/20	
Current and							
Other Assets	\$ 2,443,980	\$ 2,851,251	\$ 70,274	\$ 33,931	\$ 2,514,254	\$ 2,885,182	
Capital Assets, Net	12,215,511	12,791,022	26,314	22,283	12,241,825	12,813,305	
Total Assets	<u>14,659,491</u>	<u>15,642,273</u>	<u>96,588</u>	<u>56,214</u>	<u>14,756,079</u>	<u>15,698,487</u>	6.39%
Deferred Outflows of Resources	<u>1,458,612</u>	<u>939,015</u>			<u>1,458,612</u>	<u>939,015</u>	-35.62%
Other Liabilities	180,663	175,361	23,815	6,473	204,478	181,834	
Long-Term Liabilities	3,109,138	2,528,084			3,109,138	2,528,084	
Total Liabilities	<u>3,289,801</u>	<u>2,703,445</u>	<u>23,815</u>	<u>6,473</u>	<u>3,313,616</u>	<u>2,709,918</u>	-18.22%
Deferred Inflows of Resources	<u>1,009,601</u>	<u>1,204,171</u>			<u>1,009,601</u>	<u>1,204,171</u>	19.27%
Net Position:							
Investment in							
Capital Assets	12,215,511	12,791,022	26,314	22,283	12,241,825	12,813,305	
Restricted	2,146,833	2,211,042			2,146,833	2,211,042	
Unrestricted/(Deficit)	<u>(2,543,643)</u>	<u>(2,328,392)</u>	<u>46,459</u>	<u>27,458</u>	<u>(2,497,184)</u>	<u>(2,300,934)</u>	
Total Net Position	<u>\$ 11,818,701</u>	<u>\$ 12,673,672</u>	<u>\$ 72,773</u>	<u>\$ 49,741</u>	<u>\$ 11,891,474</u>	<u>\$ 12,723,413</u>	7.00%

\* Restated

*Changes in Net Position.* Net position from governmental activities increased \$854,971 and net position from business-type activities decreased \$23,032. The increase in net investment in capital assets is due to current year capital asset additions offset by current year depreciation expense. The increase in restricted net position is due primarily to a year end deposit to the capital reserve offset by a current year withdrawal to partially fund a capital project as well as the establishment of a maintenance reserve. The increase in unrestricted net position is due primarily to the decrease in the net pension liability and related deferred inflows and outflows as well as unexpended budget appropriations and an excess in local revenues.

**Figure A-4**

**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,113,637	\$ 2,782,156	\$ 106,964	\$ 71,572	\$ 2,220,601	\$ 2,853,728	
Operating Grants and Contributions	3,629,916	2,827,319	72,640	53,015	3,702,556	2,880,334	
Capital Grants and Contributions	192,000				192,000		
General Revenue:							
County Tax Levy	3,995,172	4,075,075			3,995,172	4,075,075	
County Improvement Authorization		500,000				500,000	
Unrestricted Federal and State Aid	2,269,316	2,824,212			2,269,316	2,824,212	
Other	25,982	16,088			25,982	16,088	
Total Revenue	<u>12,226,023</u>	<u>13,024,850</u>	<u>179,604</u>	<u>124,587</u>	<u>12,405,627</u>	<u>13,149,437</u>	6.00%
Expenses:							
Instruction	6,531,936	6,233,740			6,531,936	6,233,740	
Pupil and Instruction Services	665,186	774,252			665,186	774,252	
Administrative and Business	2,095,385	1,930,234			2,095,385	1,930,234	
Maintenance and Operations	1,451,530	1,208,115			1,451,530	1,208,115	
Transportation	630,535	789,339			630,535	789,339	
Special Schools	631,082	549,711			631,082	549,711	
Other	684,488	684,488	196,798	147,619	881,286	832,107	
Total Expenses	<u>12,690,142</u>	<u>12,169,879</u>	<u>196,798</u>	<u>147,619</u>	<u>12,886,940</u>	<u>12,317,498</u>	-4.42%
Other Items:							
Capital Asset Adjustment			1,299		1,299		-100.00%
Increase/(Decrease) in Net Position	<u>\$ (464,119)</u>	<u>\$ 854,971</u>	<u>\$ (15,895)</u>	<u>\$ (23,032)</u>	<u>\$ (480,014)</u>	<u>\$ 831,939</u>	273.32%

**Governmental Activities**

Careful management of expenses remains essential for the District to sustain its financial health. Among the significant cost savings realized during the year through the judicious use of budgeted funds were:

- Increased oversight of purchases to eliminate non-essential items.
- Continued energy management in order to reduce costs.
- Utilization of co-op programs for supplies and utilities has resulted in a cost savings for the District.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of the major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, special schools and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5**

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of Services		Net Cost of Services	
	2018/19	2019/20	2018/19	2019/20
Instruction	\$ 6,531,936	\$ 6,233,740	\$ 2,990,761	\$ 2,883,857
Pupil and Instruction Services	665,186	774,252	492,926	558,957
Administrative and Business	2,095,385	1,930,234	1,124,950	1,097,737
Maintenance and Operations	1,451,530	1,208,115	986,647	938,705
Transportation	630,535	789,339	331,968	410,220
Special Schools	631,082	549,711	142,849	(13,560)
Other	684,488	684,488	684,488	684,488
	<u>\$ 12,690,142</u>	<u>\$ 12,169,879</u>	<u>\$ 6,754,589</u>	<u>\$ 6,560,404</u>

**Business-Type Activities**

Net position from the District's business-type activities decreased by \$23,032. (Refer to Figure A-4).

- The Food Service Fund's net position decreased by \$23,032 primarily due to the COVID-19 school closure from mid-March through the end of the school year. The decrease in expenses was not offset by there being no daily sales and federal and state lunch and breakfast reimbursements during the shutdown period.

**Financial Analysis of the Funds**

The District's financial position improved in the General Fund due primarily to unexpended budget appropriations. The weak economy and State budget problems have had a direct impact upon the District's revenue sources. Interest earnings on investments remain significantly low.

The District must continue to practice sound fiscal management since these factors are expected to continue for the foreseeable future.

- A capital allocation from the County of Warren has supported the library and main office reconfiguration project.
- Upgrade to HVAC control system.
- Motion activated lighting.

**Capital Assets and Long-Term Liabilities Administration****Figure A-6**

	<b>Capital Assets (Net of Depreciation)</b>						Total Percentage Change
	Government Activities		Business-Type Activities		Total School District		
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Sites	\$ 174,251	\$ 174,251			\$ 174,251	174,251	
Site Improvements	73,952	54,936			73,952	54,936	
Buildings and							
Building Improvements	10,310,311	9,621,749			10,310,311	9,621,749	
Construction in Progress	1,084,036	2,399,158			1,084,036	2,399,158	
Machinery and							
Equipment	572,961	540,928	\$ 26,314	\$ 22,283	599,275	563,211	
	<u>\$ 12,215,511</u>	<u>\$ 12,791,022</u>	<u>\$ 26,314</u>	<u>\$ 22,283</u>	<u>\$ 12,241,825</u>	<u>\$ 12,813,305</u>	4.67%

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2018/19	2019/20	
Other Long-Term Liabilities	\$ 244,305	\$ 252,807	
Net Pension Liability	2,864,833	2,275,277	
	<u>\$ 3,109,138</u>	<u>\$ 2,528,084</u>	-18.69%

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing conditions that could significantly affect its financial health in the future:

- Uncertainty of future grant amounts may impact the amount of aid that the District receives.
- Flat funding has constrained budget expenditures.
- Gradual increase in tuition rates generating additional revenue.
- COVID related expenses.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 1500 Route 57, Washington, New Jersey 07882.



BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 334,062	\$ 15,286	\$ 349,348
Internal Balances	(8,918)	8,918	
Receivables From State Government	12,722		12,722
Receivables From Federal Government	56,752		56,752
Receivables From Other Governments	215,800		215,800
Other Receivables	29,791		29,791
Inventories		9,727	9,727
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,111,042		2,111,042
Maintenance Reserve Account - Cash and Cash Equivalents	100,000		100,000
Capital Assets, Net			
Sites (Land) and Construction in Progress	2,573,409		2,573,409
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	10,217,613	22,283	10,239,896
Total Assets	<u>15,642,273</u>	<u>56,214</u>	<u>15,698,487</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources - Pensions	<u>939,015</u>		<u>939,015</u>
Total Deferred Outflows of Resources	<u>939,015</u>		<u>939,015</u>
<u>LIABILITIES</u>			
Accounts Payable	135,602		135,602
Payable to State Government	7,437		7,437
Payable to Federal Government	2,793	110	2,903
Unearned Revenue	29,529	6,363	35,892
Noncurrent Liabilities:			
Within One Year	928		928
Due Beyond One Year	2,527,156		2,527,156
Total Liabilities	<u>2,703,445</u>	<u>6,473</u>	<u>2,709,918</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources - Pensions	<u>1,204,171</u>		<u>1,204,171</u>
Total Deferred Inflows of Resources	<u>1,204,171</u>		<u>1,204,171</u>
<u>NET POSITION</u>			
Investment in Capital Assets	12,791,022	22,283	12,813,305
Restricted for:			
Capital Projects	2,111,042		2,111,042
Maintenance	100,000		100,000
Unrestricted/(Deficit)	<u>(2,328,392)</u>	<u>27,458</u>	<u>(2,300,934)</u>
Total Net Position	<u>\$ 12,673,672</u>	<u>\$ 49,741</u>	<u>\$ 12,723,413</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,279,644	\$ 694,058	\$ 976,487	\$ (1,609,099)		\$ (1,609,099)
Special Education	584,342	123,662	234,610	(226,070)		(226,070)
Vocational Education Instruction	2,145,407	454,023	815,580	(875,804)		(875,804)
School Sponsored/Other Instruction	224,347	47,478	3,985	(172,884)		(172,884)
Support Services:						
Student & Instruction Related Services	774,252	163,852	51,443	(558,957)		(558,957)
General Administrative Services	665,041	140,740	131,692	(392,609)		(392,609)
School Administrative Services	562,985	119,142	117,978	(325,865)		(325,865)
Central Services	438,657	92,831	108,112	(237,714)		(237,714)
Administrative Information Technology	263,551	55,774	66,228	(141,549)		(141,549)
Plant Operations and Maintenance	1,208,115	255,668	13,742	(938,705)		(938,705)
Pupil Transportation	789,339	167,044	212,075	(410,220)		(410,220)
Special Schools	549,711	467,884	95,387	13,560		13,560
Unallocated Depreciation	684,488			(684,488)		(684,488)
Total Governmental Activities	12,169,879	2,782,156	2,827,319	(6,560,404)		(6,560,404)
Business-Type Activities:						
Food Service	147,619	71,572	53,015		\$ (23,032)	(23,032)
Total Business-Type Activities	147,619	71,572	53,015		(23,032)	(23,032)
Total Primary Government	\$ 12,317,498	\$ 2,853,728	\$ 2,880,334	(6,560,404)	(23,032)	(6,583,436)

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
County Taxes, Levied for General Purposes	\$ 4,075,075		\$ 4,075,075
County Improvement Authorizations	500,000		500,000
Federal and State Aid not Restricted	2,824,212		2,824,212
Miscellaneous Income	16,088		16,088
Total General Revenues	7,415,375		7,415,375
Change in Net Position	854,971	\$ (23,032)	831,939
Net Position - Beginning as Restated	11,818,701	72,773	11,891,474
Net Position - Ending	\$ 12,673,672	\$ 49,741	\$ 12,723,413

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 167,272		\$ 166,790	\$ 334,062
Interfund Receivable	36,622			36,622
Receivables From State Government	12,722			12,722
Receivables From Federal Government		\$ 56,752		56,752
Receivables From Other Governments	215,800			215,800
Other Receivables	29,791			29,791
Restricted Cash and Cash Equivalents	2,211,042			2,211,042
<b>Total Assets</b>	<b>\$ 2,673,249</b>	<b>\$ 56,752</b>	<b>\$ 166,790</b>	<b>\$ 2,896,791</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable	\$ 8,918	\$ 36,622		\$ 45,540
Accounts Payable - Vendors	14,231	1,371		15,602
Payable to State Government		7,437		7,437
Payable to Federal Government		2,793		2,793
Unearned Revenue	21,000	8,529		29,529
<b>Total Liabilities</b>	<b>44,149</b>	<b>56,752</b>	<b>166,790</b>	<b>100,901</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve	2,111,042			2,111,042
Maintenance Reserve	100,000			100,000
<b>Committed:</b>				
Capital Projects Fund			\$ 166,790	166,790
<b>Assigned:</b>				
Other Purposes	150,835			150,835
Unassigned	267,223			267,223
<b>Total Fund Balances</b>	<b>2,629,100</b>	<b>56,752</b>	<b>166,790</b>	<b>2,795,890</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,673,249</b>	<b>\$ 56,752</b>	<b>\$ 166,790</b>	<b>\$ 2,896,791</b>

Amounts Reported for Governmental Activities in the Statement of  
Net Position (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	12,791,022
Long-Term Liabilities, Including Compensated Absences are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(252,807)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,275,277)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	819,015
Deferred Inflows	(1,204,171)
<b>Net Position of Governmental Activities</b>	<b>\$ 12,673,672</b>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Sources:				
County Tax Levy	\$ 4,075,075			\$ 4,075,075
Tuition from LEA's	1,978,272			1,978,272
Other Tuition	467,884			467,884
Transportation Fees from Other LEA's	336,000			336,000
Interest Earned on Capital Reserve Funds	200			200
Unrestricted Miscellaneous Revenues	11,388	\$ 4,500		15,888
Total - Local Sources	6,868,819	4,500		6,873,319
State Sources	4,580,026	1,379		4,581,405
Federal Sources		375,221		375,221
Total Revenues	11,448,845	381,100		11,829,945
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular Instruction	1,624,713	145,567		1,770,280
Special Education Instruction		110,131		110,131
Other Special Instruction	250,779			250,779
Vocational Education Instruction	1,132,623			1,132,623
School-Sponsored/Other Instruction	152,447			152,447
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	468,099			468,099
General Administration Services	430,022			430,022
School Administration Services	349,620			349,620
Central Services	264,634			264,634
Administrative Information Technology	229,698			229,698
Plant Operations and Maintenance	926,894			926,894
Student Transportation	788,516			788,516
Unallocated Benefits	3,068,151			3,068,151
Capital Outlay	352,440	54,685	\$ 1,315,122	1,722,247
Special Schools	186,340	70,717		257,057
Total Expenditures	10,224,976	381,100	1,315,122	11,921,198
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,223,869		(1,315,122)	(91,253)
Other Financing Sources/(Uses):				
Transfers	(981,912)		981,912	
County Improvement Authorization			500,000	500,000
Total Other Financing Sources/(Uses)	(981,912)		1,481,912	500,000
Net Change in Fund Balances	241,957		166,790	408,747
Fund Balance - July 1	2,387,143			2,387,143
Fund Balance - June 30	\$ 2,629,100	\$ -0-	\$ 166,790	\$ 2,795,890

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	408,747
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.		
Depreciation Expense	\$	(1,108,227)
Capital Outlays		1,683,738
		575,511
In the statement of activities, certain operating expenses, e.g., compensated absences 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 (+).		
		(8,502)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		589,556
Change in Deferred Outflows		(525,822)
Change in Deferred Inflows		(184,519)
Change in Net Position of Governmental Activities (A-2)	\$	854,971

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-Type Activities <u>Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,286
Interfund Receivable - General Fund	8,918
Inventories	9,727
	33,931
Total Current Assets	33,931
Non-Current Assets:	
Capital Assets	49,541
Less: Accumulated Depreciation	(27,258)
	22,283
Total Non-Current Assets	22,283
Total Assets	56,214
<u>LIABILITIES:</u>	
Current Liabilities:	
Intergovernmental Accounts Payable - Federal	110
Unearned Revenue - Prepaid Sales	3,728
Unearned Revenue - Donated Commodities	2,635
	6,473
Total Liabilities	6,473
<u>NET POSITION:</u>	
Investment in Capital Assets	22,283
Unrestricted	27,458
	49,741
Total Net Position	\$ 49,741

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities
	Enterprise Funds
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 32,991
Non-Reimbursable Programs	38,581
	71,572
Total Operating Revenue	71,572
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	39,285
Non-Reimbursable Programs	39,284
Salaries	36,560
Employee Benefits and Payroll Taxes	9,863
Other Purchased Services	9,709
Miscellaneous Expenses	8,887
Depreciation Expense	4,031
	147,619
Total Operating Expenses	147,619
Operating Loss	(76,047)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	989
Federal Sources:	
National School Lunch Program	32,260
School Breakfast Program	4,749
Food Distribution Program	15,017
	53,015
Total Non-Operating Revenue	53,015
Change in Net Position	(23,032)
Net Position - Beginning of Year as Restated	72,773
Net Position - End of Year	\$ 49,741

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN  
INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities
	Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 73,285
Payments to Food Service Contractor	(147,218)
Payments to Suppliers	(7,255)
Net Cash Used for Operating Activities	(81,188)
Cash Flows from Noncapital Financing Activities:	
State and Federal Sources	46,740
Net Cash Provided by Noncapital Financing Activities	46,740
Net Decrease in Cash and Cash Equivalents	(34,448)
Cash and Cash Equivalents, July 1	49,734
Cash and Cash Equivalents, June 30	\$ 15,286
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (76,047)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,031
Food Distribution Program	15,017
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,737)
(Decrease) in Accounts Payable	(21,258)
Increase in Unearned Revenue - Prepaid Sales	1,714
Increase in Unearned Revenue - Donated Commodities	2,092
Net Cash Used for Operating Activities	\$ (81,188)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$17,109 and utilized U.S.D.A. Commodities valued at \$15,017.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	Agency	Unemployment Compensation Trust	Private Purpose Scholarships Trust
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 101,506	\$ 42,713	
Interfund Receivable - Student Activities			\$ 679
Total Assets	101,506	42,713	679
<u>LIABILITIES:</u>			
Interfund Payable:			
Scholarship Trust	679		
Payroll Deductions and Withholdings	10,021		
Due to Student Groups	90,806		
Total Liabilities	101,506		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		42,713	
Restricted for Scholarships			679
Total Net Position	\$ -0-	\$ 42,713	\$ 679

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarships Trust
	<u>Trust</u>	<u>Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 14,172	
Donations		\$ 300
Total Contributions	<u>14,172</u>	<u>300</u>
 Total Additions	 <u>14,172</u>	 <u>300</u>
DEDUCTIONS:		
Unemployment Benefit Claims	<u>32,883</u>	
Total Deductions	<u>32,883</u>	
 Change in Net Position	 (18,711)	 300
Net Position - Beginning of the Year	<u>61,424</u>	<u>379</u>
Net Position - End of the Year	<u>\$ 42,713</u>	<u>\$ 679</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials who are appointed by the Warren County Board of Chosen 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. The District is a component unit of the County of Warren under the provisions of GASB Codification Section 2100.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally 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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the County Board of School Estimate, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: Because Vocational School capital projects are authorized by the County Board of Chosen Freeholders under a bond ordinance and the subsequent debt is funded directly from the County budget, the Debt Service Fund does not apply to the Warren County Vocational-Technical School District.

Additionally, the District reports the following fund types:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, the Payroll Agency Fund, the Private Purpose Scholarships Trust Fund and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the Warren County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School District Board members. 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. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 11,452,027	\$ 395,800
Differences - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not.		
Current Year Encumbrances		(15,655)
Prior Year Encumbrances		955
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	327,345	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(330,527)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,448,845</u>	<u>\$ 381,100</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,224,976	\$ 395,800
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(15,655)
Prior Year Encumbrances		955
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,224,976</u>	<u>\$ 381,100</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

N.J.S.A 17:9-41et 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or 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 District has received advances are reflected in the balance sheet 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets were reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Site Improvements	20 years
Buildings and Building Improvements	50 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year. Therefore, there are no accrued salaries and wages as of June 30, 2020.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue represents cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$2,629,100 General Fund fund balance at June 30, 2020, \$150,835 is assigned for year end encumbrances; \$2,111,042 is restricted in the capital reserve account; \$100,000 is restricted in the maintenance reserve account; and \$267,223 is unassigned which is \$330,527 less than the calculated maximum unassigned fund balance, on a GAAP Basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2021.

Capital Projects Fund: The fund balance of \$166,790 at June 30, 2020 is committed.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 year's budget. The District had no excess surplus at June 30, 2020.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments, and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$2,328,392 in its governmental activities, which is primarily due to net pension liability and pension related deferred inflows and outflows as well as compensated absences payable and General Fund assigned and unassigned and Capital Projects Fund committed fund balances. This deficit does not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows and outflows of resources related to pensions at June 30, 2020.

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

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

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications.

In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

A fund balance restriction has been established for a capital reserve and a maintenance reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2020.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2020.

T. Revenue - Exchange and Nonexchange Transactions

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: county taxes, interest and tuition.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for the Food Service Fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Custodial Credit Risk – The District’s policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

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

Deposits:

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital &amp; Maintenance Reserve Accounts</u>	<u>Total</u>
Checking and Savings Accounts	\$ 493,567	\$ 2,211,042	\$ 2,704,609

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$2,704,609 and the bank balance was \$3,195,594.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$500 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.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.

Beginning Balance, July 1, 2019	\$ 2,146,833
Add:	
Interest Earnings	200
Transfer from Unassigned Fund Balance per Board Resolution June 2020	938,804
Less:	
Withdrawal by Resolution - Capital Projects Fund	<u>(974,795)</u>
Ending Balance, June 30, 2020	<u><u>\$ 2,111,042</u></u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the Capital Reserve Account at June 30, 2020. The withdrawals from the capital reserve were for use in DOE approved facilities projects consistent with the District's LRFP.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 174,251			\$ 174,251
Construction in Progress	1,084,036	\$ 1,315,122		2,399,158
Total Capital Assets Not Being Depreciated	<u>1,258,287</u>	<u>1,315,122</u>		<u>2,573,409</u>
Capital Assets Being Depreciated:				
Site Improvements	398,345			398,345
Buildings and Building Improvements	19,498,675	294,935		19,793,610
Machinery and Equipment	1,853,834	73,681		1,927,515
Total Capital Assets Being Depreciated	<u>21,750,854</u>	<u>368,616</u>		<u>22,119,470</u>
Governmental Activities Capital Assets	<u>23,009,141</u>	<u>1,683,738</u>		<u>24,692,879</u>
Less Accumulated Depreciation for:				
Site Improvements	(324,393)	(19,016)		(343,409)
Buildings and Building Improvements	(9,188,364)	(983,497)		(10,171,861)
Machinery and Equipment	(1,280,873)	(105,714)		(1,386,587)
	<u>(10,793,630)</u>	<u>(1,108,227)</u>		<u>(11,901,857)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,215,511</u>	<u>\$ 575,511</u>	<u>\$ -0-</u>	<u>\$ 12,791,022</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 49,541			\$ 49,541
Less Accumulated Depreciation	(23,227)	\$ (4,031)		(27,258)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 26,314</u>	<u>\$ (4,031)</u>	<u>\$ -0-</u>	<u>\$ 22,283</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 21,341
School Sponsored	6,660
Vocational Education	137,865
Operations and Maintenance	52,293
Central Services	458
Support Services	5,122
Special Schools	200,000
Unallocated	684,488
	\$ 1,108,227

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2019	Accrued	Retired	Balance 6/30/2020
Compensated Absences Payable	\$ 244,305	\$ 25,370	\$ 16,868	\$ 252,807
Net Pension Liability	2,864,833		589,556	2,275,277
	\$ 3,109,138	\$ 25,370	\$ 606,424	\$ 2,528,084

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Warren Board of Chosen Freeholders by adopting a bond ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County of Warren Board of Chosen Freeholders are general obligation bonds of the County of Warren and therefore are not recorded as debt of the Warren County Vocational-Technical School District.

B. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$928 and is separated from the long-term portion of compensated absences of \$251,879.

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

The General Fund will be used to liquidate compensated absences payable.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

C. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$2,275,277. See Note 8 for further information on the PERS.

NOTE 7. OPERATING LEASES PAYABLE

The District has a commitment to lease copiers under an operating lease which expires in 2021. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2021	\$ 19,250
Total future minimum lease payments	<u>\$ 19,250</u>

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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. 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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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 members 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 50 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 members. 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. District contributions to PERS amounted to \$123,826 for 2020.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the District reported a liability of \$2,275,277 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0126%, which was a decrease of 0.0019% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$243,943. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 6,014	
	2015	5.72	37,180	
	2016	5.57	184,001	
	2017	5.48		\$ 326,624
	2018	5.63		263,942
	2019	5.21		199,175
			<u>227,195</u>	<u>789,741</u>
Difference Between Expected and Actual Experience	2015	5.72	10,315	
	2016	5.57	5,584	
	2017	5.48	9,714	
	2018	5.63		10,051
	2019	5.21		15,225
			<u>40,838</u>	<u>10,051</u>
Changes in Proportion	2014	6.44		14,006
	2015	5.72		2,552
	2016	5.57	177,093	
	2017	5.48	323,268	
	2018	5.63	50,621	
	2019	5.21		351,905
			<u>550,982</u>	<u>368,463</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(41,995)
	2017	5.00		50,397
	2018	5.00		35,055
	2019	5.00		(7,541)
				<u>35,916</u>
Contribution Made Subsequent to the Measurement Date	2019	1.00	120,000	
			<u>\$ 939,015</u>	<u>\$ 1,204,171</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2020	\$ (65,699)
2021	(213,128)
2022	(190,311)
2023	(89,361)
2024	(9,176)
	\$ (567,675)

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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 PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management 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 Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 2,874,045	\$ 2,275,277	\$ 1,770,730

Pension Plan Fiduciary Net Position

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

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

Benefits Provided

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. 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:

Tier	Definition
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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members 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 members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$709,763 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,276,123.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$21,635,560. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0352%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2018.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		21,635,560
Total	\$	21,635,560

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$1,276,123 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
				8,729,264,342
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
				1,203,503,264
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
				163,369,676
			\$ 9,932,767,606	\$ 17,539,845,423

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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 Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension 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.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's 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:

	June 30, 2019		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 25,513,114	\$ 21,635,560	\$ 18,418,414

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$1,746 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$1,889 for the year ended June 30, 2020.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of NJ Health Benefits Plan.

Property and Liability Insurance

The District is a member of the New Jersey Schools Insurance Group (the “Group”). This public entity risk management pool provides general liability, property and automobile coverage, and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group’s liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership body. As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies.

The audit of the Group as of June 30, 2020 is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2019 is as follows:

Total Assets	\$ 359,852,548
Net Position	\$ 107,824,596
Total Revenue	\$ 140,293,549
Total Expenses	\$ 115,049,808
Change in Net Position	\$ 25,243,741
Members Dividends	\$ -0-

Financial statements for the Group are available at the Group’s Executive Director’s office:

New Jersey Schools Insurance Group  
6000 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The table on the following page is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -0-	\$ -0-	\$ 14,172	\$ 32,883	\$ 42,713
2018-2019	-0-	-0-	5,516	39,047	61,424
2017-2018	-0-	-0-	8,289	22,078	94,955

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 36,622	\$ 8,918
Special Revenue Fund		36,622
Proprietary Fund - Food Service Fund	8,918	
Fiduciary Fund - Private Purpose Scholarships Trust	679	
Fiduciary Fund - Student Activities Fund		679
	<u>\$ 46,219</u>	<u>\$ 46,219</u>

There is an interfund receivable of \$36,622 in the General Fund which is due to the negative cash balance in the Special Revenue Fund which is due to the timing lag between request and receipt of federal grant reimbursements. The interfund payable in the General Fund due to the Food Service Fund is for federal and state subsidy reimbursements not remitted to the Food Service Fund by year end. The interfund receivable in the Private Purpose Scholarships Trust Fund is for scholarship donations collected in the Student Activities Fund on behalf of the Private Purpose Scholarships Trust Fund in the current and prior years.

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

Lincoln Investment Planning  
Vanguard  
Fidelity Investments

Transamerica is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2020 were:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund		
Due to State of New Jersey			\$ 120,000	\$ 120,000
Vendors	\$ 14,231	\$ 1,371		15,602
	\$ 14,231	\$ 1,371	\$ 120,000	\$ 135,602

NOTE 14. TAX CALENDAR

Property taxes are levied by the County as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges.

A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipalities and are remitted to the County who then disburses those funds to the District on a predetermined mutually agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Litigation

The District is periodically involved in claims and pending lawsuits including personnel matters. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 150,835	\$ 15,655	\$ 166,790	\$ 333,280

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$15,655 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education 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 GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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 years or more 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, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

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, 2017 which was rolled forward to June 30, 2018.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases: Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

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 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

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

Health Care Trend Assumptions

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
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NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 14,894,669
Changes for Year:	
Service Cost	553,991
Interest Cost	589,976
Changes in Assumptions	(2,018,453)
Differences Between Expected and Actual Experience	205,978
Member Contributions	12,571
Gross Benefit Payments	(424,069)
Net Changes	(1,080,006)
Balance at June 30, 2019	\$ 13,814,663

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 16,320,576	\$ 13,814,663	\$ 11,824,103



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 11,382,667	\$ 13,814,663	\$ 17,034,127

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$396,573 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,608,305
	2018	9.51		1,383,361
	2019	9.29	\$ 183,805	
			183,805	2,991,666
Differences between Expected and Actual Experience	2018	9.51		1,307,707
	2019	9.29		2,163,404
				3,471,111
Changes in Proportion	N/A	N/A	643,910	
			\$ 827,715	\$ 6,462,777

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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,	Total
2020	\$ (843,043)
2021	(843,043)
2022	(843,043)
2023	(843,043)
2024	(843,043)
Thereafter	(2,063,757)
	\$ (6,278,972)

NOTE 17. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District’s normal financial operations. Though the impact on the District’s operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the County tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District’s 2020-21 budget related to COVID-19.

Additionally, the District’s cash flow in the Governmental Funds may be affected by the timing of the collection of the District’s tax levy as well as certain State aid payments.

The District’s Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as it is expected that the number of meals served will significantly decrease during the school year as a result of the pandemic resulting in less federal and state reimbursements as well as the continued elimination of daily sales revenue.

NOTE 18. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the Financial Statements to correct the amount of the receivables from the state and federal governments reported in the Food Service Enterprise Fund/Business-type Activities.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 19. PRIOR PERIOD ADJUSTMENT (Cont'd)

	<u>Balance 6/30/19</u> as Previously Reported	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/19</u> as Restated
Statement of Net Position:			
Business-type Activities/Enterprise Funds:			
Assets:			
Receivables from State Government	\$ 32	\$ 176	\$ 208
Receivables from Federal Government	1,455	6,969	8,424
Total Assets	89,443	7,145	96,588
Net Position:			
Unrestricted	39,314	7,145	46,459
Total Net Position	65,628	7,145	72,773

NOTE 20. MAINTENANCE RESERVE ACCOUNT

A capital reserve account was established by Board resolution on June 25, 2008 in the amount of \$1,000. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building. Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Increased by:	
Transfer from Unassigned Fund Balance per Board Resolution June 2020	<u>\$ 100,000</u>
Ending Balance, June 30, 2020	<u><u>\$ 100,000</u></u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0078675564%	0.0077624208%	0.0109255471%	0.0142019609%	0.0145500511%	0.0126274610%
District's proportionate share of the net pension liability	\$ 1,473,022	\$ 1,742,508	\$ 3,235,834	\$ 3,305,989	\$ 2,864,833	\$ 2,275,227
District's covered employee payroll	\$ 556,703	\$ 556,112	\$ 662,637	\$ 919,041	\$ 1,010,483	\$ 897,457
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.60%	313.34%	488.33%	359.72%	283.51%	253.52%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 64,859	\$ 66,736	\$ 98,117	\$ 135,299	\$ 146,563	\$ 123,826
Contributions in relation to the contractually required contribution	(64,859)	(66,736)	(98,117)	(135,299)	(146,563)	(123,826)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 556,112	\$ 662,637	\$ 919,041	\$ 1,010,483	\$ 897,457	\$ 831,112
Contributions as a percentage of covered employee payroll	11.66%	10.07%	10.68%	13.39%	16.33%	14.90%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.0342775159%	0.0349393659%	0.0350946985%	0.0341318885%
State's proportionate share of the net pension liability attributable to the District	\$ 18,320,217	\$ 22,083,171	\$ 27,607,724	\$ 23,012,950
District's covered employee payroll	\$ 3,582,157	\$ 3,516,549	\$ 3,516,337	\$ 3,661,165
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	511.43%	627.98%	785.13%	628.57%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%
			0.0336216395%	0.0035253751%
			\$ 21,389,365	\$ 21,635,560
			\$ 3,470,459	\$ 3,284,365
			616.33%	658.74%
			26.49%	26.49%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2020
Contractually required contribution	\$ 985,800	\$ 1,348,376	\$ 2,074,336	\$ 1,594,221	\$ 1,246,925
Contributions in relation to the contractually required contribution	(188,895)	(280,982)	(370,493)	(507,144)	(693,356)
Contribution deficiency/(excess)	<u>\$ 796,905</u>	<u>\$ 1,067,394</u>	<u>\$ 1,703,843</u>	<u>\$ 1,087,077</u>	<u>\$ 553,569</u>
District's covered employee payroll	\$ 3,516,549	\$ 3,516,337	\$ 3,661,165	\$ 3,470,459	\$ 3,284,365
Contributions as a percentage of covered employee payroll	5.37%	7.99%	10.12%	14.61%	21.11%
					20.34%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 715,592	\$ 602,690	\$ 553,991
Interest Cost	540,032	627,192	589,976
Changes in Assumptions	(2,189,176)	(1,709,238)	(2,018,453)
Differences Between Expected and Actual Experience	14,591	(1,348,657)	205,978
Member Contributions	(396,239)	13,765	12,571
Gross Benefit Payments		(398,278)	(424,069)
Net Change in Total OPEB Liability	(1,315,200)	(2,212,526)	(1,080,006)
Total OPEB Liability - Beginning	18,422,395	17,107,195	14,894,669
Total OPEB Liability - Ending	<u>\$ 17,107,195</u>	<u>\$ 14,894,669</u>	<u>\$ 13,814,663</u>
District's Covered Employee Payroll *	\$ 4,178,974	\$ 4,580,206	\$ 4,480,942
Total OPEB Liability as a Percentage of Covered Employee Payroll	409.36%	325.20%	308.30%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

B.TEACHERS' PENSION AND ANNUITY FUND (Cont'd)

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

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

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Local Sources:					
County Tax Levy	\$ 4,075,075		\$ 4,075,075	\$ 4,075,075	
Tuition from LEA's	2,275,693		2,275,693	1,978,272	\$ (297,421)
Other Tuition	330,000		330,000	467,884	137,884
Transportation Fees from Other LEA's	200		200	336,000	336,000
Interest Earned on Capital Reserve Funds				200	
Unrestricted Miscellaneous Revenues	5,000		5,000	11,388	6,388
<b>Total - Local Sources</b>	<b>6,685,968</b>		<b>6,685,968</b>	<b>6,868,819</b>	<b>182,851</b>
State Sources:					
Categorical Special Education Aid	302,273		302,273	302,273	
Equalization Aid	2,796,657		2,796,657	2,796,657	
Categorical Security Aid	27,869		27,869	27,869	
Transportation Aid	212,027		212,027	212,027	
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				268,028	268,028
On-Behalf TPAF Pension Contributions (Non-Budgeted)				709,763	709,763
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				12,722	12,722
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				707	707
TPAF Social Security (Reimbursed - Non-Budgeted)				253,162	253,162
<b>Total State Sources</b>	<b>3,338,826</b>		<b>3,338,826</b>	<b>4,583,208</b>	<b>1,244,382</b>
<b>Total Revenue</b>	<b>10,024,794</b>		<b>10,024,794</b>	<b>11,452,027</b>	<b>1,427,233</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 1,635,165	\$ (49,906)	\$ 1,585,259	\$ 1,569,707	\$ 15,552
Other Purchased Services	3,000		3,000	2,300	700
General Supplies	22,800		22,800	19,552	3,248
Textbooks	46,500	(1,312)	45,188	30,865	14,323
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000		3,000	390	2,610
Purchased Professional-Educational Services	2,000		2,000	1,899	101
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,712,465</b>	<b>(51,218)</b>	<b>1,661,247</b>	<b>1,624,713</b>	<b>36,534</b>
Basic Skills/Remedial - Intruction:					
Salaries of Teachers	248,960	1,312	250,272	250,272	
Other Salaries for Instruction	31,044	(31,044)			
General Supplies	500	7	507	507	
<b>Total Basic Skills/Remedial - Intruction</b>	<b>280,504</b>	<b>(29,725)</b>	<b>250,779</b>	<b>250,779</b>	
Regular Vocational Programs:					
Salaries of Teachers	1,068,522	32,075	1,100,597	1,037,789	62,808
Other Purchased Services	500		500	390	110
General Supplies	146,000	(26,940)	119,060	85,884	33,176
Textbooks	13,300		13,300	8,560	4,740
<b>Total Regular Vocational Programs</b>	<b>1,228,322</b>	<b>5,135</b>	<b>1,233,457</b>	<b>1,132,623</b>	<b>100,834</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
School-Sponsored Cocurricular Activities:					
Salaries	\$ 32,550	\$ 900	\$ 33,450	\$ 29,000	\$ 4,450
Purchased Services	20,000	(4,550)	15,450		15,450
Supplies and Materials	16,000		16,000	1,850	14,150
Total School-Sponsored Cocurricular Activities	<u>68,550</u>	<u>(3,650)</u>	<u>64,900</u>	<u>30,850</u>	<u>34,050</u>
School-Sponsored Athletics:					
Salaries	113,900	(18,950)	94,950	79,900	15,050
Purchased Services	32,400		32,400	24,657	7,743
Supplies and Materials	33,689		33,689	17,040	16,649
Total School-Sponsored Athletics	<u>179,989</u>	<u>(18,950)</u>	<u>161,039</u>	<u>121,597</u>	<u>39,442</u>
<b>TOTAL INSTRUCTION</b>	<u>3,469,830</u>	<u>(98,408)</u>	<u>3,371,422</u>	<u>3,160,562</u>	<u>210,860</u>
Undist. Expend. - Health Services:					
Salaries	83,513		83,513	83,308	205
Purchased Professional and Technical Services	4,900	2,137	7,037	7,037	
Supplies and Materials	5,800	(1,760)	4,040	3,814	226
Total Undist. Expend. - Health Services	<u>94,213</u>	<u>377</u>	<u>94,590</u>	<u>94,159</u>	<u>431</u>



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 211,187	\$	211,187	\$ 196,942	\$ 14,245
Salaries of Secretarial and Clerical Assistants	34,038		34,038	34,038	
Other Purchased Services	1,000		1,000	202	798
Supplies and Materials	3,500	\$ (377)	3,123	3,033	90
Other Objects	400		400	20	380
Total Undist. Expend. - Guidance	<u>250,125</u>	<u>(377)</u>	<u>249,748</u>	<u>234,235</u>	<u>15,513</u>
Undist. Expend. - Child Study Teams:					
Purchased Professional - Educational Services	47,250	46,049	93,299	63,946	29,353
Supplies and Materials		2,454	2,454	2,259	195
Total Undist. Expend. - Child Study Teams	<u>47,250</u>	<u>48,503</u>	<u>95,753</u>	<u>66,205</u>	<u>29,548</u>
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	92,551	(19,051)	73,500	73,500	
Salaries of Other Professional Staff	10,000	(10,000)			
Total Undist. Expend-Impr. Of Instruct. Services	<u>102,551</u>	<u>(29,051)</u>	<u>73,500</u>	<u>73,500</u>	
Undist. Expend. - Support Services - General Administration:					
Salaries	244,041	(1,981)	242,060	235,891	6,169
Legal Services	40,000	(800)	39,200	19,711	19,489
Audit Fees	44,000		44,000	42,800	1,200
Purchased Technical Services	10,000		10,000	4,585	5,415
Communications/Telephone	15,000	800	15,800	14,141	1,659
BOE Other Purchased Services	2,000		2,000	761	1,239
Miscellaneous Purchased Services	96,500		96,500	90,752	5,748
General Supplies	2,000		2,000	722	1,278
BOE In-House Training/Meeting Supplies	22,000		22,000	20,659	1,341
Total Undist. Expend. - Support Services - General Administration	<u>475,541</u>	<u>(1,981)</u>	<u>473,560</u>	<u>430,022</u>	<u>43,538</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 227,730		\$ 227,730	\$ 227,729	\$ 1
Salaries of Secretarial and Clerical Assistants	79,074		79,074	79,074	
Purchased Professional and Technical Services	2,000		2,000	1,662	338
Other Purchased Services	39,000		39,000	26,531	12,469
Supplies and Materials	16,000	\$ (7)	15,993	13,179	2,814
Other Objects	2,000		2,000	1,445	555
Total Undist. Expend. - Support Services - School Administration	<u>365,804</u>	<u>(7)</u>	<u>365,797</u>	<u>349,620</u>	<u>16,177</u>
Undist. Expend. - Central Services:					
Salaries	169,802	36,600	206,402	198,021	8,381
Purchased Technical Services	12,300	130	12,430	12,430	
Miscellaneous Purchased Services	51,750	(560)	51,190	49,747	1,443
Supplies and Materials	3,300	700	4,000	3,846	154
Miscellaneous Expenditures	2,500	(300)	2,200	590	1,610
Total Undist. Expend. - Central Services	<u>239,652</u>	<u>36,570</u>	<u>276,222</u>	<u>264,634</u>	<u>11,588</u>
Undist. Expend. - Administration Information Technology:					
Salaries	80,312		80,312	80,311	1
Purchased Technical Services	95,150	57,567	152,717	148,397	4,320
Supplies and Materials	67,800	(4,874)	62,926		62,926
Other Objects	750	241	991	990	1
Total Undist. Expend. - Administration Information Technology	<u>244,012</u>	<u>52,934</u>	<u>296,946</u>	<u>229,698</u>	<u>67,248</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	\$ 410,372	\$	\$ 410,372	\$ 367,364	\$ 43,008
Cleaning, Repair and Maintenance Services	150,000		150,000	139,185	10,815
General Supplies	150,248	\$ (13,700)	136,548	92,809	43,739
Total Undist. Expend. - Required Maintenance for School Facilities	710,620	(13,700)	696,920	599,358	97,562
Undist. Expend. - Custodial Services:					
Salaries	124,827	(6,000)	118,827	115,372	3,455
Other Purchased Property Services	30,410	600	31,010	26,861	4,149
General Supplies	2,200		2,200	60	2,140
Energy (Electricity)	55,000		55,000	45,394	9,606
Energy (Natural Gas)	125,000		125,000	93,491	31,509
Total Undist. Expend. - Custodial Services	337,437	(5,400)	332,037	281,178	50,859
Undist. Expend. - Security:					
Salaries	42,000	1,026	43,026	43,026	
Purchased Professional & Technical Services	50,000	(31,026)	18,974	2,319	16,655
General Supplies	2,200		2,200	1,013	1,187
Total Undist. Expend. - Security	94,200	(30,000)	64,200	46,358	17,842
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Trans. (Other than Between Home & School)	6,000		6,000	1,955	4,045
Cleaning, Repair, & Maint. Services	3,000	(10)	2,990	1,055	1,935
Contracted Svcs. - (Between Home and School) - Vendors	604,000	167,236	771,236	741,174	30,062
Contracted Svcs. (Other than Between Home & School) - Vendors	41,998	37,829	79,827	35,865	43,962
Transportation Supplies	8,000	3,081	11,081	8,467	2,614
Total Undist. Expend. - Student Transportation Services	662,998	208,136	871,134	788,516	82,618

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Unallocated Benefits:					
Social Security Contributions	\$ 140,000	\$ (15,000)	\$ 125,000	\$ 100,796	\$ 24,204
Other Retirement Contributions - PERS	140,000		140,000	123,826	16,174
Other Retirement Contributions - Regular	5,000		5,000	1,746	3,254
Unemployment Compensation	86,000	(9,297)	76,703		76,703
Workmen's Compensation	50,000	1,297	51,297	51,297	
Health Benefits	1,835,000	(111,278)	1,723,722	1,485,033	238,689
Tuition Reimbursement	59,739	20	59,759	52,671	7,088
Other Employee Benefits	14,250	(1,525)	12,725	8,400	4,325
Total Unallocated Benefits	<u>2,329,989</u>	<u>(135,783)</u>	<u>2,194,206</u>	<u>1,823,769</u>	<u>370,437</u>
<b>On-Behalf Contributions:</b>					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				268,028	(268,028)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				709,763	(709,763)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				12,722	(12,722)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				707	(707)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				253,162	(253,162)
Total On-Behalf Contributions				<u>1,244,382</u>	<u>(1,244,382)</u>
Total Personal Services - Employee Benefits	<u>2,329,989</u>	<u>(135,783)</u>	<u>2,194,206</u>	<u>3,068,151</u>	<u>(873,945)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>5,954,392</u>	<u>130,221</u>	<u>6,084,613</u>	<u>6,525,634</u>	<u>(441,021)</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>TOTAL GENERAL CURRENT EXPENSE</b>	\$ 9,424,222	\$ 31,813	\$ 9,456,035	\$ 9,686,196	\$ (230,161)
Capital Outlay:					
Equipment:					
Vocational Programs - Regular Programs		23,940	23,940	23,940	
Total Equipment		23,940	23,940	23,940	
Facilities Acquisition and Construction Services:					
Construction Services	350,805	(55,870)	294,935	294,935	
Assessment for Debt Service on SDA Funding	33,565		33,565	33,565	
Total Facilities Acquisition and Construction Services	384,370	(55,870)	328,500	328,500	
<b>TOTAL CAPITAL OUTLAY</b>	384,370	(31,930)	352,440	352,440	
Special Schools:					
Post-Secondary - Instruction:					
Salaries of Teachers	197,769		197,769	171,383	26,386
General Supplies	30,139	(7,000)	23,139	14,957	8,182
Total Post - Secondary - Instruction	227,908	(7,000)	220,908	186,340	34,568

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL SPECIAL SCHOOLS	\$ 227,908	\$ (7,000)	\$ 220,908	\$ 186,340	\$ 34,568
TOTAL EXPENDITURES	10,036,500	(7,117)	10,029,383	10,224,976	(195,593)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(11,706)	7,117	(4,589)	1,227,051	1,231,640
Other Financing Uses:					
Capital Outlay - Transfer to Capital Projects Fund		(7,117)	(7,117)	(7,117)	
Capital Reserve - Transfer to Capital Projects Fund		(974,795)	(974,795)	(974,795)	
Total Other Financing Uses		(981,912)	(981,912)	(981,912)	
Excess/(Deficit) of Revenues Over/(Under) Expenditures and Other Financing Uses	(11,706)	(974,795)	(986,501)	245,139	1,231,640
Fund Balance, July 1	2,714,488		2,714,488	2,714,488	
Fund Balance, June 30	\$ 2,702,782	\$ (974,795)	\$ 1,727,987	\$ 2,959,627	\$ 1,231,640
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,111,042	
Maintenance Reserve				100,000	
Assigned Fund Balance:					
Year End Encumbrances				150,835	
Unassigned Fund Balance				597,750	
				2,959,627	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(330,527)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,629,100	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 4,999	\$ (499)	\$ 4,500	\$ 4,500	
State Sources	8,999	(7,620)	1,379	1,379	
Federal Sources	340,993	48,928	389,921	389,921	
<b>Total Revenues</b>	<b>354,991</b>	<b>40,809</b>	<b>395,800</b>	<b>395,800</b>	
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	291,995	(260,453)	31,542	31,542	
Purchased Professional and Technical Services	29,997	19,860	49,857	49,857	
General Supplies	32,999	48,882	81,881	81,881	
Other Objects		440	440	440	
<b>Total Instruction</b>	<b>354,991</b>	<b>(191,271)</b>	<b>163,720</b>	<b>163,720</b>	
<b>Support Services:</b>					
Salaries of Other Professional Staff		1,056	1,056	1,056	
Personal Services - Employee Benefits		2,645	2,645	2,645	
Purchased Professional Technical Services		151,550	151,550	151,550	
Other Purchased Services		800	800	800	
Travel		7,339	7,339	7,339	
Supplies and Materials		1,006	1,006	1,006	
Miscellaneous Expenditures		3,000	3,000	3,000	
<b>Total Support Services</b>		<b>167,396</b>	<b>167,396</b>	<b>167,396</b>	
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		61,184	61,184	61,184	
Non-Instructional Equipment		3,500	3,500	3,500	
<b>Total Facilities Acquisition and Construction Services</b>		<b>64,684</b>	<b>64,684</b>	<b>64,684</b>	
<b>Total Expenditures</b>	<b>\$ 354,991</b>	<b>\$ 40,809</b>	<b>\$ 395,800</b>	<b>\$ 395,800</b>	<b>\$ -0-</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL 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	\$ 11,452,027	\$ 395,800
Difference - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not:		
Current Year Encumbrances		(15,655)
Prior Year Encumbrances		955
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	327,345	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(330,527)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 11,448,845	 \$ 381,100
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,224,976	\$ 395,800
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(15,655)
Prior Year Encumbrances		955
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 10,224,976	 \$ 381,100



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the Warren County School Board of Estimate, which consists of three Warren County Freeholders and two Warren County Vocational School District board members. 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. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act Title I FY19	Local Grants	Apprenticeship Coordinator	Rural Education Achievement Program	CARES Act Grant	I.D.E.A. Part B, Basic
<b>REVENUE:</b>						
Local Sources	\$	4,500				
State Sources	13,268		\$ 1,379	\$ 34,568	\$ 9,999	\$ 110,131
Federal Sources		4,500	1,379	34,568	9,999	110,131
Total Revenue	13,268	4,500	1,379	34,568	9,999	110,131
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers			939			
Purchased Professional and Technical Services		4,500				
Other Purchased Services				34,568		
General Supplies			440			
Other Objects						
Total Instruction		4,500	1,379	34,568		
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional Technical Services	13,268					110,131
Other Purchased Services						
Travel						
Supplies and Materials						
Miscellaneous Expenditures						
Total Support Services	13,268					110,131
Facilities Acquisition and Construction Services:						
Instructional Equipment					\$ 9,999	
Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services					9,999	
Total Expenditures	\$ 13,268	\$ 4,500	\$ 1,379	\$ 34,568	\$ 9,999	\$ 110,131

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act				Carl D. Perkins	
	Title I FY20	Title IIA	Title IV	Secondary	Post Secondary	Totals
<b>REVENUE:</b>						
Local Sources						\$ 4,500
State Sources	74,909	\$ 11,864	\$ 9,985	\$ 45,756	\$ 79,441	1,379
Federal Sources						389,921
<b>Total Revenue</b>	74,909	11,864	9,985	45,756	79,441	395,800
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	30,500			103		31,542
Purchased Professional and Technical Services	4,050		9,985	7,702	23,620	49,857
General Supplies	14,561			11,965	20,787	81,881
Other Objects						440
<b>Total Instruction</b>	49,111		9,985	19,770	44,407	163,720
Support Services:						
Salaries of Other Professional Staff				1,056		1,056
Personal Services - Employee Benefits	2,066			579		2,645
Purchased Professional Technical Services	23,732	4,419				151,550
Other Purchased Services				800		800
Travel				2,894		7,339
Supplies and Materials				1,006		1,006
Miscellaneous Expenditures						3,000
<b>Total Support Services</b>	25,798	11,864		6,335		167,396
Facilities Acquisition and Construction Services:						
Instructional Equipment				19,651	31,534	61,184
Non-Instructional Equipment					3,500	3,500
<b>Total Facilities Acquisition and Construction Services</b>				19,651	35,034	64,684
<b>Total Expenditures</b>	\$ 74,909	\$ 11,864	\$ 9,985	\$ 45,756	\$ 79,441	\$ 395,800

CAPITAL PROJECTS FUND

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenue and Other Financing Sources:	
County Improvement Authorization	\$ 500,000
Transfer from Capital Outlay	7,117
Transfer from Capital Reserve	<u>974,795</u>
Total Revenue and Other Financing Sources	<u>1,481,912</u>
Expenditures:	
Purchased Professional and Technical Services	59,081
Construction Services	<u>1,256,041</u>
Total Expenditures	<u>1,315,122</u>
Excess of Revenue and Other Financing Sources Over Expenditures	166,790
Fund Balance - Beginning of Year	<u>-0-</u>
Fund Balance - End of Year	<u>\$ 166,790</u>
<u>Recapitulation:</u>	
Committed - Year End Encumbrances	<u>166,790</u>
Total Committed Fund Balance - Budgetary Basis	<u>\$ 166,790</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
LIBRARY AND MAIN OFFICE RECONFIGURATION PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Project</u> <u>Authorization</u>
<b>Revenue and Other Financing Sources:</b>			
County Improvement Authorization	\$ 500,000	\$ 500,000	\$ 500,000
Transfer from Capital Outlay	7,117	7,117	7,117
Transfer from Capital Reserve	974,795	974,795	974,795
	<u>1,481,912</u>	<u>1,481,912</u>	<u>1,481,912</u>
<b>Total Revenue and Other Financing Sources</b>			
<b>Expenditures:</b>			
Other Purchased Professional and Technical Services	59,081	59,081	60,903
Construction Services	1,256,041	1,256,041	1,421,009
	<u>1,315,122</u>	<u>1,315,122</u>	<u>1,481,912</u>
<b>Total Expenditures</b>			
<b>Excess of Revenue and Other Financing Sources Over Expenditures</b>	<u>\$ 166,790</u>	<u>\$ 166,790</u>	<u>\$ -0-</u>
 <b><u>Additional Project Information:</u></b>			
Project Numbers	5460-050-19-1000		
Grant Date	N/A		
County Improvement Authorization Dates	3/14/2018; 03/27/19		
County Improvement Authorizations	\$ 500,000		
Original Authorized Cost	\$ 1,481,912		
Percentage Completion	88.74%		
Original Target Completion Date	06/30/20		
Revised Target Completion Date	12/30/20		



PROPRIETARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Food Service Fund
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,286
Interfund Receivable - General Fund	8,918
Inventories	9,727
Total Current Assets	33,931
Non-Current Assets:	
Capital Assets	49,541
Less: Accumulated Depreciation	(27,258)
Total Non-Current Assets	22,283
Total Assets	56,214
<u>LIABILITIES:</u>	
Current Liabilities:	
Intergovernmental Accounts Payable - Federal	110
Unearned Revenue - Prepaid Sales	3,728
Unearned Revenue - Donated Commodities	2,635
Total Liabilities	6,473
<u>NET POSITION:</u>	
Investment in Capital Assets	22,283
Unrestricted	27,458
Total Net Position	\$ 49,741

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Food Service Fund</u>
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 32,991
Non-Reimbursable Programs	38,581
	<hr/>
Total Operating Revenue	71,572
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	39,285
Non-Reimbursable Programs	39,284
Salaries	36,560
Employee Benefits and Payroll Taxes	9,863
Other Purchased Services	9,709
Miscellaneous Expenses	8,887
Depreciation Expense	4,031
	<hr/>
Total Operating Expenses	147,619
	<hr/>
Operating Loss	(76,047)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	989
Federal Sources:	
National School Lunch Program	32,260
School Breakfast Program	4,749
Food Distribution Program	15,017
	<hr/>
Total Non-Operating Revenue	53,015
	<hr/>
Change in Net Position	(23,032)
	<hr/>
Net Position - Beginning of Year as Restated	72,773
	<hr/>
Net Position - End of Year	\$ 49,741
	<hr/> <hr/>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 73,285
Payments to Food Service Contractor	(147,218)
Payments to Suppliers	(7,255)
Net Cash Used for Operating Activities	<u>(81,188)</u>
Cash Flows from Noncapital Financing Activities:	
State and Federal Sources	<u>46,740</u>
Net Cash Provided by Noncapital Financing Activities	<u>46,740</u>
Net Decrease in Cash and Cash Equivalents	(34,448)
Cash and Cash Equivalents, July 1	<u>49,734</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 15,286</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (76,047)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	4,031
Food Distribution Program	15,017
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,737)
(Decrease) in Accounts Payable	(21,258)
Increase in Unearned Revenue - Prepaid Sales	1,714
Increase in Unearned Revenue - Donated Commodities	<u>2,092</u>
Net Cash Used for Operating Activities	<u><u>\$ (81,188)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$17,109 and utilized U.S.D.A. Commodities valued at \$15,017.

FIDUCIARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Agency		Total Agency	Unemployment Compensation Trust	Private Purpose Scholarships Trust
	Student Activity	Payroll			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 91,485	\$ 10,021	\$ 101,506	\$ 42,713	\$ 679
Interfund Receivable - Student Activities					
Total Assets	91,485	10,021	101,506	42,713	679
<u>LIABILITIES:</u>					
Interfund Payable:					
Scholarship Trust	679		679		
Payroll Deductions and Withholdings Due to Student Groups	90,806	10,021	90,806		
Total Liabilities	91,485	10,021	101,506		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims Restricted for Scholarships				42,713	679
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 42,713	\$ 679

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 14,172	
Donations		\$ 300
Total Contributions	<u>14,172</u>	<u>300</u>
Total Additions	<u>14,172</u>	<u>300</u>
DEDUCTIONS:		
Unemployment Claims	<u>32,883</u>	
Total Deductions	<u>32,883</u>	
Change in Net Position	(18,711)	300
Net Position - Beginning of the Year	<u>61,424</u>	<u>379</u>
Net Position - End of the Year	<u>\$ 42,713</u>	<u>\$ 679</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 83,905	\$ 85,495	\$ 77,915	\$ 91,485
Total Assets	<u>\$ 83,905</u>	<u>\$ 85,495</u>	<u>\$ 77,915</u>	<u>\$ 91,485</u>
 <u>LIABILITIES:</u>				
Due to Student Groups	\$ 83,526	\$ 85,195	\$ 77,915	\$ 90,806
Interfund Payable - Scholarship Trust	<u>379</u>	<u>300</u>	<u>          </u>	<u>679</u>
Total Liabilities	<u>\$ 83,905</u>	<u>\$ 85,495</u>	<u>\$ 77,915</u>	<u>\$ 91,485</u>



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 8,924	\$ 5,430,222	\$ 5,429,125	\$ 10,021
Total Assets	<u>\$ 8,924</u>	<u>\$ 5,430,222</u>	<u>\$ 5,429,125</u>	<u>\$ 10,021</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 8,924	\$ 5,430,222	\$ 5,429,125	\$ 10,021
Total Liabilities	<u>\$ 8,924</u>	<u>\$ 5,430,222</u>	<u>\$ 5,429,125</u>	<u>\$ 10,021</u>

LONG-TERM DEBT  
(NOT APPLICABLE)

**STATISTICAL SECTION**  
(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its County taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 9,800,914	\$ 10,747,235	\$ 11,683,041	\$ 12,398,704	\$ 11,954,100	\$ 12,310,143	\$ 13,275,734	\$ 12,343,767	\$ 12,215,511	\$ 12,791,022
Restricted	1,347,025	626,675	249,484	249,484	1,843,243	1,016,703	1,464,961	1,520,192	2,146,833	2,211,042
Unrestricted/(Deficit)	496,988	871,294	740,207	(1,672,103)	(1,940,295)	(326,222)	(1,862,487)	(1,581,139)	(2,543,643)	(2,328,392)
<b>Total Governmental Activities Net Position</b>	<b>\$ 11,644,927</b>	<b>\$ 12,245,204</b>	<b>\$ 12,672,732</b>	<b>\$ 10,976,085</b>	<b>\$ 11,857,048</b>	<b>\$ 13,000,624</b>	<b>\$ 12,878,208</b>	<b>\$ 12,282,820</b>	<b>\$ 11,818,701</b>	<b>\$ 12,673,672</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 7,856	\$ 14,568	\$ 12,886	\$ 11,204	\$ 19,078	\$ 20,353	\$ 17,648	\$ 29,398	\$ 26,314	\$ 22,283
Unrestricted	139,475	69,016	60,106	61,284	58,476	62,043	80,937	52,125	46,459	27,458
<b>Total Business-Type Activities Net Position</b>	<b>\$ 147,331</b>	<b>\$ 83,584</b>	<b>\$ 72,992</b>	<b>\$ 72,488</b>	<b>\$ 77,554</b>	<b>\$ 82,396</b>	<b>\$ 98,585</b>	<b>\$ 81,523</b>	<b>\$ 72,773</b>	<b>\$ 49,741</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 9,808,770	\$ 10,761,803	\$ 11,695,927	\$ 12,409,908	\$ 11,973,178	\$ 12,330,496	\$ 13,293,382	\$ 12,373,165	\$ 12,241,825	\$ 12,813,305
Restricted	1,347,025	626,675	249,484	249,484	1,843,243	1,016,703	1,464,961	1,520,192	2,146,833	2,211,042
Unrestricted/(Deficit)	636,463	940,310	800,313	(1,610,819)	(1,881,819)	(264,179)	(1,781,550)	(1,529,014)	(2,497,184)	(2,300,934)
<b>Total District Net Position</b>	<b>\$ 11,792,258</b>	<b>\$ 12,328,788</b>	<b>\$ 12,745,724</b>	<b>\$ 11,048,573</b>	<b>\$ 11,934,602</b>	<b>\$ 13,083,020</b>	<b>\$ 12,976,793</b>	<b>\$ 12,364,343</b>	<b>\$ 11,891,474</b>	<b>\$ 12,723,413</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction</b>										
Regular	\$ 2,208,005	\$ 2,265,252	\$ 2,321,939	\$ 2,322,452	\$ 2,489,650	\$ 2,626,753	\$ 3,097,792	\$ 3,258,988	\$ 3,350,456	\$ 3,279,644
Special Education	1,901,753	1,963,984	1,937,761	2,814,978	2,180,719	2,850,535	3,260,681	2,815,257	2,255,565	2,145,407
Vocational Education	194,553	200,534	192,079	210,559	241,058	281,064	280,986	267,429	282,076	224,347
<b>Support Services:</b>										
Student and Instruction Related Services	674,590	710,375	803,379	748,235	911,640	990,713	864,025	644,686	665,186	774,252
General Administrative Services	412,945	459,292	469,024	483,031	552,679	612,790	667,930	811,368	675,782	665,041
School Administrative Services	392,116	432,545	301,859	323,952	396,171	651,909	749,834	801,840	788,347	562,985
Central Services	290,643	292,383	294,801	379,016	410,849	466,607	528,517	536,382	374,556	438,657
Administrative Information Technology	214,348	229,091	249,572	211,850	187,133	179,791	240,334	311,581	256,700	263,551
Plant Operations and Maintenance	1,002,682	940,738	961,995	1,026,112	1,051,519	1,239,608	1,244,600	1,429,033	1,451,530	1,208,115
Pupil Transportation	573,661	540,480	562,593	545,217	534,395	545,277	523,369	616,110	630,535	789,339
Special Schools	689,544	705,868	670,174	624,870	587,605	792,342	836,503	598,066	631,082	549,711
Capital Outlay	36,220	19,994	34,190	35,821	111,438					
Unallocated Depreciation	364,911	364,991	416,122	664,365	620,100	625,366	881,680	882,600	684,488	684,488
<b>Total Governmental Activities Expenses</b>	<b>8,955,971</b>	<b>9,125,527</b>	<b>9,457,277</b>	<b>9,802,455</b>	<b>10,785,342</b>	<b>12,156,930</b>	<b>13,313,110</b>	<b>13,778,549</b>	<b>12,690,142</b>	<b>12,169,879</b>
<b>Business-Type Activities:</b>										
Internet Access	16,044	731								
Restaurant	15,331	20,715	14,177	17,457	17,561	18,788	9,384	4,302		
Food Service	157,508	177,511	152,525	159,593	161,167	171,596	179,213	185,205	196,798	147,619
<b>Total Business-Type Activities Expense</b>	<b>188,883</b>	<b>198,957</b>	<b>166,702</b>	<b>177,050</b>	<b>178,728</b>	<b>190,384</b>	<b>188,597</b>	<b>189,507</b>	<b>196,798</b>	<b>147,619</b>
<b>Total District Expenses</b>	<b>9,144,854</b>	<b>9,324,484</b>	<b>9,623,979</b>	<b>9,979,505</b>	<b>10,964,070</b>	<b>12,347,314</b>	<b>13,501,707</b>	<b>13,968,056</b>	<b>12,886,940</b>	<b>12,317,498</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Tuition From Other LEAs		1,162,151	1,110,668	1,167,077	2,044,114	1,960,512	1,961,776	1,987,840	1,600,062	1,978,272
Services Provided to Other LEAs				84,000						
Transportation Fees From Other LEAs				320,687	404,046	476,170	333,782	232,918	232,000	336,000
Special Schools (Other Tuition)	403,151	388,041	374,142	1,401,647	2,267,722	2,742,937	3,478,523	3,657,815	3,629,916	2,827,319
Operating Grants and Contributions	1,140,390	1,343,568	1,589,882	1,401,647	1,10,634	556,527	659,122	192,000	192,000	
Capital Grants and Contributions										
<b>Total Governmental Activities Program Revenues</b>	<b>1,543,541</b>	<b>2,893,760</b>	<b>3,074,692</b>	<b>2,973,411</b>	<b>4,826,516</b>	<b>5,736,146</b>	<b>6,542,203</b>	<b>6,070,573</b>	<b>5,935,553</b>	<b>5,609,475</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)

UNAUDITED  
(Continued)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues (Cont'd):										
Business-Type Activities:										
Charges for Services:										
Internet Access	\$ 11,975									
Restaurant	17,168	\$ 13,584	\$ 9,016	\$ 16,142	\$ 14,595	\$ 18,069	\$ 20,287	\$ 101,229	\$ 106,964	\$ 71,572
Food Service	102,283	102,885	77,205	82,293	79,690	89,871	105,092	74,305	79,785	53,015
Operating Grants and Contributions	62,176	76,092	69,888	78,110	89,506	87,286	79,407	175,534	186,749	124,587
Total Business-Type Activities Program Revenues	193,602	192,561	156,109	176,545	183,791	195,226	204,786	6,246,107	6,122,302	5,734,062
Total District Program Revenues	1,737,143	3,086,321	3,230,801	3,149,956	5,010,307	5,931,372	6,746,989	6,246,107	6,122,302	5,734,062
Net (Expense)/Revenue:										
Governmental Activities	(7,412,430)	(6,231,767)	(6,382,585)	(6,829,044)	(5,958,826)	(6,420,784)	(6,770,907)	(7,707,976)	(6,754,589)	(6,560,404)
Business-Type Activities	4,719	(6,396)	(10,593)	(505)	5,063	4,842	16,189	(13,973)	(10,049)	(23,032)
Total District-Wide Net Expense	(7,407,711)	(6,238,163)	(6,393,178)	(6,829,549)	(5,953,763)	(6,415,942)	(6,754,718)	(7,721,949)	(6,764,638)	(6,583,436)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Taxes Levied for General Purposes, Net	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	4,075,075
Tuition from Other LEA's	1,130,881								2,269,316	
Federal and State Aid not Restricted	2,532,518	2,665,682	2,763,872	2,792,568	2,801,683	2,802,550	2,816,474	2,833,529	25,982	2,824,212
Investment Earnings	11,257	9,768	961							
Miscellaneous Income	62,291	104,065	50,108	53,343	42,934	74,638	33,263	51,380		16,088
Transfers:										
Restaurant Enterprise Fund									3,089	
Internet Access		57,357								
County Improvement Authorization						600,000	150,000	229,418		500,000
Other Item							(254,418)			
Total Governmental Activities	7,732,119	6,832,044	6,810,113	6,841,083	6,839,789	7,472,360	6,740,491	7,112,588	6,290,470	7,415,375

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)

UNAUDITED  
(Continued)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position:										
Business-Type Activities:										
Investment Earnings	\$ 179	\$ 6	\$ 1	\$ 1	\$ 1	\$ 3				
Transfers:										
General Fund		(57,357)						\$ (3,089)		
Internet Access										
Other Item	179	(57,351)	1	1	3			(3,089)	1,299	1,299
Total Business-Type Activities	7,732,298	6,774,693	6,810,114	6,841,084	6,839,792	7,472,360	6,740,491	7,109,499	6,291,769	7,415,375
Total District-Wide										
Change in Net Position:										
Governmental Activities	319,689	600,277	427,528	12,039	880,963	1,051,576	(30,416)	(595,388)	(464,119)	854,971
Business-Type Activities	4,898	(63,747)	(10,592)	(504)	5,066	4,842	16,189	(17,062)	(8,750)	(23,032)
Total District	\$ 324,587	\$ 536,530	\$ 416,936	\$ 11,535	\$ 886,029	\$ 1,056,418	\$ (14,227)	\$ (612,450)	\$ (472,869)	\$ 831,939

General Revenues and Other Changes in Net Position:

Business-Type Activities:

Investment Earnings

Transfers:

General Fund

Internet Access

Other Item

Total Business-Type Activities

Total District-Wide

Change in Net Position:

Governmental Activities

Business-Type Activities

Total District

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Restricted	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484	\$ 1,843,243	\$ 924,703	\$ 1,464,961	\$ 1,520,192	\$ 2,146,833	\$ 2,211,042
Assigned	389,664	962,093	883,278	22,200	15,320	33,710	158,089	456,746	11,906	150,835
Unassigned	250,013	105,621	54,909	249,145	176,718	313,385	241,830	241,562	228,404	267,223
<b>Total General Fund</b>	<b>\$ 1,986,702</b>	<b>\$ 1,694,389</b>	<b>\$ 1,187,671</b>	<b>\$ 520,829</b>	<b>\$ 2,035,281</b>	<b>\$ 1,271,798</b>	<b>\$ 1,864,880</b>	<b>\$ 2,218,500</b>	<b>\$ 2,387,143</b>	<b>\$ 2,629,100</b>
<b>All Other Governmental Funds:</b>										
Unassigned, Reported In:										
Capital Projects Fund/(Deficit)					\$ (225,054)					
Committed						\$ 1,285,089		\$ 291,171		\$ 166,790
<b>Total All Other Governmental Funds</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (225,054)</b>	<b>\$ 1,285,089</b>	<b>\$ -0-</b>	<b>\$ 291,171</b>	<b>\$ -0-</b>	<b>\$ 166,790</b>
<b>Total All Governmental Funds:</b>										
Restricted	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484	\$ 1,843,243	\$ 924,703	\$ 1,464,961	\$ 1,520,192	\$ 2,146,833	\$ 2,211,042
Assigned	389,664	962,093	883,278	22,200	15,320	33,710	158,089	456,746	11,906	150,835
Committed						1,285,089		291,171		166,790
Unassigned	250,013	105,621	54,909	249,145	(48,336)	313,385	241,830	241,562	228,404	267,223
<b>Total All Governmental Funds</b>	<b>\$ 1,986,702</b>	<b>\$ 1,694,389</b>	<b>\$ 1,187,671</b>	<b>\$ 520,829</b>	<b>\$ 1,810,227</b>	<b>\$ 2,556,887</b>	<b>\$ 1,864,880</b>	<b>\$ 2,509,671</b>	<b>\$ 2,387,143</b>	<b>\$ 2,795,890</b>



WARREN COUNTY VOCATIONAL-TECHNICAL-SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
County Tax Levy	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 4,075,075
Tuition from LEA's	1,130,881	1,162,151	1,110,668	1,167,077	2,044,114	1,960,512	1,961,776	1,987,840	1,600,062	1,978,272
Other Tuition	403,151	388,041	374,142	320,687	404,046	476,170	333,782	228,932	281,575	467,884
Transportation Fees from Other LEA's							109,000	192,000	232,000	336,000
GED Testing Center Fees	8,750	9,620	7,840	8,033	8,447	8,584	7,992	3,986		
Services Provided to Other LEAs				84,000						200
Interest Earned on Capital Reserve Funds	5,090	2,890	383							15,888
Unrestricted Miscellaneous Revenue	63,408	104,623	46,646	45,310	150,302	76,769	27,271	53,780	25,982	15,888
State Sources	3,270,100	3,494,753	3,795,064	3,773,637	3,879,823	4,587,814	4,786,736	4,287,956	4,765,926	4,581,405
Federal Sources	399,108	511,197	554,890	420,578	387,496	436,091	461,540	406,757	415,473	375,221
<b>Total Revenue</b>	<b>9,275,660</b>	<b>9,668,447</b>	<b>9,884,805</b>	<b>9,814,494</b>	<b>10,869,400</b>	<b>11,541,112</b>	<b>11,683,269</b>	<b>11,156,423</b>	<b>11,316,190</b>	<b>11,829,945</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,599,392	1,592,921	1,597,428	1,559,162	1,472,725	1,442,954	1,547,993	1,559,497	1,777,778	1,770,280
Special Education Instruction			137,956	187,069	291,832	156,683	64,800	428,569	116,585	110,131
Other Special Instruction									270,444	250,779
Vocational Education Instruction	1,356,221	1,340,277	1,225,572	1,238,308	1,300,154	1,400,249	1,601,678	1,344,658	1,094,033	1,132,623
School-Sponsored/Other Instruction	147,551	147,068	141,205	153,123	156,576	176,421	177,328	190,847	212,740	152,447
<b>Support Services:</b>										
Student and Instruction Related Services	504,806	546,932	594,669	564,705	567,737	593,042	510,849	301,391	347,853	468,099
General Administrative Services	358,485	396,168	371,945	385,279	396,277	421,683	433,812	504,067	449,738	430,022
School Administrative Services	287,058	306,068	212,793	237,257	264,094	387,009	399,034	420,025	441,223	349,620
Central Services	225,911	213,385	212,658	296,203	299,715	330,023	333,354	317,366	220,479	264,634
Administrative Information Technology	205,623	209,169	225,278	186,422	161,103	154,870	207,204	265,001	215,934	229,698
Plant Operations and Maintenance	912,418	833,317	853,356	887,836	904,773	1,033,000	1,031,002	1,045,089	1,116,913	926,894
Pupil Transportation	573,642	540,480	562,347	544,717	534,040	543,889	520,556	613,468	628,792	788,516
Unallocated Benefits	1,711,950	1,919,154	2,173,589	2,141,600	2,384,175	2,666,879	2,919,995	3,074,055	3,191,953	3,068,151
Capital Outlay	1,132,830	1,441,913	1,566,390	1,602,191	1,414,310	1,521,803	1,983,507	257,643	1,055,340	1,722,247
Special Schools	570,256	570,830	516,337	497,464	432,491	565,947	539,746	422,463	298,913	257,057
<b>Total Expenditures</b>	<b>9,586,143</b>	<b>10,057,682</b>	<b>10,391,523</b>	<b>10,481,336</b>	<b>9,580,002</b>	<b>11,394,452</b>	<b>12,270,858</b>	<b>10,744,139</b>	<b>11,438,718</b>	<b>11,921,198</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(310,483)</b>	<b>(389,235)</b>	<b>(506,718)</b>	<b>(666,842)</b>	<b>1,289,398</b>	<b>146,660</b>	<b>(587,589)</b>	<b>412,284</b>	<b>(122,528)</b>	<b>(91,253)</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED  
(Continued)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)		\$ 39,565								
Transfers In:										
Restaurant Enterprise Fund								\$ 3,089		
Internet Access		57,357								
County Improvement Authorizations					\$ 600,000	\$ 600,000	\$ 150,000	229,418		\$ 500,000
County Improvement Authorization Receivable Cancelled							(254,418)			
Total Other Financing Sources/(Uses)		57,357			600,000	600,000	(104,418)	232,507		500,000
Net Change in Fund Balances	\$ (310,483)	\$ (331,878)	\$ (506,718)	\$ (666,842)	\$ 1,289,398	\$ 746,660	\$ (692,007)	\$ 644,791	\$ (122,528)	\$ 408,747

Debt Service as a Percentage of Noncapital Expenditures

	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
--	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

N/A Not Applicable

Source: School District Financial Reports

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Transportation	Services	Adult	GED	Interest on	Miscellaneous	Total
	from LEA's	Fees from LEA's	Provided to Other LEAs	Education Tuition	Testing Center Fees	Investments		
2011	\$ 1,130,881			\$ 403,151	\$ 8,750	\$ 11,257	\$ 53,541	\$ 1,607,580
2012	1,162,151			388,041	9,620	9,768	94,445	1,664,025
2013	1,110,668			374,142	7,840	961	42,268	1,535,879
2014	1,167,077		\$ 84,000	320,687	8,033		45,310	1,625,107
2015	2,044,114			404,046	8,447		34,487	2,491,094
2016	1,960,512			476,170	8,584		66,054	2,511,320
2017	1,961,776	\$ 109,000		333,782	7,992		25,271	2,437,821
2018	1,987,840	192,000		228,932	3,986		51,380	2,464,138
2019	1,600,062	232,000		281,575		4,235	21,747	2,139,619
2020	1,978,272	336,000		467,884		10,227	1,361	2,793,744

Source: District Financial Records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, COUNTY OF WARREN  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2010	\$ 251,516,967	\$ 8,168,300,057	\$ 618,799,900	\$ 38,129,997	\$ 1,251,803,552	\$ 644,499,200	\$ 223,769,200	\$ 11,196,818,873	\$ 32,138,774	\$ 11,228,957,647	\$ 1,255,927,713	N/A	\$ 13,469,104,644
2011	226,612,417	8,074,315,307	594,783,500	37,505,720	1,236,692,452	627,479,200	218,177,404	11,015,566,000	30,259,289	11,045,825,289	1,240,646,048	N/A	12,821,727,118
2012	199,368,367	7,893,151,225	601,147,400	37,856,335	1,210,337,553	619,331,100	218,642,404	10,779,834,384	31,055,796	10,810,890,180	1,231,347,161	N/A	12,064,011,840
2013	187,827,887	7,826,483,885	594,520,700	37,656,226	1,204,982,162	609,937,850	223,602,500	10,685,011,210	25,834,841	10,710,846,051	1,246,473,784	N/A	11,312,251,145
2014	173,905,752	7,468,609,785	588,213,200	38,352,949	1,179,627,962	573,813,750	244,622,900	10,267,146,298	22,876,697	10,290,022,995	1,230,066,004	N/A	10,631,545,458
2015	164,482,032	7,486,498,434	585,906,750	43,106,922	1,153,798,402	564,186,450	246,351,800	10,244,330,810	15,008,677	10,259,339,487	1,234,520,704	N/A	10,687,356,135
2016	165,589,136	7,463,992,051	579,415,150	39,147,732	1,161,877,202	559,270,950	243,925,800	10,213,218,021	15,343,800	10,228,561,821	1,235,750,989	N/A	10,757,846,707
2017	158,552,732	7,474,779,822	580,014,750	37,861,432	1,158,234,070	556,573,650	248,360,300	10,214,376,756	15,259,690	10,229,636,446	1,322,584,929	N/A	10,749,777,260
2018	151,008,922	7,456,282,722	576,274,750	37,153,209	1,160,299,170	560,725,230	252,859,200	10,194,603,203	14,747,818	10,209,351,021	1,318,612,429	N/A	10,209,352,021
2019	164,191,422	7,464,151,022	574,241,350	36,490,131	1,167,788,170	562,349,750	256,811,900	10,226,023,745	14,747,818	10,240,771,563	1,137,921,631	N/A	11,005,815,986

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs in each municipality when ordered by the County Board of Taxation

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

N/A Not Applicable

Source: Warren County Tax Assessor

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS, COUNTY OF WARREN  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	<u>2019*</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total County Net Assessed Value</u>
Merrill Creek Reservoir	\$ 220,793,900	1	2.16%
Mansfield Plaza	63,043,100	2	0.62%
DSM Nutritional Products, Inc.	48,056,400	3	0.47%
Food Manufacturers	45,316,900	4	0.44%
Green Eagle Properties	33,190,600	5	0.32%
National Realty Development	27,000,000	6	0.26%
Morris Park Associates	25,200,100	7	0.25%
Hackettstown Interstate, LLC	25,000,000	8	0.24%
Pohatcong Associates	24,235,000	9	0.24%
Greenwich Staton, LP	19,485,000	10	0.19%
	<u>\$ 531,321,000</u>		<u>5.19%</u>

<u>Taxpayer</u>	<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Merrill Creek Reservoir	\$ 229,325,800	1	2.04%
Food Manufacturers, Inc.	63,236,700	2	0.56%
Mansfield Plaza	45,104,800	3	0.40%
DSM Nutritional Products, Inc.	43,000,000	4	0.38%
Crown American Financing	39,860,400	5	0.35%
Phillisburg Associates, LP	32,494,300	6	0.29%
National Realty Devel. Company	31,984,300	7	0.28%
Hackettstown Interstate, LLC	29,237,000	8	0.26%
Crown American / Preit Serv.	26,425,400	9	0.24%
Green Eagle Properties	26,000,000	10	0.23%
	<u>\$ 566,668,700</u>		<u>5.05%</u>

\* Latest available information.

Source: Warren County Board of Taxation

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
COUNTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 3,995,172	\$ 3,995,172	100.00%	\$ -0-
2012	3,995,172	3,995,172	100.00%	-0-
2013	3,995,172	3,995,172	100.00%	-0-
2014	3,995,172	3,995,172	100.00%	-0-
2015	3,995,172	3,995,172	100.00%	-0-
2016	3,995,172	3,995,172	100.00%	-0-
2017	3,995,172	3,995,172	100.00%	-0-
2018	3,995,172	3,995,172	100.00%	-0-
2019	3,995,172	3,995,172	100.00%	-0-
2020	4,075,075	4,075,075	100.00%	-0-

<sup>a</sup> School taxes are collected by the County Treasurer. Under New Jersey State Statute, a County is required to remit to the vocational school district the entire County tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: School District records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities				
					Capital Leases	Capital Leases			
2011	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	0.0000%	\$ -0-	
2012	-0-	-0-	37,376	-0-	-0-	37,376	0.0007%	0.35	
2013	-0-	-0-	31,108	-0-	-0-	31,108	0.0006%	0.29	
2014	-0-	-0-	24,076	-0-	-0-	24,076	0.0005%	0.23	
2015	-0-	-0-	16,187	-0-	-0-	16,187	0.0003%	0.15	
2016	-0-	-0-	7,337	-0-	-0-	7,337	0.0001%	0.07	
2017	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2018	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2019	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2020	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>b</sup>	Total County Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	108,145	\$ 45,657	\$ 4,937,576,265	8.40%
2012	107,538	46,829	5,035,897,002	8.20%
2013	106,721	47,264	5,044,061,344	7.20%
2014	106,855	48,598	5,192,939,290	6.10%
2015	106,869	50,376	5,383,632,744	5.20%
2016	106,617	51,454	5,485,871,118	4.60%
2017	106,798	53,531	5,717,003,738	4.20%
2018	105,779	56,058	5,929,759,182	3.80%
2019	105,267	56,058 *	5,901,057,486 ***	3.30%
2020	105,267 **	56,058 *	5,901,057,486 ***	N/A

\* - Latest Warren County per capita personal income available (2018) was used for calculation purposes.

\*\* - Latest population data available (2019) was used for calculation purposes.

\*\*\* - Latest available population data (2019) and latest available Warren County per capita personal income (2018) was used for calculation purposes

N/A - Information unavailable.

Source: <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development

<sup>c</sup> Total County personal income estimated based upon population times County per capita personal income

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



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS, COUNTY OF WARREN  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2019		
	Employees	Rank (Optional)	Percentage of Total Employment

Not available

Employer	2010		
	Employees	Rank (Optional)	Percentage of Total Employment
Sports & Nutrition Division - Mars	1,000-4,999	1	N/A
MARS North America	1,000-4,999	2	N/A
Warren Hospital	1,000-4,999	3	N/A
Warren County Ostomy Association	1,000-4,999	4	N/A
Flowserve Corp	500-999	5	N/A
Hackettstown Regional Medical	500-999	6	N/A
DSM Nutritional Products	500-999	7	N/A
Atlantic States Cast Iron Pipe	250-499	8	N/A
Shop Rite Supermarket	250-499	9	N/A
National Guard	250-499	10	N/A
	<u>N/A</u>		<u>0.00%</u>

Source: County of Warren

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	29.0	34.0	34.0	34.0	34.0	33.0	33.0	32.0	28.0	27.0
Vocational	22.0	17.0	17.0	18.0	18.0	17.0	18.0	18.0	15.0	16.0
Adult/Continuing Education Programs	3.0	6.0	6.0	5.0	5.0	5.0	3.0	2.0	2.0	2.0
Support Services:										
Student and Instruction Related Services	7.0	7.0	7.0	7.0	7.0	7.0	5.0	5.0	5.0	5.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
General Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	3.0	3.0	3.0
Central Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	7.0	7.0	5.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0
Special Schools	1.0	1.0	1.0	1.0	1.0	1.0				
<b>Total</b>	<b>81.0</b>	<b>84.0</b>	<b>82.0</b>	<b>85.0</b>	<b>85.0</b>	<b>83.0</b>	<b>80.0</b>	<b>76.0</b>	<b>69.0</b>	<b>69.0</b>

Source: District Personnel Records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2011	469.0	\$ 7,883,057	\$ 16,808	-2.80%	47	1:10.0	1:10.0	454.7	429.7	3.06%	94.50%
2012	456.0	8,044,939	17,642	4.96%	44	1:10.4	1:10.4	443.1	420.6	-2.55%	94.92%
2013	481.0	8,308,796	17,274	-2.09%	45	1:10.7	1:10.7	438.3	416.3	-1.08%	94.98%
2014	498.0	8,381,681	16,831	-2.57%	46	1:10.8	1:10.8	459.5	442.5	4.84%	96.30%
2015	482.0	8,733,201	18,119	7.65%	47	1:10.0	1:10.0	480.0	452.1	4.46%	94.19%
2016	477.0	9,306,702	19,511	7.68%	47	1:10.0	1:10.0	473.9	446.0	-1.27%	94.11%
2017	453.5	9,747,605	21,494	10.16%	52	1:11.6	1:11.6	448.5	423.1	-5.36%	94.34%
2018	460.5	10,064,033	21,855	1.68%	52	1:8.8	1:8.8	461.5	433.9	2.90%	94.02%
2019	460.0	10,084,465	21,923	0.31%	53	1:8.7	1:8.7	464.5	437.2	0.65%	94.12%
2020	448.0	9,941,894	22,192	1.23%	45	1:8.7	1:8.7	463.5	447.2	-0.22%	96.48%

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service, capital outlay and special schools.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

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

<sup>d</sup> Cost per pupil represents operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Sources: School District records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Buildings</u>										
High School										
Square Feet	151,926	151,926	151,926	179,000	179,000	179,000	179,000	179,000	179,000	179,000
Capacity (students)	484	484	484	550	550	550	550	550	550	550
Enrollment	469	456	481	498	482	477	453	460	460	448
Board Office										
Square Feet	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046

Number of Schools at June 30, 2020  
 High School = 1

Note: Enrollment is based on the annual October district count.

Source: School District Facilities Office

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>High</u> <u>School</u>
2011	\$ 362,773
2012	402,626
2013	468,162
2014	491,797
2015	489,581
2016	692,240
2017	681,068
2018	663,340
2019	716,995
2020	599,358

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

Source: School District records.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - New Jersey Schools		
Insurance Group		
Property Section:		
Blanket Building and Contents	\$ 43,374,539	\$ 5,000
Flood Coverage	75,000,000	10,000
Liability Section:		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
Workers' Compensation:		
Statutory Benefits	As Required by the State of New Jersey	
School Leaders Professional Liability/Employment		
Practices Liability		
Per Claim/Aggregate Per Member	11,000,000	5,000
Per Occurrence	11,000,000	5,000
Employers' Liability:		
Per Occurrence/Aggregate	2,000,000	
Crime:		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	250,000	1,000
Money and Securities:		
Inside	100,000	500
Outside	100,000	500
Public Official Bond - Selective Insurance:		
Treasurer of School Monies	200,000	
Business Administrator	200,000	
NJ CAP Excess Liability	50,000,000	11,000,000

Source: District's Insurance Agent

SINGLE AUDIT SECTION



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Independent Member  
BKR International

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School (the "District"), a component unit of the County of Warren as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2020.

**Internal Control Over Financial Reporting**

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

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

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



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 financial statements. 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*.

### **Purpose of this Report**

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

December 15, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*

Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Independent Member  
BKR International

Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance

Independent Auditors' Report

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

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

We have audited the Board of Education of the Warren County Vocational-Technical School's (the "District's"), a component unit of the County of Warren, compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2020. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### *Opinions on Each Major State Program*

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

December 15, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*  
Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		
					Restated Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	\$ 17,109	\$	\$ 543	\$ 17,109	\$ (14,474)		\$ 2,635			
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	14,900				(543)					
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	32,260			32,260	(32,260)					
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	46,390	\$ (6,801)		6,801						
School Breakfast Program	10.553	N/A	7/1/19-6/30/20	4,749			4,859	(4,749)			\$ 110		
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	9,449	(1,623)		1,623						
Total Child Nutrition Cluster					(8,424)	543	62,652	(52,026)			2,635	110	
Total U.S. Department of Agriculture					(8,424)	543	62,652	(52,026)			2,635	110	
<b>U.S. Department of Education</b>													
Special Revenue Fund:													
CARES Emergency Relief Grant	84.425D	CARE546020	3/13/20-9/30/22	69,951				(9,999)		\$ (9,999)			
Total CARES Emergency Relief Grant								(9,999)					
Rural Education Achievement Program	84.358A	S358A107754	7/1/19-9/30/20	34,667			34,667	(34,568)			99		
Total Rural Education Achievement Program							34,667	(34,568)			99		
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA546020C	7/1/19-9/30/20	94,443			50,461	(74,909)			(24,448)		
Title I	84.010A	ESEA546019C	7/1/18-9/30/19	106,696	(45,680)		58,948	(13,268)					
Total Title I					(45,680)		109,409	(88,177)			(24,448)		
Title IIA	84.367A	ESEA546020C	7/1/19-9/30/20	16,175	(90)		7,008	(11,864)			(4,856)		
Title IIA	84.367A	ESEA546019C	7/1/18-9/30/19	20,376	(90)		90						
Total Title IIA					(90)		7,098	(11,864)			(4,856)		
Title IV	84.424	ESEA546020C	7/1/19-9/30/20	10,000	(45,770)		4,894	(9,985)			(5,091)		
Total Elementary and Secondary Education Act					(45,770)		121,401	(110,026)			(34,395)		
Carl D. Perkins Secondary	84.048	PERK546020	7/1/19-6/30/20	49,860			17,743	(45,756)			(28,013)		
Carl D. Perkins Secondary	84.048	PERK546019	7/1/18-6/30/19	50,124		\$ 631						631	
Carl D. Perkins Secondary	84.048	PERK546018	7/1/17-6/30/18	47,993		2,162							2,162
Carl D. Perkins Secondary	84.048	PERK546017	7/1/16-6/30/17	46,991		400			\$ (400)				
Carl D. Perkins Secondary	84.048	PERK546016	7/1/15-6/30/16	43,141		428			(428)				
Carl D. Perkins Post Secondary	84.048	PERK546020	7/1/19-6/30/20	79,441			79,441	(79,441)					
Total Carl D. Perkins						3,621	97,184	(125,197)	(828)		(28,013)	2,793	
Special Education Cluster:													
LIDEA, Part B, Basic	84.027	IDEA546020	7/1/19-9/30/20	110,131			110,131	(110,131)					
Total Special Education Cluster							110,131	(110,131)					
Total U.S. Department of Education					(45,770)		363,383	(389,921)	(828)		(72,407)	99	2,793
Total Federal Awards					\$ (54,194)	\$ 543	\$ 426,035	\$ (441,947)	\$ (828)	\$ (72,407)	\$ 2,734	\$ 2,903	\$ -0-
N/A - Not Available/Applicable													

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WARREN COUNTY VOCATIONAL-TECHNICAL-SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO Cumulative Total Expenditures		
				Restated					GAAP Accounts Receivable	Budgetary Due to Grantor		GAAP Accounts Receivable	Budgetary Due to Grantor
				Budgetary Accounts Receivable	Due to Grantor								
NJ Department of Education: General Fund State Aid:													
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 2,796,657		\$ 2,519,802	\$ (2,796,657)				\$ (276,855)	\$ 2,796,657		
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	212,027		191,037	(212,027)				(20,990)	212,027		
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	302,273		272,350	(302,273)				(29,923)	302,273		
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	27,869		25,110	(27,869)				(2,759)	27,869		
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	253,162		240,440	(253,162)				(12,722)	253,162		
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	268,028		268,028	(268,028)					268,028		
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	709,763		709,763	(709,763)					709,763		
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	12,722		12,722	(12,722)					12,722		
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	707		707	(707)					707		
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,793,754	\$ (276,541)	276,541						2,793,754		
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	212,027	(20,988)	20,988						212,027		
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	273,356	(27,057)	27,057						273,356		
Categorical Security Aid	19-495-034-5120-084	7/1/18-6/30/19	27,869	(2,759)	2,759						27,869		
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	242,255	(11,889)	11,889						242,255		
Total General Fund State Aid				(339,234)	4,579,193	(4,583,208)			(12,722)	(343,249)	8,132,469		
Food Service Fund:													
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	989		989	(989)					989		
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	1,465	(208)	208						1,465		
Total Enterprise Fund				(208)	1,197	(989)					2,454		
Special Revenue Fund:													
NJ Department of Labor and Workforce Development:													
Apprenticeship Coordinator	N/A	7/1/19-6/30/20	9,999		8,059	(1,379)				\$ 6,680	1,379		
Apprenticeship Coordinator	N/A	7/1/18-6/30/19	10,600	(1,755)	2,629			\$ (117)		757	5,397		
Apprenticeship Coordinator	N/A	7/1/14-6/30/16	27,000		5,453			(5,453)			21,547		
Apprenticeship Coordinator	N/A	7/1/13-6/30/14	10,000	661				(661)			9,339		
Total Department of Labor and Workforce Development				(1,755)	6,114	(1,379)		(6,114)		7,437	37,662		
Total Special Revenue Fund				(1,755)	6,114	(1,379)		(6,114)		7,437	37,662		

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor			GAAP Accounts Receivable	Budgetary Due to Grantor	
NJ Schools Development Authority:										
Capital Projects Fund:										
Educational Facilities Construction and Financing Act:										
Toilet Project	5460-050-13-2002	6/2/2016 - 6/30/19	\$ 192,000	\$ (192,000)		\$ 192,000				
Total NJ Schools Development Authority				(192,000)		192,000				
Total State Awards				\$ (533,197)	\$ 6,114	\$ 4,783,078	\$ (6,114)	\$ (12,722)	\$ 7,437	\$ (343,249)
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20								\$ 268,028
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20								709,763
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20								12,722
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20								707
Subtotal - On-Behalf TPAF Pension System Contributions										991,220
Total State Awards Subject to Single Audit Major Program Determination										\$ (3,594,356)

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren County Vocational-Technical School under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,182) for the General Fund and (\$14,700) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and revenue are reported on the Board's basic financial statements on a GAAP basis as presented in the table on the following page.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,580,026	\$ 4,580,026
Special Revenue Fund	\$ 375,221	1,379	376,600
Enterprise Fund - Food Service Fund	<u>52,026</u>	<u>989</u>	<u>53,015</u>
Total Federal and State Awards	<u>\$ 427,247</u>	<u>\$ 4,582,394</u>	<u>\$ 5,009,641</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2020.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for its major state award programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 2,796,657	\$ 2,796,657
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	302,273	302,273
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	27,869	27,869

- The District was determined to be a "low-risk" auditee for state programs.
- The threshold used for distinguishing between Type A and B state programs was \$750,000.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.